

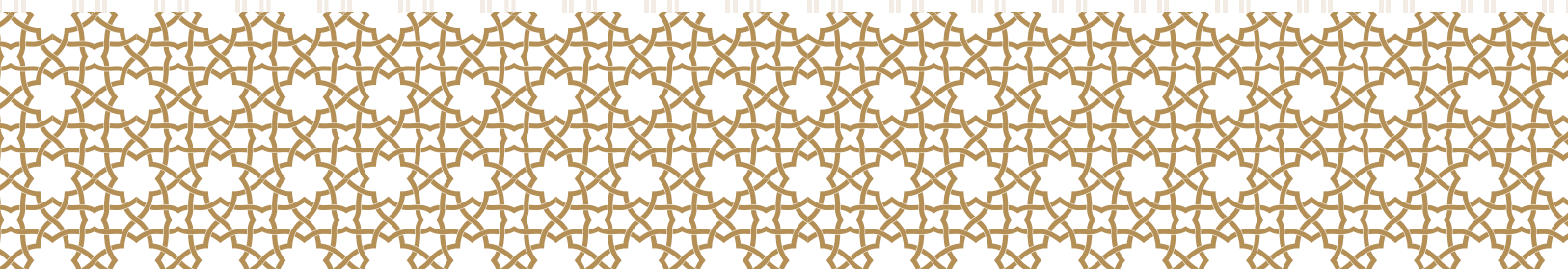
GROUP OPERATIONS EVALUATION DEPARTMENT

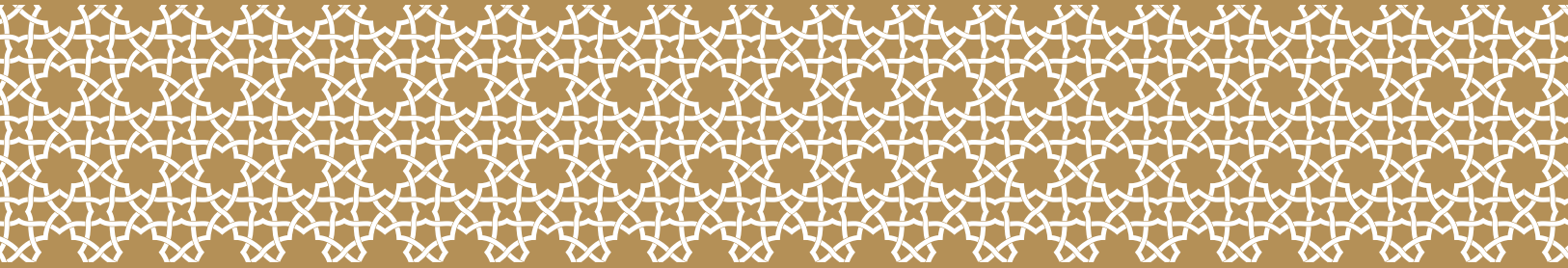
ANNUAL EVALUATION REPORT

FOR THE YEAR 1436 H



Islamic Development Bank Group
GROUP OPERATIONS EVALUATION DEPARTMENT





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ACRONYMS AND ABBREVIATIONS

AADT	Annual Average Daily Traffic
AER	Annual Evaluation Report
ADM	Société Nationale des Autoroutes du Maroc
AfDB	African Development Bank
AfrEA	African Evaluation Association
AMCI	Technical Cooperation Agency in Morocco
APIF	Awqaf Properties Investment Fund
ARD	Agriculture and Rural Development
AsDB /	
ADB	Asian Development Bank
BCC	Berber Cement Company
BED	Board of Executive Directors
BEP	Bilingual Education Program
BoQ	Bill of Quantity
BSTDB	Black Sea Trade and Development Bank
CAE	Country Assistance Evaluation
CCD	Co-operation & Capacity Development
CDD	Capacity Development Department
CFA	West African CFA Franc
CGO	Country Gateway Office
CMC	Community Medical Centers
CME	Continuous Medical Education
COP21	The Annual Conference of Parties
CTY	Country Programs Department
DAC	Development Assistance Committee
DED	Detailed Engineering Design
EA	Executing Agency
EBRD	European Bank for Reconstruction and Development
ECG	Evaluation Cooperation Group
EIB	European Investment Bank
EIRR	Economic Internal Rate of Return
FER	Road Maintenance Fund
FIRR	Financial Internal Rate of Return
G	Gregorian Year
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GCC	Gambia Groundnut Corporation
GoA	Government of Azerbaijan
GOE	Group Operations Evaluation
GPEDC	Global Partnership for Effective Development Cooperation
GPS	Good Practice Standards
GWh	Gigawatt hour
H	Hijra Year
HDE	Human Development
IaDB	Inter-American Development Bank
ICD	Islamic Corporation for the Development of the Private Sector
ICIEC	Islamic Corporation for the Insurance of Investment and Export Credit
ICT	Information and Communications Technology
ID	Islamic Dinar
IDB	Islamic Development Bank
IDBG	Islamic Development Bank Group
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
INF	Infrastructure Department
IPP	Independent Power Plant
IRTI	Islamic Research and Training Institute

ISFD	Islamic Solidarity Fund for Development
ITFC	International Islamic Trade Finance Corporation
KISR	Kuwait Institute of Science and Research
km	kilo meter
kV	kilo Volt
KWh	Kilowatt-hour
LFG	Landfill Gas
LOF	Line of Financing
M&E	Monitoring and Evaluation
MC	Member Country
MCPS	Member Country Partnership Strategy
MDB	Multilateral Development Bank
MDG	Millennium Development Goal
MENA	Middle East and North Africa
MoU	Memorandum of Understanding
MSW	Municipal Solid Waste
MTBP	Medium Term Business Plan
MW	Megawatt
NCB	National Competitive Bidding
NGO	Non-Governmental Organization
NMC	Non-Member Country
O&M	Operation and Maintenance
OC	Operations Complex
OCR	Ordinary Capital Resources of IDB
OECD -	
DAC	Organization of Economic Cooperation & Development – Development Assistance Committee
OIC	Organization of Islamic Cooperation
ONEE	Moroccan electricity and water utility company
OPSD	Operations Policy and Services Department
PCR	Project Completion Report
PDU	President Delivery Unit
PIASR	Project Implementation Assessment and Support Report
PL	Project Level
PMU	Project Management Unit
PPER	Project Performance Evaluation Report
PPP	Public-Private Partnership
QaE	Quality at Entry
S&T	Science and Technology
SDG	Sustainable Development Goals
SME	Small and Medium Enterprise
SPE	Special Assistance Operation
STI	Science, Technology, and Innovation
TA	Technical Assistance
TAP	Technical Assistance Program
TCB	Trading Corporation of Bangladesh
UN	United Nations
UNEG	United Nations Evaluation Group
US\$	US Dollars
VOC	Vehicle Operating Cost
WB	The World Bank
WBG	The World Bank Group
WP	Work Program
WWTP	Waste Water Treatment Plant



AZERBAIJAN - SAMUR-ABSHERON IRRIGATION PROJECT

EXECUTIVE SUMMARY

The 1436H Annual Evaluation Report (AER) synthesizes the overall findings of evaluations carried out by the Group Operations Evaluation (GOE) Department during the year 1436H, highlighting the performance of Islamic Development Bank (IDB) Group interventions covered, key lessons learned, and emerging recommendations.

During the year, the GOE Department carried out twenty-three OCR project post-evaluations across various sectors in seventeen different member countries. In addition, during 1436H, the GOE Department conducted post-evaluations of four Special Assistance Projects and of two private sector interventions by ICD, and carried out one CAE. The Department also completed three Evaluation Syntheses (Agriculture, Energy, and Special Assistance), finalized one program evaluation and one thematic evaluation, and validated twelve Project Completion Reports (PCR) in 1436H.

The OCR projects evaluated were rated as follows: 9% Highly Successful, 69% Successful, 22% Partly Successful, and no project this year was classified as Unsuccessful. Overall, 78% of the projects post-evaluated in 1436H were rated as either Successful or Highly Successful. Two Special Assistance projects were rated as Successful and another two were rated as Partly Successful. In addition, employing the private sector rating scale, one of the two private sector ICD operations was rated Successful and the other Mostly Unsuccessful.

The report also includes examples of contribution made by evaluated interventions in terms of development results. With respect to Human Development, IDB interventions in the Education sector in favor of Member Countries such as Benin and Togo and of Muslim communities in non-Member countries such as China have had mixed developmental results.

On the one hand, construction of 300 classrooms and of student accommodations contributed to long-term socioeconomic outcomes and increased access to basic education by 19,021 students. On the other hand, issues relating to physical sustainability of project facilities and changes in design and utilization of constructed facilities have diminished overall potential with respect to developmental impact.

In the Health sector, one project level intervention evaluated was found to have contributed to strengthening health coverage in Tunisia through construction of eleven new health facilities, expansion of specialized medical services in regional and peripheral hospitals, and acquisition of supplies and medical equipment. Overall, the project has a total reach of 3.6 million people.

In the Water and Sanitation sector, this year the GOE evaluated four projects in Bangladesh, Morocco, Qatar, and Turkey, respectively. The Morocco project was found to have contributed significantly to providing 101 million m³ of potable water to more than 155 villages. Similarly, the Yalova and Bolu Sewerage Program in Turkey is now benefitting a population of 302,712 with sewerage connection and treatment of an average of 80,000 m³/day of wastewater. With regards to evaluated Infrastructure projects, significant outcomes were generated by projects within the Energy and Transport sector. In 1436H, five projects were evaluated in the Energy Sector in Azerbaijan, Djibouti, Jordan, Morocco, and Sudan. Project outputs include: an energy-generating plant with the capacity to treat 500,000 tons of waste and generate 230 GWh from waste incineration annually; two gas turbine generators of 127 MW each; three gas turbines with a total installed capacity of 300 MW; a new power plant equipped with appropriate facilities and a 20-KV network system; and a new instrumentation and control system and improvement of mechanical systems and associated electrical auxiliaries. Overall, the five projects have contributed significantly to both energy generation and distribution in the aforementioned countries.

In the Transport sector, nine projects were post-evaluated in seven different African countries (Benin, Burkina Faso, Chad, Gabon, Mali, Morocco, and Senegal). These projects were concentrated only in the road subsector. Seven of the projects (Chad, Gabon, Mali, Morocco and Senegal) provided a total of 549 km bituminous concrete layer roads, while the remaining two (Benin, Burkina Faso) provided 253 km of double surface layer paved roads. Construction of these roads included associated drainage, bridges, traffic control signage, and pedestrian crossings. The road projects post-evaluated contributed significantly to enhancing accessibility, improving road safety, and

boosting economic activities in the projects' areas. While most projects had very positive outcomes, the road project in Gabon was an exception.

The project's 122-km two-lane road is still highly underutilized, four years after project completion. Ultimately, the project made no significant contribution to regional integration as was the project's intended outcome, since the portion across the Republic of the Congo (Brazzaville) border has yet to be constructed at the time of evaluation and thus the road was never officially opened. either the only one, or at times one of the few major players on the market, offering Shariah-compliant trade financing; and (v) playing an educational role in Islamic financing to companies, ministries, and government regulators.

During 1436H, the GOE Department post-evaluated two projects in the private sector from ICD and launched a major thematic trade finance evaluation of ITFC activities in Turkey, Bangladesh, Indonesia, and Morocco. The performance of the two ICD projects were markedly different, and their overall developmental outcome was assessed to be mixed. For instance, the global line of financing extended to a major bank in Uzbekistan was found to have had a positive effect on the local population through employment generation.

The seventeen beneficiary SMEs have successfully created more than 300 additional permanent jobs and about 100 temporary jobs. The SMEs were found to be financially sound, making profits and paying installments to ICD. On the other hand, ICD's equity investment in a cement production company in Sudan was not found to be as successful. The factory is operating at 30-40% of its capacity, as the unstable power supply from the national grid has significantly hampered production.

ITFC activities provided four major benefits to most of the case study countries that can be summarized as follows: (i) providing a strategic commodity (oil) that has a high impact on the economy as a whole; (ii) creating a demonstration effect through which companies are able to leverage better financing rates from commercial banks by using ITFC's approvals as a basis; (iii) assisting companies to increase parallel



A SECTION OF THE SARAYA-KITA REGIONAL ROAD, MALI



financing from commercial banks by improving their balance sheets; (iv) providing an alternative to conventional financing instruments since ITFC was quite often either the only one, or at times one of the few major players on the market, offering Shariah-compliant trade financing; and (v) playing an educational role in Islamic financing to companies, ministries, and government regulators.

A number of important and strategic lessons learned were generated and have been summarized under five specific themes.

In the Energy sector, some of the main lessons generated were: (i) A strong institutional framework in the Public Private Partnership model ensures mitigation of risk with a clear understanding between all parties that enables smooth implementation and operation; (ii) Instituting necessary O&M arrangements, particularly in fragile states, are crucial to achieving project sustainability; and (iii) Installation of a proper fire-fighting and smoke-detection system as part of a comprehensive ISO certification for power plants is a crucial measure to ensure plant safety.

Lessons in the Transport sector were: (i) Commitment of all parties during appraisal to jointly manage road corridor projects between countries and co-financiers ensures smooth project implementation; (ii) Incorporating axle load control stations for highways in the project design mitigates rapid deterioration of roads; and (iii) Raising dedicated funds with strong institutional oversight for road maintenance improves sustainability of road projects.

Similarly, lessons from Agriculture Sector evaluations were mainly: (i) Engaging beneficiaries in management of water resource projects is key to project success; (ii) An integrated approach works well in Rural Development, provided a strong PMU backed by a proactive local government ensures coordination among stakeholders and different sectors; and (iii) Minimizing number of contracts for procurement avoids project delays.

Finally, evaluations from the private sector highlighted lessons such as the following: (i) Leveraging on the reputation and contacts of ITFC enables clients to enhance their business development activities; (ii) Specifying a quality risk-mitigation plan as part of a risk-assessment exercise enhances the quality of due

diligence; (iii) Innovations in ITFC product offerings by simplification of reporting arrangements boosts client satisfaction; and (iv) Regular supervision of SME progress ensures timely repayments and tracking of developmental results for ICD projects.

Lastly, seventy-five follow-up actions and recommendations, supported by fact-based evidence and emanating from evaluations, were addressed to IDB Group Departments and Members to undertake necessary strategic and operational actions. Overall, management responses show commitment of the IDB Group to implement the follow-up actions and recommendations emerging from the 1436H evaluations.



WATER DAM IN TAZA, MOROCCO





CHAPTER - 1

INTRODUCTION

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

A. Background and Objectives

The Group Operations Evaluation (GOE) Department is responsible for evaluating the operations of the Islamic Development Bank and of IDB Group members such as the Islamic Research and Training Institute (IRTI), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Corporation for Development of the Private Sector (ICD), the Islamic Solidarity Fund for Development (ISFD), and the International Islamic Trade Finance Corporation (ITFC)¹. The evaluation's primary objective – achieved by providing independent, impartial, and evidence-based analyses of the relevance, efficiency, and effectiveness of Group operations and sustainability of results achieved – is to help the IDB Group achieve maximum development results. Also resulting from evaluation are practical lessons learned with respect to operations that will, in turn, be applied to enhance future interventions of the IDB Group in its member countries. To ensure its independence and autonomy, the GOE Department reports directly to the IDB's Board of Executive Directors and, for administrative matters, to the Chairman of the IDB Group.

The GOE Department disseminates evaluation results and findings of evaluation activities to the organizations' internal and external stakeholders, while striving to ensure alignment and compliance with evolving global standards and best practices relating to evaluation.



RURAL ROAD IN BENIN

IDB Group's Operation Approvals in 1436H

In terms of the Group members' share in total approvals, 1436H's ITFC activities were the largest at 52.9 percent (US\$ 6.4 billion), followed by IDB's Ordinary Capital Resources (IDB-OCR) at 40.6 percent (US\$ 4.9 billion) and ICD at 5.5 percent (US\$ 666.9 million) with Special Funds (APIF and UIF) and Special Assistance Operations accounting for 0.9 percent and 0.1 percent, respectively. With respect to growth

in net approvals during 1436H, ICD registered the highest at 112.8 percent, with APIF at 39.6 percent and ITFC at 24.5 percent. IDB-OCR and UIF recorded decreases of 4 percent and 57.5 percent, respectively. Regionally, the Middle East and North Africa received the largest share of IDB Group net approvals in 1436H at 44.3 percent (US\$ 5.4 billion), followed by Sub-Saharan Africa at 29.7 percent (US\$ 3.6 billion), Asia at 20.8 percent (US\$ 2.5 billion), and the Commonwealth of Independent States at 3.2 percent (US\$ 382.8 million). By country, the top five recipients of IDB Group financing in 1436H were Egypt at 16.6 percent (US\$ 2.0 billion), Turkey at 16.2 percent (US\$ 2 billion), Bangladesh at 9.8 percent (US\$ 1.2 billion), Pakistan at 9 percent (US\$ 1.1 billion), and Senegal at 3.9 percent (US\$ 469.6 million).

Between 1396H and 1436H, IDB Group net approvals totaled 7907 projects and operations for US\$ 113.6 billion. Excluded from this amount were ICIEC's insurance commitments of US\$ 27.6 billion and business insurance operations of US\$ 27.5 billion. Of these Group approvals, IDB-OCR accounted for 41 percent, with ITFC accounting for 25 percent, ICD for a total of 3 percent, and other funds for the remaining 31 percent.² Group disbursements in 1436H totaled US\$ 6.9 billion compared to US\$ 5 billion in 1435H, while repayment in 1436H was US\$ 2.8 billion compared to US\$ 3.9 billion in 1435H. Cumulatively, IDB Group disbursements totaled US\$ 71.4 billion, and

¹ IDB Group members and years of inception are as follows: IDB (1975), IRTI (1981), ICIEC (1994), ICD (1999), ISFD (2005) ITFC (2008).

² IDB Annual Report 1436H and data are from the Data, Resources and Statistics Division.



RURAL MARKETS DEVELOPED ALONG THE KAYA DORI ROAD, BURKINA FASO

repayments reached US\$ 54.9 billion, resulting in net resource transfers of US\$ 16.5 billion.

Development Effectiveness and Results

Evaluation results – findings, conclusions, and recommendations – are primarily addressed to IDB Group Management and, in addition, to recipient governments, line ministries, executing agencies, and other specialized users, as well as to the general public. Evaluation findings are important for both accountability and learning, which points the way to future improvements. According to a current global consensus, donor agencies and recipient countries should be accountable to each other for demonstrating results produced in accordance with the Paris Declaration on Aid Effectiveness. In the same vein, Accra Agenda of Action and the Fourth High Level Forum (HLF4) in Busan, Korea, expanded cooperation with respect to development and a greater focus on delivery of results.

The key principles of the agreed-upon global development agenda are: (i) A country-led and country-owned development agenda; (ii) Strengthening the institutional capacity of countries to lead and sustain the development process; (iii) Increased use of country systems; and (iv) Mutual accountability for delivery of development results. The Annual Conference of Parties (COP21), held in Paris in December 2015, underlined the importance

of greater cooperation in creating opportunities to bolster business innovation and bring scale to climate solutions for a green economy.

As we enter the era of Sustainable Development Goals, around 836 million people still live on less than US\$ 1.25 a day, and more than 795 million people do not have enough food to eat. Estimations from the intergovernmental committee of experts on sustainable development financing have estimated the cost of providing a social safety net to eradicate extreme poverty at about US\$ 66 billion a year, with annual investments aimed at improving global infrastructure (water, agriculture, transport, power) totaling between US\$ 5 and 7 trillion. In this regard, sustainable development goals (SDGs), which United Nations (UN) member states employ in framing their agendas and policies, constitute a new, universal goal set with targets and indicators that will stimulate action over the next fifteen years in areas of critical importance to humanity and to the planet. Most recently, in March 2016 during the 47th Session of the United Nations Statistical Commission, the complete set of 230 global indicators and a robust framework intended for follow-up and review of global-level progress towards achieving the seventeen SDGs were finalized.

B. Evaluation Planning, Methodology, and Criteria

Planning Process

The GOE Department discharges its duties, conducts evaluations, and disseminates findings and lessons learned from its evaluations based on an annual Work Program (WP) approved by the Audit Committee of the Board of Executive Directors. The GOE Department's Work Program for 1436H was prepared in accordance with the provisions of its three-year rolling Work Program for the period 2016-18, which highlights strategic priorities, human resource requirements, and budgetary resources needed to implement the Work Program. The planning process is fully aligned with the IDBG Score Card Results Framework developed in line with the IDBG ten-year strategy.



RENOVATED SCHOOL IN MOZAMBIQUE

Selection of Completed Projects under Ordinary Operations for Post-Evaluation

As per the practice in the past four years, the GOE Department selected OCR projects to be post-evaluated on a random basis. The long list of projects eligible for post-evaluation was prepared based on the following criteria:

Time factor: Projects completed during the period 1429H-1433H (2008-2012G) and approved after 1424H (2003G) were considered pertinent for post-evaluation purposes in providing sufficient and accurate information to enhance quality of post-evaluation reports. The rationale for excluding projects completed after 1433H is that their operations would not have been of sufficient length to have produced their intended outcomes and impacts and to have encountered issues affecting sustainability. The purpose of excluding projects approved prior to 1424H (2003G) is two-fold: (a) Data and information concerning the implementation of these projects would be difficult to trace and (b) These projects were appraised much earlier and, since the project cycle has evolved significantly since their appraisals, lessons drawn from them would have less relevance to the IDB's current operational processes.

Exclusion of projects financed under lines of financing: The projects financed under lines of financing were excluded as these tended to be small projects. However, the lines themselves may be covered in the future as thematic evaluations. **Exclusion of projects that have already been post-evaluated:** All projects already post-evaluated or covered under special or thematic evaluation have been excluded.

Compliance with Evaluation Good Practice Standards

In assessing public sector projects, the Department follows the widely accepted evaluation criteria of the Organization of Economic Cooperation and Development-Development Assistance Committee (OECD-DAC), namely Relevance, Efficiency, Effectiveness, and Sustainability.

These criteria enable assessment as to whether IDB interventions were aligned with the recipient country's priorities and development strategies and with the IDB's own vision and strategic agenda. Also through the evaluation criteria, the extent to which targeted results set at the appraisal stage were achieved can be assessed, how efficient the project was in terms of resources and time expended to achieve results, and how sustainable development results are.

In assessing private sector projects, the Department looks at financial and economic viability, contribution to the development of Islamic finance, conformity to accepted environmental and social standards, and value added to private sector development. In both public and private sectors, the GOE Department adheres to Good Practice Standards (GPS) set by the Evaluation Cooperation Group (ECG), an international body formed by the evaluation departments of the Multilateral Development Banks (MDBs).

Credibility of the Evaluation Findings

In addition to complying with GPS in conducting evaluation activities, the GOE Department employs several measures to ensure credibility of information

and data used in the evaluation exercises. First, appropriate attention is paid to evaluation design, and stakeholders are actively engaged in the process even at the early stages of the process.

One of the most important of the measures taken to ensure credibility is the several validation processes that evaluation findings undergo throughout the evaluation exercise.

The first such validation is carried out at the end of the evaluation mission during wrap-up

meetings with executing agencies and government representatives; the second validation is carried out in the GOE Department's Weekly Meetings; the third is conducted through a rigorous peer review process in which at least three GOED evaluators review the draft evaluation report and provide suggestions for improving it; the fourth validation is done by the concerned Department/Member of the IDB Group; in the fifth validation, the report is shared with the concerned beneficiaries, who provide comments before the issuance of the report as an official GOE Department evaluation product.

C. Enabling Activities

During 1436H, the GOE Department Knowledge Portal and Information System for GOED knowledge products, lessons learned, and project photos was launched. As a member of the ECG, the GOE Department participates in ECG activities.³

GOE Department staff undertook such capacity-building activities as specialized sector training (Health Sector Monitoring and Evaluation Training by KIT-Netherlands) and a familiarization visit to the World Bank and to the Asian Development Bank (AsDB), where the mission also participated in the "Evaluation Learning Event." In addition, the GOE Department offered two three-day development



CAPACITY BUILDING SUPPORT TO KISR, KUWAIT



³ The IDB, through the GOE Department, became a full member of the ECG on November 2010 after a thorough review of its evaluation system and products by an independent consultant. ECG currently has ten permanent members: African Development Bank (AfDB), Asian Development Bank (AsDB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IaDB), International Fund for Agricultural Development (IFAD), International Monetary Fund (IMF), Islamic Development Bank (IDB), Black Sea Trade and Development Bank (BSTDB), and The World Bank Group (WBG). Three institutions hold permanent observer status: Global Environment Facility Evaluation Office, Evaluation Network of the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD-DAC), and United Nations Evaluation Group (UNEG).

evaluation orientations to officials of the various line ministries of Kuwait, one held at the Supreme Council of Planning and Development of Kuwait and a separate workshop for the Kuwait Institute of Science and Research (KISR).

During the year, the Department also prepared the second IDB Group Symposium on Development Evaluations and Results.

D. Structure of the Report

In addition to this chapter, the report includes three other chapters: Chapter II. Performance Analysis, Chapter III. Development Results, and Chapter IV. Lessons Learned, Follow-up Actions, and Recommendations. The following paragraphs highlight the main features of each chapter.

Chapter II introduces criteria-based evaluation and assesses performance of post-evaluated projects over the past few years. Specifically, projects' overall development outcomes in the public sector were rated using a four-point scale based on their relevance, efficiency, effectiveness, and sustainability. Within the chapter, the experience accumulated by the GOE Department in project evaluation is delineated, drawing on Good Practice Standards.

Pertinent project performance issues such as changes of scope, delays, and sustainability are discussed in addition to the bank's performance and that of beneficiaries, contractors, consultants, and executing agencies. Also analyzed are the effect of sectoral and regional trends on project ratings. The chapter also includes an overview of higher level evaluations.

Chapter III outlines the development results of the interventions evaluated in 1436H and discusses their outputs, outcomes, and impacts in each sector. Sectorial results provided in the chapter encapsulate both project level evaluations and higher level evaluations conducted during the year 1436H. Success factors as well as development challenges are also highlighted.

Lastly, Chapter IV focuses on the lessons learned, follow-up actions taken, and recommendations drawn from the evaluations undertaken during 1436H. In this chapter, lessons learned were synthesized into

five learning themes that emerged from the 1436H evaluations based primarily on separate sectors followed by a cross-cutting learning theme. The end of the chapter provides a summary of follow-up actions and recommendations of 1436H evaluations.









CHAPTER - 2 PERFORMANCE ANALYSIS

- A. Overview
- B. Overall Assessment
- C. Criteria-Based Analysis

A. Overview

During 1436H, the GOE Department conducted forty-seven evaluations, representing a 12% increase over 1435H's 43 evaluations. As shown in Figure II-1, the number of Ordinary Capital Resources (OCR) projects

post-evaluated in 1436H was twenty-three, the same number as in 1435H, and these span six sectors and seventeen member countries (Figure II-2).

Figure II-1: Number of OCR Project Evaluations during 1432H-1436H

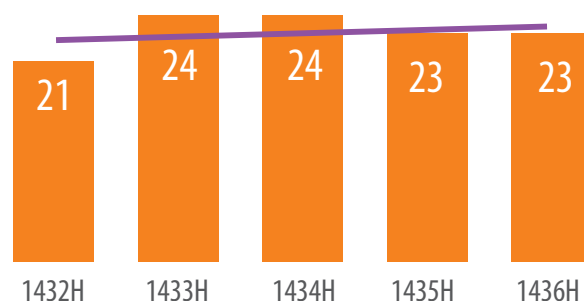
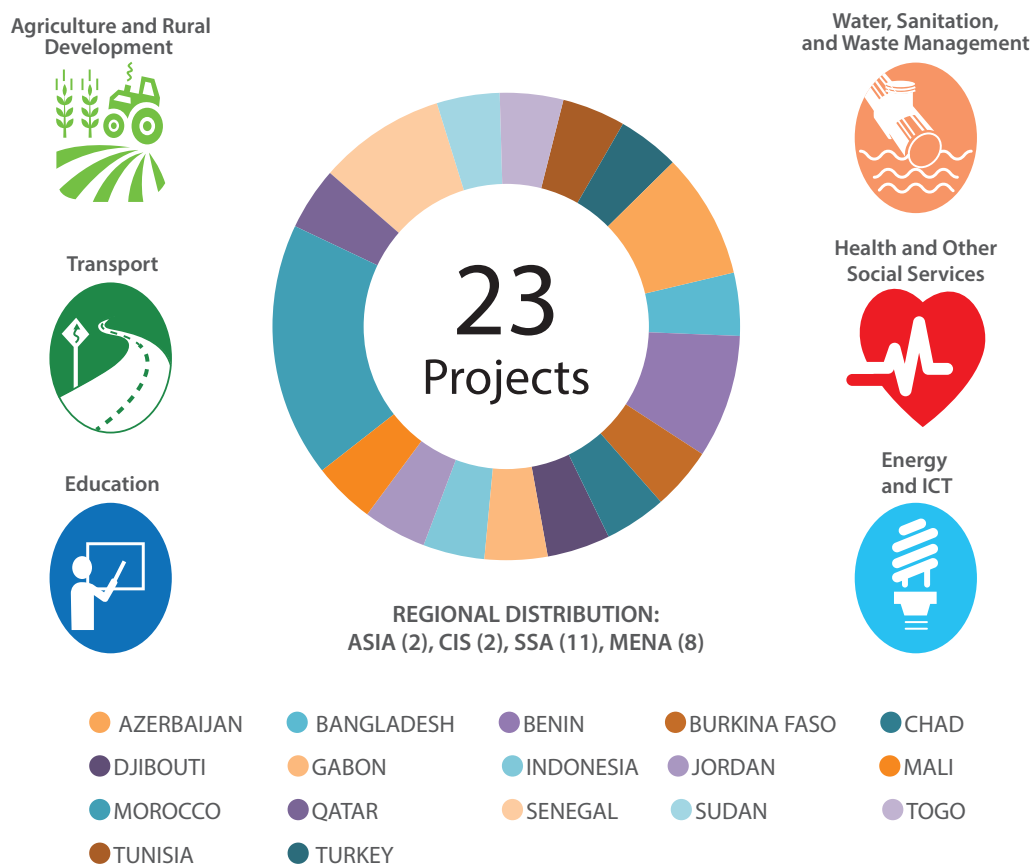


Figure II-2: Sector and Country Coverage of 1436H Project Evaluations



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

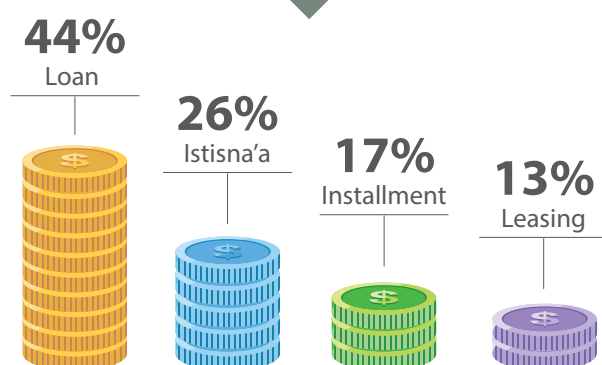
Table II-1: Other Evaluations Undertaken

Type of Evaluation	Number Undertaken
Program Evaluation (S&T)	1
Country Assistance Evaluation	1
Private Sector Projects Evaluation	2
Evaluation Synthesis Report (Agriculture, Energy and Special Evaluations)	3
Cluster Evaluation of four Special Assistance Operations Evaluations	1
Thematic Evaluation of Trade Finance Program Country Case Studies	4
Project Completion Report – Evaluation Notes	12

With respect to mode of financing employed in evaluated OCR projects, lending accounted for the majority, with 44% of all evaluated operations using

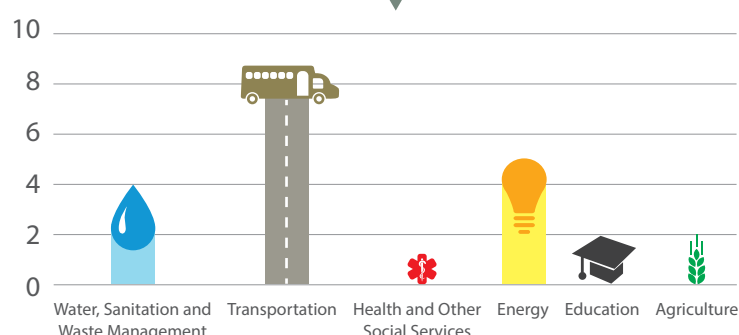
this type of financing. As shown in Figure II-3 below, other financing modes employed, in decreasing order, were Istisna'a (26%), Installment Sale (17%), and Leasing (13%).

Figure II-3: Mode of Finance Distribution



With respect to sector distribution of projects evaluated in 1436H, transportation ones accounted for the largest segment with nine projects constituting 39% of all post-evaluations as shown in Figure II-4. Other sectors, in decreasing order, were Energy with five projects accounting for 22% of all project evaluations and Water, Sanitation, and Waste Management with four projects for 17% of all projects evaluated. Finally, the Agriculture and Education sectors each had a 9% share of post-evaluations with two projects evaluated for each. Details on the main indicators for 1436H's post-evaluated projects are given in Annex-A.

Figure II-4: Sector Distribution



B. Overall Assessment

Performance assessment of the evaluated projects was based on a four-point rating scale comprised of the following rating descriptions: Highly Successful, Successful, Partly Successful, and Unsuccessful. Among the twenty-three OCR projects evaluated, two projects (9%) were rated Highly Successful.⁴

⁴ The GOE Department employs the following four-point scale as its criteria to measure a project's overall development outcome: Highly Successful: Score $\geq 85\%$; Successful: $60\% \leq \text{Score} < 85\%$; Partly Successful: $30\% \leq \text{Score} < 60\%$; Unsuccessful: Score $< 30\%$.

sixteen projects (69%) were rated Successful, and five projects (22%) were rated Partly Successful. For the year 1436H, no OCR project was evaluated as Unsuccessful. Thus, overall, 78% of the OCR projects post-evaluated in 1436H were rated as either Successful or Highly Successful, an improvement of 4% over 1435H's evaluations.

Figure II-5: Performance Ratings of 1436H-Evaluated OCR Projects

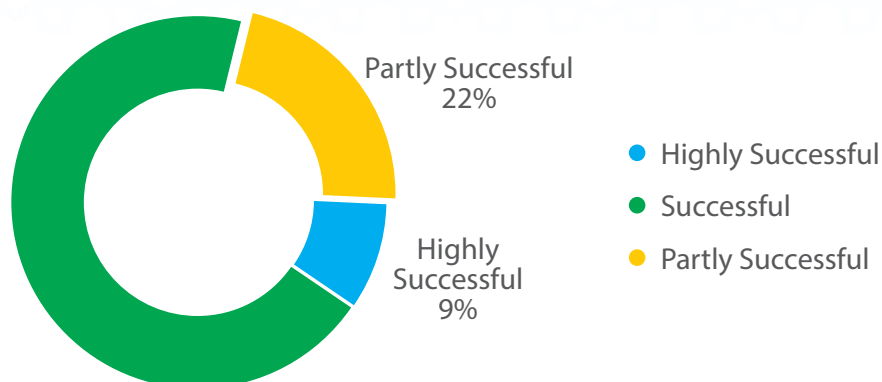
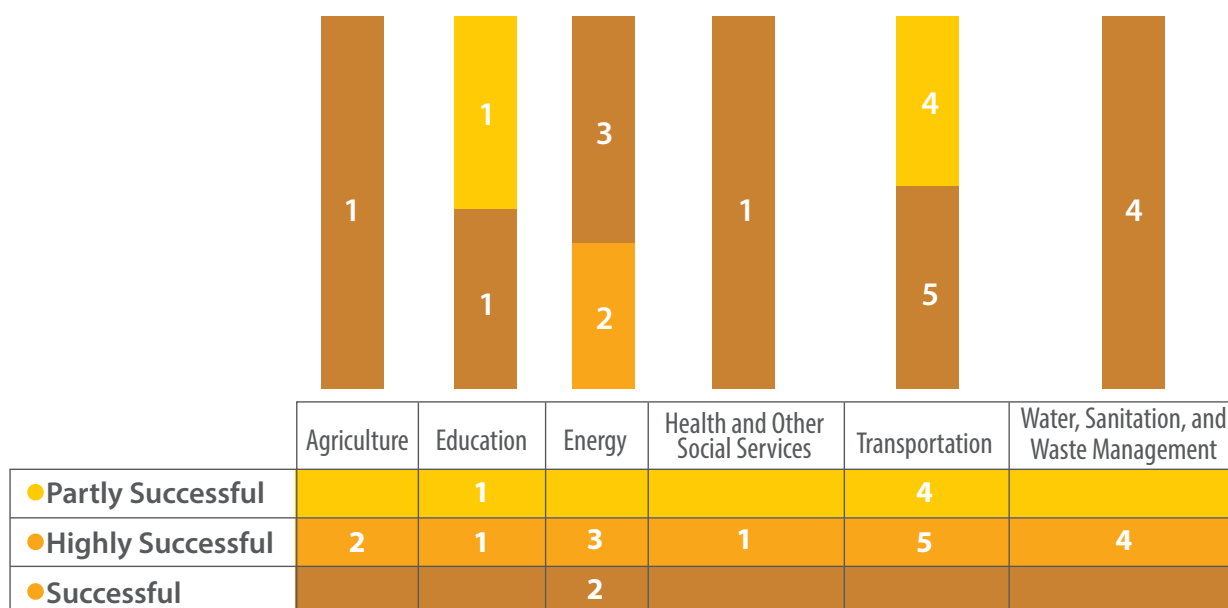


Table II-2: Sector Performance Ratings of 1436H-Evaluated OCR Projects



The criteria-based ratings of all post-evaluated OCR projects are shown in Annex-D. The Transportation sector represents the majority of partly successful projects due to issues associated with contractor and consultant selection, administrative delays, and lack of proper supervision. Chapter III discusses projects

in greater detail, and Chapter IV elaborates on and analyzes the underlying reasons for these project performance results.

The combined Highly Successful and Successful performance level of evaluated OCR projects has remained in the same range for the past four years.

Whereas 1436H's combined success rating was 78%, those of the preceding three years were as follows: 1435H (74%), 1434H (78%), and 1433H (75%).

A year-on-year ratings comparison should be done with the caveat that projects evaluated in different years do not have comparable approval and completion dates. In addition to OCR projects, two private sector operations financed by ICD were also post evaluated; one was rated as Successful and the other as Mostly Unsuccessful on an overall basis using the private sector rating scale.⁵

C. Criteria-Based Analysis

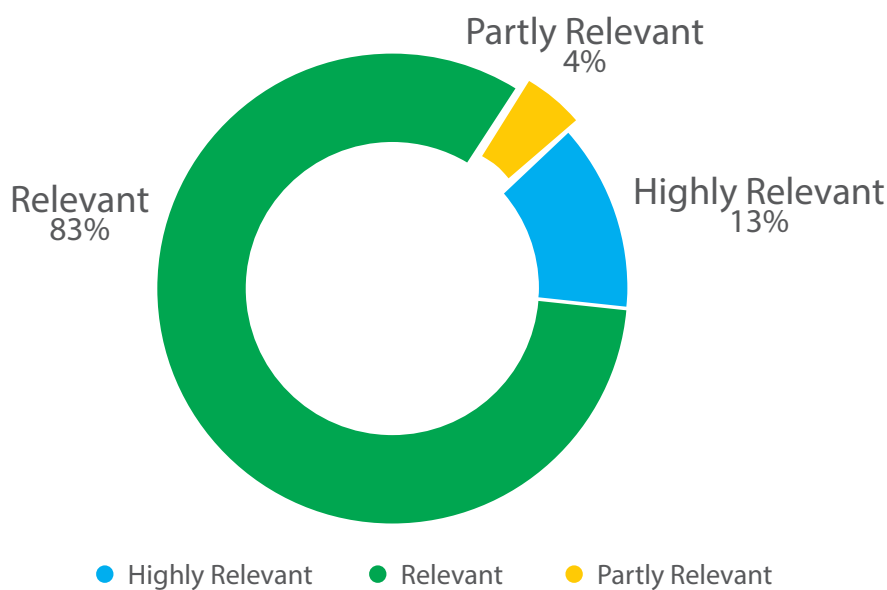
Projects were assessed based on the following internationally accepted evaluation criteria: (i) Relevance; (ii) Effectiveness; (iii) Efficiency; and (iv) Sustainability.

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

Relevance is defined as the extent to which development-intervention objectives are consistent with beneficiaries' requirements, country needs, global priorities, and partner and donor policies.

As illustrated in Figure II-6, the vast majority of the projects evaluated were found to be relevant to member countries' strategic priorities, with 96% of projects rated Highly Relevant or Relevant (the same percentile as in 1435H). Non-Member country Special Assistance projects were also found to be aligned with the needs and priorities of the concerned Muslim communities and hence were rated Relevant. Overall, the evaluated projects were aligned with the IDB Group's strategic agenda for poverty reduction, education, and development of infrastructure and energy.⁶

Figure II-6: Distribution of 1436H Relevance Assessment



⁵ Assessment of a private sector project's performance is measured on a six-point scale (Highly Successful, Successful, Mostly Successful, Unsuccessful, Mostly Unsuccessful, Highly Unsuccessful, Too Early to Tell, Not Rated).

⁶ Scoring: Highly Relevant: Score $\geq 85\%$; Relevant: $60\% \leq \text{Score} < 85\%$; Partly Relevant: $30\% \leq \text{Score} < 60\%$; Irrelevant: Score $< 30\%$

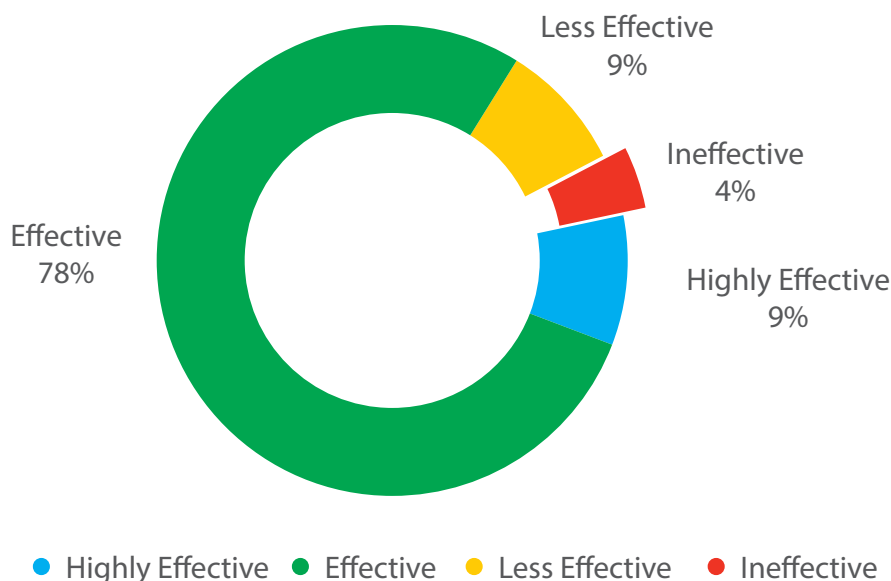
Effectiveness is defined as the extent to which the development interventions' objectives have been achieved, or are expected to be achieved, with these objectives' importance relative to one another taken into account.

In terms of effectiveness, two of the projects experienced major changes in scope. For the projects that suffered major changes in design and scope, the main reasons were apparently high cost overruns or attempts to reduce operating and maintenance costs.

The overall distribution of effectiveness assessments for post-evaluated projects, as shown in Figure II-7, revealed 87% of the evaluated projects to be either Effective or Highly Effective (as compared to 79% in 1435H), 9% to be Less Effective, and 4% to be Ineffective.⁷

Most of the post-evaluated projects contributed to achieving their related outcomes, and Chapter III provides analysis of the extent to which the evaluated projects achieved their intended developmental objectives in terms of outputs, outcomes, and potential socio-economic impacts.

Figure II-7: Distribution of Effectiveness Assessment in 1436H



Efficiency is defined as a measure of how economically resources/inputs (i.e., funds, expertise, time, etc.) are converted into developmental results.

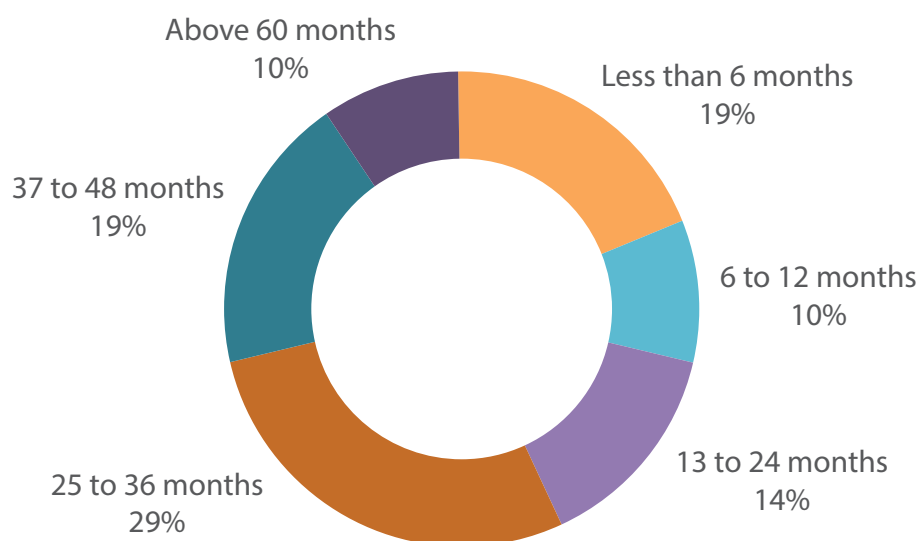
⁷ Scoring: Highly Effective > 85%; Effective: 60% < Score ≤ 85%; Less Effective: 60% < Score ≤ 30%; Ineffective: Score ≤ 30%.

Implementation Duration

Two of the projects evaluated in 1436H were completed within the specified schedule and without delays. As shown in Figure II-8, which depicts project

implementation delays, six (29%) of the delayed projects were completed with an implementation delay of more than three years, and two of these (10%) experienced delays exceeding five years.

Figure II-8: Implementation Delays of Evaluated Projects in 1436H



On the other hand, four projects (19%) were implemented with less than 6 months delay, two (9%) with a delay of six to twelve months and three projects (14%) were with delays between thirteen to twenty-four months. Moreover, 58% of the projects had delays of over twenty-five months.

The Akpro Misserete-Bonou-Kpedekpo Road project and the Construction of Dormitories at the University of Cotonou, both in Benin, faced delays of eighty months and sixty-three months, respectively, due primarily to administrative delays, outdated feasibility studies, contractor-selection delays, and the need for re-scoping of work.

In general, delays in implementation were reportedly caused by a slow procurement process, weather conditions, unavailability of government funding, time required for needs assessment, time taken by governments to ratify projects, issues with technical and feasibility studies, design approvals, acquisition of right of ways, issues with land expropriation, among

others. Details of the specific nature of causes behind implementation delays in evaluated projects are given in Annex-B, and the relevant learning from experience are analysed in Chapter IV.

Project Cost

In 1436H, seventeen of the evaluated projects (74%) experienced cost over-runs, seven of which experienced significant cost variations (by more than 25%). For instance, the Akpro Misserete-Bonou-Kpedekpo Road Project in Benin encountered a cost increase of US\$ 22 million (115%), mainly due to delay from the government in ratifying the project, issues with feasibility studies, lack of experience and poor performance on the part of the contractor that necessitated renewed negotiations for additional financing.

Similarly, the Construction of the Bokoro-Aroutchatak Road Project in Chad also faced substantial cost overruns of US\$ 35 million (130%) due to lack

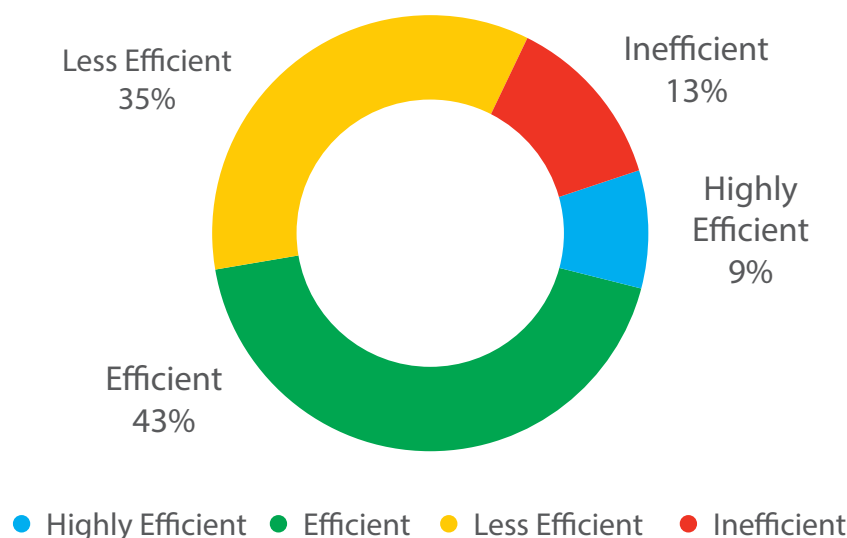
of a topographical study, late transmission of implementation plans, frequent stops of the contractor due to fuel shortages, and additional civil works required that were outside the initial scope of the work.

Six projects (26%) encountered cost under-runs, with three experiencing major cost under-runs of more than 20% of their estimated costs. These cost under-runs were mainly attributed to down scoping of planned civil works.

Complete details of all cost variations in projects evaluated in 1436H are shown in Annex-C.

Figure II-9 displays the overall distribution of efficiency assessments for post-evaluated projects. As can be observed, 52% of the projects for 1436H are Highly Efficient and Efficient, 35% are Less Efficient and 13% are Inefficient.⁸ By way of contrast, in 1435H, 48% of projects were rated as Efficient and no project was rated as Highly Efficient.

Figure II-9: Distribution of Efficiency Assessment in 1436H



Sustainability is defined as the continuation of benefits from a developmental intervention after the intervention's completion. The concept encompasses the likelihood of continued long-term benefits and resilience to risk associated with future benefit flows resulting from the intervention.

In terms of 1436H sustainability, 78% of the evaluated OCR projects were found to be Most Likely or Likely sustainable (in contrast to 65% in 1435H), an increase of 13% over 1435H. 22% of the projects were considered Less Likely to remain sustainable, with no project considered Unlikely to remain sustainable.⁹

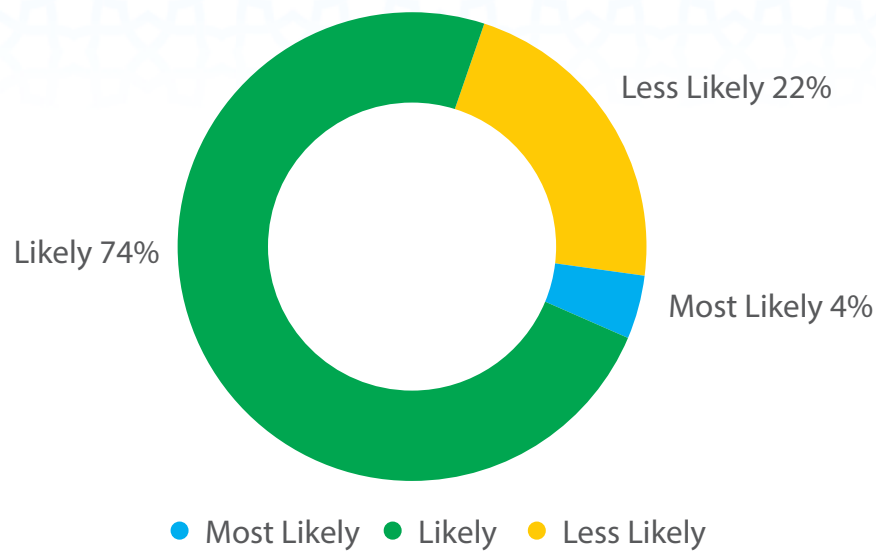
Chapters III and IV present a thorough examination of the underlying causes affecting project sustainability, and Figure II-10 displays the overall distribution of sustainability assessment for the OCR projects

evaluated. In summary, some issues reducing the likelihood of sustainability in OCR projects related to the following: lack of financial resources for operations and maintenance of project facilities, such as in the Construction of the Bokoro Aroutchatak Road Project in Chad; lack of axle - load control stations, which led to rapid deterioration in the Fes-Taza highway segment in Morocco; and lack of timely maintenance, as was the case in the Khartoum North Power Station Automation Project in Sudan.

⁸ Scoring: Highly Efficient > 85%; Efficient: 60% < Score ≤ 85%; Less Efficient: 60% < Score ≤ 30%; Inefficient: Score ≤ 30%.

⁹ Scoring: Most Likely: Score > 85%; Likely: 60% < Score ≤ 85%; Less Likely: 60% < Score ≤ 30%; Unlikely: Score ≤ 30%

Figure II-10: Distribution of Sustainability Assessment for Evaluated OCR Projects in 1436 H



Overall, the projects evaluated in 1436H have been, on average, Relevant, Effective, and Likely to be sustainable. However, as shown in Figure II-11 below,

there is room for much improvement with respect to efficiency, as the evaluated projects have, on average, been assessed as Less Efficient.

Figure II-11: Overall Criteria-Based Average Assessment for Evaluated OCR Projects in 1436H







CHAPTER - 3

DEVELOPMENT RESULTS

- A.** Agriculture and Rural Development
- B.** Water and Sanitation Sector
- C.** Transport Sector
- D.** Energy Sector
- E.** Education Sector
- F.** Health Sector
- G.** Development Results of ITFC Operations
- H.** Development Results of ICD Operations

In Chapter II, overall performance assessments of evaluated projects were summarized by sector through their corresponding performance ratings. Some illustrative developmental results for projects evaluated in 1436H are shown below.

A. Agriculture and Rural Development



Agriculture			Rural Development Project		
Area Irrigated (Ha)	No. Beneficiaries	Job Creation	Schools	Medical Centres	Road Rehab.
Planned 38,000	Planned 28,000	Planned: No estimate	Planned 15	Planned 16	Planned 23 km
Achieved 180,000	Achieved 34,400	Achieved 6,400	Achieved 15	Achieved 16	Achieved 23 km

Two projects in the agriculture and rural development sector were evaluated: the Samur Absheron Irrigation Project in Azerbaijan (AZ0022) and a rural development project, the Rehabilitation and Reconstruction of Simeulue Island Tsunami Project in Indonesia (IND0120). The latter project experienced down scoping of two project components during implementation, while the Azerbaijan project fully achieved its planned scope. Overall, the projects largely contributed to improving the social well-being of project beneficiaries.

The project in Azerbaijan resulted in the provision of an adequate, reliable water supply for 142,000

hectares of pre-existing irrigated land and 38,000 hectares of newly irrigated land, thereby increasing both amount of farming land and number of farmers. Additionally, the project's design, which allows gravitational flow of water, also contributed to reductions in operating costs of 75% to 80% by allowing elimination of two pumping stations.

The project's irrigation facility improved food security by allowing all-year-round food (vegetable, fruit, and wheat) production. Moreover, the construction of a dam upstream ensures a perennial supply of water for both plants and animals, thereby improving



IRRIGATION CANAL IN AZERBAIJAN

Box III-1: Results from Synthesizing Agriculture & Rural Development Sector Evaluations

The **GOED** undertook synthesis of evaluation studies of Bank interventions in the Agriculture and Rural Development (ARD) sector during the period 1976-2014 in its member countries. The rural development projects were effective in identifying and meeting the needs of their beneficiaries by supplying the anticipated outputs and outcomes planned at the time of the appraisal. The majority of the post-evaluated projects achieved their planned outputs as envisaged at appraisal. For instance, The Khnarc Canal Project (Azerbaijan) was able to meet its primary objective as originally anticipated, i.e., providing irrigation water for 62,547 ha of agricultural land in three regions (Khachmaz, Devechi, and Gusar), thereby achieving 84% of the targeted 74,797 ha envisaged at appraisal.

The Kompienga Hydro-electric Project (Burkina Faso) contributed to the construction of a dam 50 meters in height and 1475 meters long having a storage capacity of 2.05 million cubic meters of water that contributed to the development of 1420 ha of land for agriculture and 5.7 km of feeder road. Similarly, in Morocco, the total areas irrigated by the water discharged from the Aoulouz Dam Project in the immediate vicinity of the Souss River stood at 26,000 ha in 1991/92. With regard to the potential of the Souss Valley affected by the Aoulouz Dam, 27,000 ha - out of 61,000 ha targeted at appraisal - have been developed and made irrigable by sprinkling, gravity, and pumping. At an overall level, in terms of outcomes, the completed ARD projects have changed the livelihoods of their communities, enhanced farming techniques, increased incomes, and contributed to poverty reduction. The provision of the infrastructure for good quality and accessible water supply, of health facilities, and of roads enabled their beneficiaries to be more productive. Rural (farm to market) roads facilitated access to markets, reduced travel time, and linked remote areas to urban centers.

Some projects, however, fell short of their targets. In Guinea's Kolente Agricultural Development Project, only 500 ha of rain-fed agriculture were developed instead of the 1000 ha targeted at appraisal. In terms of irrigation, 100 ha of land were developed instead of the 500 ha targeted. For social amenities, 28 km of feeder road were rehabilitated instead of the 76 km targeted.

the ecology of the area by supporting the area's flora and fauna. In terms of job creation, the project is estimated to have sustained the jobs of 28,000 farmers and created an additional 6,400 farming jobs. These outcomes resulted from delivery of an 11-km canal with a maximum flow discharge of 75 m³/sec and related facilities.

In Indonesia, several outputs were achieved: Construction of fifteen schools (seven pre-elementary schools, three elementary schools, four junior high schools, and one senior high school), sixteen community medical centers (CMCs), rehabilitation of 23 km of road, development of a fisheries port, provision of furniture and equipment for schools and CMCs, and medical equipment (an oxygen pumping station and anesthesia machines for the intensive care unit) for Simeulue General Hospital.

The schools have a capacity of 1,670 students at various education levels (350 pre-elementary, 720 elementary, 480 junior high, and 120 high school level).

Overall, the project has contributed to increased access to education throughout the island, as evidenced by a literacy rate of close to 100%. Since 2011, 35,905 patients have been treated, and the CMCs have handled over 1,150 deliveries. In addition, Simeulue General Hospital is now able to provide integrated tertiary healthcare for the entire island.

Concurrently, the project also contributed to the rehabilitation and upgrading of the Simeulue ring road and so significantly reduced travel time across the island. However, the port constructed has remained idle due to discontinuation of fishing activities.



RURAL WATER DISTRIBUTION POINT, MOROCCO

B. Water and Sanitation Sector



Increased Access to Potable Water

Transmission Line	Public Stand Pipes	Pumping Units	Households Connected	No. Beneficiaries
Planned 448.4 km	Planned 249	Planned 29	Planned: Not estimated	Planned 21 villages
Built 467.8 km	Achieved 217	Achieved 30	Achieved 2,280	Achieved 155 villages (81,147 people)

The GOE Department evaluated four Water and Sanitation sector projects in Bangladesh, Morocco, Qatar, and Turkey, respectively, which varied both in scope and objectives. They included provision of potable water, rehabilitation of rural infrastructure, and sewage/waste management. While the projects in Morocco (The Water Supply for Berrechid and Taza Rural Communities (MOR0102)) and in Qatar (Ras Lafan Independent Water and Power Plant (QA0024)) concentrated on water provision, those in Bangladesh (Rehabilitation of Rural Infrastructure damaged in Galibandha Kuriaram (BD0160)) and Turkey (Yalova & Bolu Sewerage (TU0135)) focused on rehabilitation of infrastructure and liquid waste management, respectively.

The Turkey project benefits a population of 302,712 with the sewerage connection rate up by 10 percentage points in Bolu and 30 percentage points in Yalova, reaching 95% and 85%, respectively. In addition, the project had a considerable impact on the improvement of environmental conditions through the treatment of an average of 80,000 m³/day

of wastewater that would otherwise have harmed the environment. Nonetheless, the project's sustainability may be at risk due to the saturation levels of the Bolu plant capacity, which currently receives 65,000 m³ of waste against 53,000 m³ of waste treatment capacity.

The Yalova and Bolu Sewerage Project in Turkey also constructed two wastewater treatment plants (WWTPs) having a total maximum capacity of 121,113 m³/day; sewerage network including collector and network lines totaling 326.6 km in length; and eight pumping stations. The evaluated project in Morocco delivered a significant number of outputs including a 467.8-km transmission and distribution network, thirty pumping stations, twenty-four water reservoirs, 217 public standpipes, a remote control system, and 13.1 km of electricity supply lines (which were not planned at appraisal).

The main outputs of the evaluated project in Qatar included installation of eight gas turbine generator units, four steam turbine generator units, eight heat-recovery steam generators, ten multi-effect distillers,



and thirty-five bay 400 kV-switch.

In Morocco, the water supply project has contributed to increasing access to water supply facilities and thereby benefitting 81,147 inhabitants in 155 villages and eleven rural communities. In Berrechid city and in surrounding areas, the project contributed

to increasing the distribution of potable water by 25% (from 4 million m³ per year before the project to 5 million cubic m³ per year after the project was completed). Consequently, consumption of potable water has increased from 3 million m³/year to 4 million m³/year after project completion.

C. Transport Sector



Length of Bituminous Surface Road	Length of Double Surface Layer Road	Job Creation	Increase In Average Annual Daily Traffic
Planned 549 km	Planned 253 km	Planned: Not estimated	Projection : 50% average
Constructed 549 km	Constructed 253 km	Achieved 16,368 New Jobs	Achieved: 132% average



Nine projects in the transport sector were post-evaluated in seven different African countries (Benin (BEN0039), Burkina Faso (UV0080), Chad (CD0066), Gabon (GA0041), Mali (ML1079), Morocco ((MOR0104 & MOR0111), and Senegal (SE0080 & SE0096/97). These projects were concentrated solely in the road subsector. Seven of the projects (Chad, Gabon, Mali, Morocco, and Senegal) provided a total of 549 km of bituminous concrete layer roads, while the remaining two (Benin, Burkina Faso) provided 253 km of double surface layer paved roads. These roads were constructed with associated drainage, bridges, traffic control signage, and pedestrian crossings. The post-evaluated road projects contributed significantly to enhancing accessibility, improving road safety, and boosting the economic activities in the projects' areas.

The construction of the 89-km Akpro-Misserete-Bonou-Kpedekpo road in Benin has resulted in an eight-fold growth in average daily traffic on all stretches of the road. Since the road's operationalization in May 2011, the Akpro Misserete-Adjohoun stretch now registers an average annual daily traffic (AADT) of 3,239 vehicles, up from estimates made during appraisal (1,013 vehicles), leading to an average increase of 269% in the last three years of operations. Similarly, the Adjohoun-Bonou-Ouinhi section of the road has seen an increase in traffic of more than 663% of estimates with the Ouinhi-Kpedekpo section also increasing its traffic by more than 847% of estimates.

In addition, tangible evidence suggests that this road has contributed to the promotion of regional integration amongst Benin, Nigeria, and Burkina Faso, as it connects to an inter-state road. Moreover, this road has promoted commercialization of agricultural production in the region, with associated improved access to health and education in the main beneficiary regions, as evidenced by the creation of new schools and hospitals along that stretch of the road. In terms of improved livelihoods, about fifty small-scale businesses have also sprung up along the road following its completion, thereby offering increased job opportunities to the local population.

In Mali and Senegal, the 271-km Saraya-Kita regional road has resulted in a reduction in travel time from forty-eight hours to twelve hours (for trucks) and from twenty hours to four hours (for cars) from Faleme to Kita, thereby reducing vehicle maintenance costs by about 86.6%. Specifically, the project has

contributed to strengthening transport capacities from Dakar to Bamako and other connecting roads with access to fifty-nine villages in the administrative centres of the districts of Kita-Kenieba-Kedougou in Mali and Senegal. The AADT on the entire stretch Tambacounda-Kedougou-Saraya-Kita-Bamako increased from 156 vehicles/day during appraisal to 612 vehicles/day in 2015. There is also evidence of an increase in regional income through resultant small business creation and mining activities. Also in Senegal, the upgrading of the Dakar expressway with three bridges and five footbridges along with road safety features resulted in reduced traffic congestion within Dakar, thereby reducing travel time by two hours (i.e., three hours to one hour) from Golf Place to Fann Residence. Enhanced access to surrounding areas of Dakar city has also led to an increase in land values in the project area and increasing economic activities along the expressway network along with increased new-job creation.

Similarly in Morocco, the Fes-Taza highway project constructed a double-lane dual carriageway motorway segment of 127 kilometers in length, consisting of two 7-m wide carriageways, twelve interchanges, eight bridges, thirty-seven overpasses, five underpasses, as well as associated road markings and traffic signs. As a result, travel time has been reduced from 3.5 hours to 2 hours for trucks, and from 2.5 hours to 55 minutes for cars on the Fes-Taza stretch. Moreover, the leveling and alignment of the highway has reduced vehicle fuel consumption by about 20%.

The project has also facilitated access to fifty-one villages in thirteen communities with an increase in AADT from 7,082 vehicles/day in 2011 to 7,860 vehicles/day in 2013. It also created 338 permanent jobs after completion, resulting in an improved standard of living in the communities within the project area. In addition, construction of the Marrakech-Agadir highway has improved the link between the Marrakech ring road and the city of Chichaoua. The outcomes of the project include an increase of 26% in AADT from 4,750 vehicles/day before the project to about 6,000 vehicles/day.

By creating 270 permanent jobs, the project has generated employment, increased revenue generation, and boosted the overall economic development of the region and the country. The

highway section is currently serving twenty-nine villages alongside Marrakech-Chichaoua.

While most transport sector projects evaluated had very positive outcomes, the Gabon road project differed. The 122-km two-lane road (Franceville-Leconi-Kabala) is still highly underutilized, four years after project completion. Flow of goods and services

along the road section is limited or non-existent, and very little traffic flows between Gabon and the Republic of the Congo (Brazzaville). Ultimately, the project made no significant contribution to regional integration, since the portion across the Republic of the Congo (Brazzaville) border has yet to be constructed at the time of the evaluation.

D. Energy Sector



Installed Energy Generation Capacity 2,767 MW

Waste to Energy Plant	Gas Turbine Generator	Combined Cycle Gas Turbine Plant
Planned: 230 GWh capacity	Planned: 3 gas turbines of 300 MW	Planned: 373 MW capacity
Achieved: 230 GWh	Achieved: 3 gas turbines of 300 MW	Achieved: 373 MW capacity

The GOE Department post-evaluated five projects in the energy sector in five countries for the period under review: Azerbaijan (AZ0033), Djibouti (DI0049), Jordan (JO0109), Morocco (MOR0115), and Sudan (SU0118). The infrastructure provided included: an energy-generating plant with the capacity to treat 500,000 tons of waste and generate 230 GWh from waste incineration annually (Azerbaijan); two gas turbine generators of 127 MW each, 119 MW steam turbine generators, two heat-recovery steam generators (Jordan); three gas turbines with a total installed capacity of 300 MW (Morocco); a new power plant equipped with appropriate facilities (one generator unit, equipment for maintenance, etc.) with a 20-KV network system (Djibouti); and a new instrumentation and control system and change of mechanical systems and associated electrical auxiliaries (Sudan).

In terms of outcomes, the five projects have contributed to both energy generation and distribution in the aforementioned countries. In particular, the installation of the waste-to-energy plant in Baku (Azerbaijan) has resulted in the treatment of half a million tons of waste and the generation of 230 GWh of energy annually from incineration of waste.

The energy plant's operation has improved ecological and health conditions in the Greater Baku area. In

Jordan, the installation of energy generators (two gas turbine generators of 127 MW each; a 119-MW steam turbine generator and two heat recovery steam generators) has increased generation capacity by 373 MW (9.7% of the 3,840-MW overall capacity). The peak load has also increased from 2,900 MW to 3,840 MW.

In Morocco, the installation of three gas turbines (dual fired) with a total installed capacity of 300 MW has led to an increase in generation capacity of 8% in the country's total installed capacity (3,767 MW).

Similarly, upgrading the energy infrastructure provided the city of Djibouti with an additional 8 MW of capacity, resulting in an increase in power generation from 9,069 MWh in 2012 to 17,008 MWh in 2013. At the end 2014, the project had produced 20,053 MWh, which represented 23% of the total electricity generation of EDD for the city of Djibouti and its suburbs and contributed to an addition of 16,000 new customers out of the 50,056 total EDD costumers (an increase of 32%).

In addition, installation of a new instrumentation and control system in the Khartoum North Power Station in Sudan has extended the service lives of units 3 and 4 because availability of spare parts for the system now in operation has increased servicing options. Moreover, replacement of mechanical systems has decreased the negative effect of the plant's emissions.



WASTE TO ENERGY PROCESSING PLANT, AZERBAIJAN

Box III-2: Results from Synthesizing Energy Sector Evaluations

The **GOED** also undertook synthesis of evaluation studies of Bank interventions in the Energy sector in its member countries. A vast majority of projects in this sector were found to be effective and successful in producing the anticipated outputs and outcomes set at appraisal. In many countries, energy sector projects were found to have enabled member countries to partially overcome ongoing power supply shortages and thus to have contributed significantly to stabilization of the national grid system. In other cases, energy projects significantly increased energy production and distribution.

At an overall level, IDB interventions in the Energy sector added: (i) 4,000 MW of electricity-generation capacity; (ii) 17,600 km of transmission and distribution lines; (iii) electrification of nearly 3,000 villages; and (iv) benefits to 11.1 million people overall worldwide. As an illustration, the rural electrification project of The Gambia ensured the construction of 400 km of transmission and distribution lines, providing access to electricity to more than 7,000 consumers in forty-three villages.

At the same time, results of some projects were less than planned. For instance, in the Hamma Power Plant Project, Algeria, project design at the time of the appraisal was not firmed up, with power generation output to be either 450MW or 600 MW. As the lower of these two options (i.e., 450 MW output) was eventually selected, the expectation of 600 MW (i.e., the higher option) was not met.

E. Education Sector



Classroom Blocks	No. Beneficiaries	Student Accommodations
Planned: 300	Planned: Not Estimated	Planned: 1,344
Achieved: 300	Achieved: 18,000 students	Achieved: 1,120

During the year 1436H, the GOED evaluated two projects in the Education sector in Benin (BEN0049) and Togo (TO 0013) in the primary and tertiary education subsectors. These interventions were in continuation of IDB's unwavering commitment to universalize access to primary education and enhance learning environment and outcomes.

In Benin, the Bank financed the construction of dormitories at the University of Cotonou. To date, not all project outputs have been fully achieved, although the scope of the major output, which concerned number of dormitory buildings, has been accomplished. Overall, the project delivered five

dormitory buildings each having 112 rooms with two (2) beds in each room against the six buildings planned.

The sixth building is yet to be completed and occupied. Thus, in total, the project has so far delivered 1,120 beds against 1,344 planned. Moreover, although the quality of some of the delivered outputs has been somewhat compromised due to poor civil works, the project has nonetheless contributed significantly to increased access to tertiary education.



UNIVERSITY DORMITORY, BENIN

On-campus accommodations have provided a safe and secure environment for vulnerable students, especially the females and the disabled. Moreover, a daily shuttle cost of CFA 2,400 has been eliminated for the 1,120 students who now board. In addition, on-campus residency has resulted in an average time saving of two hours per day per student, allowing more study time and thus leading to improved student performance. In addition, the newly constructed dormitories, which provide an environment conducive to learning, have increased opportunities for both male and female students from rural and urban areas.

These achievements notwithstanding, two or three key factors pose a threat to the project's sustainability. These include (i) the poor physical and structural conditions of the dormitories (poor water proofing and electrical circuiting) and (ii) the low residential user fees paid by students.

In Togo, the Bank participated in the financing of the second phase of the Basic Education Development Project, resulting in the construction of one-hundred primary schools with one latrine block in each school and fifty boreholes. The project also contributed to providing 9,000 desk-benches, 300 tables and chairs for teachers, teaching manuals for reading, and training in school administration to 500 primary school head masters.

Thus, this intervention has directly contributed to significantly improving primary school infrastructure, from traditional materials to modern classrooms, in the beneficiary schools. In total, the project resulted

in increased access for 18,000 primary school students and improved teaching quality. Indirectly, it also contributed to a 17-percentage-point increase in the gross enrollment rate during the period 2007-2013.

Special Assistance Operations

For the period under review, the GOED conducted evaluations of a cluster of four Special Assistance projects in China (CHN0015/0016/0019/0020). The evaluated operations included the rehabilitation of eight schools damaged by floods in February 2002. These operations were found to have, in general, enhanced access to schools by adding around 3,600 additional seats to classes, thereby raising capacity by around 45% (currently there are 8,000 students compared to 4,400 at appraisal). The enrollment rate reached 100%, with a similar success rate.

On average, 1,200 students graduate every year and go on to attend secondary schools. In the case of the operation involving the Hebei Institute, although the institute can accommodate ninety students overall, only thirty students are currently enrolled. Currently, 350 Imams have graduated from the institute since its establishment in 2010. Overall, the schools have contributed to reducing the economic burden of families that previously had sent their children to private teachers in order to compensate for poor teaching quality.

The same cannot be said for the operation involving the Qingdao Institute, which was found to be ineffective since it failed to achieve its objective of improving the overall quality of Muslim.



NEW LIBRARY IN AN IDB-SUPPORTED SCHOOL IN CHINA



RENOVATED SPORTS FACILITIES IN AN IDB-SUPPORTED SCHOOL IN CHINA

Box III-3: Results from Science & Technology Program Evaluation

The GOE Department undertook the evaluation of the IDB's Science and Technology Program that was set in the backdrop of the OIC agenda of 1981. The S&T Program had three objectives: (i) to help improve business output in member countries by facilitating commercialization and patenting of the latest technologies; (ii) to create a favorable institutional framework for science, technology, and innovation (STI) in member countries through providing training to government staff on STI policy; and (iii) to accelerate innovation through the development of linkages and collaboration between centers of excellence.

To achieve those outcomes, the S&T program used six modalities: (a) Centers of Excellence (CoE) Cooperation; (b) Policy Training on Science, Technology, and Innovation (STI); (c) Co-financing of S&T Events; (d) Expatriate National Scheme; (e) IDB Prizes for S&T; and (f) Self-Reliance in Vaccine Production (SRVP). The total financing available to the program during the period was US \$9 million.

The evaluation found that, although the S&T Program was highly relevant to the priority areas of IDB and the needs of member countries, it fell short of making meaningful contributions. The sampled operations generated an array of outputs such as fourteen training sessions on STI policy, eighteen conferences and workshops, and one expert group meeting. Over 4,700 participants (from various MCs) attended conferences and workshops.

Moreover, 963 scientists received training in advanced technologies, and 132 grants were issued to participants from OIC countries to attend STI training. Additionally, 419 people were trained in STI policy, resulting in publication of six books and fifteen research publications on STI. However, the S&T Program failed to produce greater change for a number of reasons, chief among them the overly-ambitious objectives of the S&T Program given its budget. Whereas it had sought to work in over thirty sectors in all fifty-six member countries, its financing was not commensurate with these objectives.

Consequently, resources were spread too thin to make a meaningful impact across various countries, organizations, operation types, and research topics. Moreover, the absence of performance monitoring systems and weak reporting also contributed to the program's poor performance.

involvement in science and technology. To date, several courses planned at appraisal have not been provided. Moreover, training is provided only in Arabic, Quran, Islamic Shariah, and Chinese law, and the regular staff consists of only two. Moreover, the center is also used to train halal slaughterers and supervisors and is often rented for private gatherings. As of now, the center is not equipped and lacks any technical capacity in terms of programs, trainers, and certification.

Similarly, the Jiamusi Vocational Center Operation has not yet achieved the objectives envisaged at appraisal. In addition to providing training facilities in cooking, the center conducts only three classes rather

than the ten envisaged. The center can accommodate a maximum of ninety students compared to the 300 students projected at appraisal because of the limited number of furnished classrooms and teachers.

The center is still at the start-up stage and requires more time and effort to achieve its objectives. Its first class was held in May 2014 to train ninety students in the Arabic language and in elementary Quran recitation over a six-month period. In addition, the center now offers only one vocational course in cooking and has two Imams for training and three other teachers for halal food cooking.

F. Health Sector



Health Facilities Upgraded	Number of Hospital Beds Added	Population Served
Planned: 21	Planned: Not Estimated	Planned: Not Estimated
Achieved: 21	Achieved: 2,733 beds	Achieved: 1,120

Only one project in the Health sector was evaluated during 1436H, the Health Project in Tunisia (TUN0086). The project achieved the main objective anticipated at appraisal by strengthening the role of health systems in Tunisia at all levels and resulted in an effective system of peripheral, regional, and university hospitals.

Project outputs achieved included: (i) Construction and expansion of four regional hospitals; (ii) Extension of specialized medical services in six regional hospitals; (iii) Extension of specialized medical services in nine peripheral hospitals; (iv) Supply of equipment to two hospitals; and (v) Thirty ambulances and thirty 4x4-type vehicles. This project was found to have played a critical role

in bridging the technological gap by providing the most modern equipment and to have enabled wider access to medical services by building and expanding existing facilities.

Through the project, the medical staff and management were made aware of new equipment and were able to upgrade their medical skills. In addition, at an overall level, the project provided 2,733 beds with an average occupancy of 65% and average numbers of the following: 29.6 general doctors per 10,000 inhabitants, 270.3 nurses per 10,000 inhabitants, and 32.4 specialized doctors per 10,000 inhabitants. Overall, the project has a total reach of 3.6 million people in the regions it covered.



NEW EQUIPMENT AT A HOSPITAL IN TUNISIA

G. Development Results of ITFC Operations

Committed to diversifying its evaluation products with a view to enhancing IDBG performance in its member countries, the GOE Department launched an evaluation of ITFC's trade finance activities that highlighted ITFC's contributions in promoting trade, creating jobs, and supporting strategically important sectors in Bangladesh, Indonesia, Morocco, and Turkey. Since its inception, ITFC's cumulative financing has reached US\$ 25 billion.

Overall, the top three countries (Bangladesh, Morocco, and Egypt) benefiting from ITFC financing have received half of the total trade finance. Developmental results of ITFC trade finance activities have been varied as these activities were designed to address differing needs in different recipient countries. Therefore, outputs, outcomes, and impacts of ITFC finance were found to have very diverse characteristics.

For instance, since ITFC's inception in 2008, Bangladesh has received over 40% of all approvals, amounting to US\$ 10.34 billion, and ranks highest among users of ITFC trade financing, allocated primarily for importing crude oil and other petroleum products. Bangladesh imports about 95% of its petroleum needs, and, on average, ITFC finances 36% of all imported petroleum of Bangladesh. Accordingly, ITFC's trade financing has facilitated production in various other sectors such as agriculture and industry.

Transport (45% of petroleum use), power (28% of petroleum use), and irrigation (18% of petroleum use) sectors are the main consumers of petroleum products. It is estimated that about 0.2% of agricultural output, 0.8% of industrial output, 3.6% of electricity generation, and 10% of transportation output could be attributed to petroleum products (inputs) imported through ITFC financing.

Therefore, were ITFC finance absent, these volumes of production in these various sectors would be significantly hampered. Additionally, ITFC financing has contributed directly and indirectly to employment generation. BPC has 124 full-time employees in addition to 3,428 agents or distributors, 716 packed point dealers, and 3,112 LPG dealers.

In Indonesia, ITFC trade financing approvals stands at US\$ 861 million. The main commodities covered by ITFC financing are raw sugar, soybeans, coffee, and cotton. To illustrate, ITFC approvals for one of its largest clients in the country, PT Angels Product (raw sugar importer), have reached US\$ 780 million since 2009. Angels Product imports raw sugar to operate its own sugar refinery, which employs 500 workers. The company has a market share of 10%. ITFC facilities, which range from US\$20 million to US\$60 million per year, enabled the company to import 311,000; 328,000; 180,000; and 131,000 tons of raw sugar in 2011, 2012, 2013, and 2014, respectively.

The outcome is that the regular supply of a strategic commodity has been ensured through ITFC financing. Additionally, for each year, ITFC's trade financing facilities have increased Indonesia's value of trade for coffee by 0.23 percentage points on average and, similarly, have significantly increased Indonesia's import value for cotton by 0.56 percentage points.

Morocco has received a total of US\$2 billion worth of financing from ITFC, 73% of which went to SAMIR, the country's primary oil refinery. Thus far, ITFC has financed an estimated 2.35% of total crude oil imported by Morocco since ITFC's inception. In terms of socio-economic results achieved, the main client - SAMIR - employs 1,200 staff and has a turnover of US\$ 4 million per year. Similarly, another ITFC client, Dimagaz, a gas supplier, employs 320 staff and has a 43% market share with an annual gas distribution volume of 225,000 tons. The company signed a contract with ITFC in April 2014; since then, fourteen gas shipments totaling US\$25 million have been paid on ITFC's facility.

The role of ITFC in Turkey, where ITFC has a well-diversified portfolio, is quite different. Overall trade financing approvals in Turkey since ITFC's inception has exceeded US\$ 1.6 billion. The main commodities covered by ITFC financing, particularly through SMEs, are textiles, leather goods, petroleum, plastics, raw materials, cotton, and oil seeds. The number of beneficiary companies and sectors in Turkey is relatively diversified, and ITFC financing volume there is thus growing rapidly. In general, ITFC financing was found to have contributed positively to increasing revenues and trade volumes.

The effect in terms of employment is, however, not as pronounced since a number of ITFC clients act as intermediary traders and so represent a limited workforce. Reportedly, ITFC financing helped clients to grow their businesses beyond what would have been allowed by their own capital and their existing accesses to finance.

According to Calik Cotton, ITFC financing covers almost 80 percent of its 60,000 MT imports from Turkmenistan. Its forecasted revenue for the next year is US\$ 230 million, nearly double its current level. One of ITFC financing's major achievements for Calik Cotton was to open a new base of suppliers in the African markets (Burkina Faso, Mali, Cameroon, and Côte d'Ivoire).

At an overall level, 2014's ITFC share in total trade finance in Turkey was estimated at 2.6 percent. ITFC

trade finance contributed to sustaining about 270,000 jobs in Turkey, and the contribution of ITFC to Turkey's GDP and exports in 2014 was estimated at around US\$ 8.3 billion and US\$ 1.6 billion, respectively.

Overall, ITFC activities provided four major benefits to most of the case study countries, and these can be summarized as follows: (i) Supporting strategic sectors; (ii) Creating a demonstration effect by which companies were able to leverage better rates of financing from commercial banks by using ITFC approvals as a basis; (iii) Assisting companies in increasing parallel financing from commercial banks by improving their balance sheets; (iv) Provisioning an alternative to conventional financing instruments, as ITFC was quite often either the only one or, at times, one of the few major players in the market to offer Shariah-compliant trade financing; and (v) Provisioning an educational role in Islamic financing to companies, banks, ministries, and government regulators.

H. Development Results of ICD Operations



ICD FINANCED FACTORY EQUIPMENT IN UZBEKISTAN



This year, GOED undertook the evaluation of two ICD projects, the first being for a facility that was the largest recipient of a global line of financing approved for Uzbekistan, Asaka Bank. The other was for an equity investment in a cement production company

in Sudan. Asaka Bank has fully utilized the US\$ 20 million line to finance seventeen SMEs (nineteen operations) in Uzbekistan with ICD financing amounts per project ranging from US\$ 0.22 million to US\$ 3.8 million. The line of finance was found to have had

a positive effect through employment generation. The seventeen beneficiary SMEs have created more than 300 additional permanent jobs, and the number of women they employed has been quite diverse depending on the nature of the work, i.e., capital or labor intensive. All SMEs are financially sound, earning profits and paying installments to ICD via Asaka Bank in a timely manner.

The developmental impact of the ICD equity project in Berber Cement Company (BCC) in Sudan was not as substantial. After initially gaining a strong market share and ranking third in terms of cement production in Sudan, the company's annual production level has exhibited a downward trend.

The factory is operating at 30-40% of its capacity as BCC is encountering difficulties caused by an unstable power supply from the national grid marked by frequent electrical outages that significantly hamper production.

From an economic performance perspective, the project did have a major positive effect on the people through the creation of 516 jobs. In terms of private sector development, BCC has also implemented innovative technologies and contributed to the development of local small enterprises.

Box III-4: Country Assistance Evaluation of Lebanon

The GOED launched a Country Assistance Evaluation (CAE) for Lebanon in 1436H. Bank Group interventions in Lebanon were found to have had positive outcomes on the socio-economic development of Lebanon and contributed towards improving general standards of living.

Water and Sanitation Sector: IDB projects contributed to increasing the water treatment capacity in the targeted areas by 170,000 m³/day and made a reliable water supply available to about 250,000 inhabitants. In the Sanitation sector, completed projects have resulted in construction and equipping of ten (10) treatment plants with total effluent treatment capacity of 37,000 m³/day, installation of 70 km of storm collectors, and installation of a 102-km wastewater distribution network serving 300,00 inhabitants.

Transport Sector: Completed projects in the Transport sector have added 204 km to the road network in various parts of the country as well as an important interchange (bridge and underpass) in the heart of Beirut. Traffic on the South Coastal Highway has doubled (from an AADT of 32,000 vehicles to 56,000 vehicles per day) between 1998 and 2012, while vehicle operating cost (VOC) decreased from \$ 0.198/km to \$ 0.154/km during the same period. Moreover, completed IDB-financed road projects contributed to economic development in Lebanon through support of such strategic sectors as tourism and agriculture.

Health Sector: IDB interventions in the Health sector provided the following facilities: i) About 900 beds added to five hospitals, including Beirut Government Hospital (BGH), Rafik El-Hariri Hospital, Saida and Zahle Government Hospital (SGH), and Al-Makassed General Hospital and ii) State-of-the-art medical equipment provided to all the hospitals. These facilities have served more than 2.2 million people throughout Lebanon and have increased the public sector bed capacity by more than 25 percent at the national level.

Education Sector: IDB interventions in the Education sector have contributed to enhancing access to education and improving its quality in Lebanon. The eight completed projects in education enhanced learning environments and modernized laboratory equipment in forty-two schools including thirty-one new vocational schools. Similarly, Lebanese University projects contributed to upgrading equipment of the Faculty of Engineering and provided new buildings with modernly-equipped laboratories. In West Beqaa, eight schools have been completed with an average of twenty-five students per class.





CHAPTER - 4

LESSONS LEARNED AND RECOMMENDATIONS

- A. Lessons Learned from Energy Sector Evaluations
- B. Lessons Learned from Transportation Sector Evaluations
- C. Lessons Learned from Agriculture and Rural Development Sector Evaluations
- D. Lessons Learned from Group Member Evaluations
- E. Synthesis of Recommendations
- F. Implementation of Recommendations



BAKU WASTE TO ENERGY PLANT (IDB)

Lessons learned are the critical element of development evaluations, and this chapter provides examples of those lessons learned from both project and higher level evaluations carried out by the GOE Department during 1436H. These lessons are categorized under four themes: (a) the Energy sector, (b) the Transport sector, (c) the Agriculture and Rural Development sector, and (d) Group Members. This chapter also discusses feedback received from the Operations Complex and other entities of the Bank regarding implementation of recommendations made in the evaluation reports.

A. Lessons Learned from Energy Sector Evaluations

A strong institutional framework in the public-private partnership model ensures mitigation of risk with clear understandings between all parties,

thereby enabling smooth implementation and operation.

The institutional framework for public-private partnership projects was found to be effective for smooth implementation and operation of the post-evaluated Ras Laffan C Independent Water and Power Project and the Qatrana Independent Power Plant Project. These projects experienced only minor delays and no cost overruns due to a strong framework design that ensured mitigation of construction and operation risks from “the country” to “the sponsors” via implementation agreement between these two parties. With regard to the institutional framework, i.e., the guarantee provided by the government through a Power Purchase Agreement (PPA) and a Fuel Supply Agreement, the sponsors would not face sale or fuel supply risks. Moreover, a ‘Global Facility Agent’ was constituted to act as an intermediary



LANDFILL PROJECT (WB)

Box IV-1: Comparison of Alternatives to the Baku Waste to Energy Project in Azerbaijan

The plant was designed to treat 500,000 tons of municipal solid waste (MSW) and generate 230 GWh/year of electricity while the residue from the incineration process will be used as construction material. The other alternative to achieve similar developmental objectives was the Integrated Solid Waste Management Project, which included a landfill project component and was, in fact, financed by World Bank.

Worth mentioning is that the electricity generation in WB's landfill project is not included in the analysis due to lack of available data. In fact, the piping works needed to collect landfill gas (LFG) is also within the scope of that project and a landfill gas power plant will be built after accumulating an adequate amount of waste on the site. The levelized cost for managing MSW through the Baku Waste to Energy Plant is estimated at 42.7 EUR/ton, while it is only 7.5 EUR/tons for the landfill project financed by WB. Thus, the WB-financed landfill project is six times more cost effective than the Baku Waste to Energy Plant. In fact, government approached WB first to secure financing from them for the Baku Waste to Energy Plant. However, after a similar study carried out by an independent consultant, WB declined this project and then proposed the new project, which was better integrated and more cost effective, following an overall sector study.

between borrowers and lenders, thereby enabling harmonization, coordination, and effective and smooth implementation. With regards to supervision, 'independent consultants' of lenders were included within the framework to ensure remote but effective supervision of the project by the Bank.

Putting in place necessary O&M arrangements, particularly in fragile states, are crucial to achieve project sustainability.

IDB financed the Khartoum North Power Station Automation Project in Sudan, aimed at increasing reliability and efficiency in electricity generation with new automation systems installed in the power plant. However, these automation systems did not lead to increased reliability of power generation and increased efficiency in fuel consumption as expected. The amount of electricity lost through system shutdowns due to human errors in control and instrumentation actually increased by 21% following installation of the automation systems, while fuel consumption remained virtually unchanged. One reason for the failure to achieve targeted objectives was that O&M was not sufficient for the existing power plant due to a lack of budget to acquire spare parts and expertise. The O&M contract was not renewed after expiration, and so the staff relied on the limited spare parts purchased from China due to the economic embargo imposed on the country. If O&M arrangements had been assessed and necessary measures had been put in place, the automation project would have resulted in improved reliability and efficiency in the facility's electricity generation. Installation of proper fire-fighting and fire-detection systems as part of a comprehensive ISO certification for power plants is a crucial measure to ensure plant safety.

For the Khartoum North Power Station Automation Project, weaknesses relating to the fire-fighting and fire-detection systems at the plant posed a risk to plant installation and staff. Known defects in the system have not been systematically rectified. Indeed, in 2013 a fire broke out at the fourth boiler due to a gas leakage from the furnace that caused oil to ignite. The automatic fire control system failed to operate, necessitating manual control of the fire, which caused considerable damage to electrical cables and a three-week shutdown.

A comparison of alternatives to achieve an intended developmental impact is crucial and should be an integral part of the preparation process in order to ensure cost effectiveness.

The overall objective of the Baku Waste to Energy Project in Azerbaijan was to support economic development by improving ecological conditions in the Greater Baku area and health conditions of the approximately 3.5 million residing there through improved management of solid waste. The alternative for this project was rehabilitation of the old dumpsite and construction of a landfill facility including a landfill gas power plant and sorting facility. This alternative project has, in fact, been adopted and financed by another MDB (World Bank) with a much lower investment and lower O&M costs (please see Box IV-1). In a country with affordable land, this option is a more cost-effective solution compared to the waste-to-energy plant adopted. Therefore, comparison of alternatives based on an overall sector study to overcome the challenges of the sector prior to selection of projects is crucial to achieving developmental results in the most cost-effective manner possible.



Indicators	Baku WtE Plant (IDB)	Landfill Project (WB)
Total Investment Cost (EUR million)	377.5	40.5
Capacity (tons/year)	500,000	485,000
Annual O&M Cost (EUR million)	30	7
Electricity Generation	230 GWh/year	Not available
Benefit from Electricity (EUR million/year)	8	Not available
Levelized Cost (EUR/ton)	42.7	7.5

B. Lessons Learned from Transportation Sector Evaluations

Commitment of all parties during appraisal to jointly manage road corridor projects between countries and co-financiers ensures smooth project implementation.

For the Construction of Saraya-Kita Regional Road Project in Senegal and Mali, bringing on board different financiers was necessary to ensure complete funding of the entire project for the two countries. This arrangement, however, did not yield maximum benefits as the individual financiers had differing preparation timelines and procedures.

The cross effectiveness conditions in the initial agreements IDB signed with the two countries and delays in approval of the project by other co-financiers resulted in a new set up with changed scopes of the road sections to be financed in each of the two countries.

Similarly, the Construction of the Franceville-Leconi-Kabala Road Project in Gabon, which was aimed at creating a road link from Gabon to the Republic of the Congo, only reached the Gabon-Congo border with the rest of the corridor yet to be completed.

There is a limited flow of goods and services on this road section, and very little traffic (i.e., only 1,489 vehicles per year) flows between Gabon and the Republic of the Congo. Ultimately, this project





COLLECTING WATER IN RURAL MOROCCO

has made no significant contribution to regional integration, as the road connection on the side of the Republic of the Congo has not been constructed.

Incorporating axle load control stations in the design of road projects avoids rapid deterioration of roads.

The 1436H, evaluations show that some projects could have increased their likelihoods of sustainability if axle load control stations had been constructed as part of the projects. For the Akpro Misserete Bono Kpedekpo Road Project (Benin), axle load control stations were not part of the original design and scope, and hence there is marked degradation of the road, mainly due to heavy truck traffic associated with a cement factory.

The failure to apply axle load limits properly gives the factory a free hand in moving heavy 18- to 25-ton trucks, which exceed the road design weight of 13 tons, thereby leading to major deflections and an uneven road surface.

Raising dedicated funds having strong institutional oversight for road maintenance improves sustainability of road projects.

The cost of road maintenance has been a challenge for governments of many member countries. The lack of resources has resulted in degradation of many roads, rendering them beyond repair. Usually, once a road is constructed, government is expected to make available resources for its maintenance by employing fuel taxes, tolls, etc. to raise road maintenance funds. However, this expectation has not been realized for the Bokoro-Aroutchatak Road Project in Chad.

Although the fund for road maintenance was raised through a fuel tax, the Regulatory Authority of Downstream Petroleum Sector has been transferring those resources to the treasury since January 2015, thus limiting the EA's ability to make resources available to the Road Maintenance Agency.



SAMUR-ABSSHERON IRRIGATION CANAL, AZERBAIJAN

C. Lessons Learned from Agriculture and Rural Development Sector Evaluations ■

Minimizing the number of contracts for procurement avoids project delays.

In Morocco's Water Supply for Berrechid and Taza Rural Communities Project, it was planned at appraisal to implement the project through six separate contracts. However, the project was finally implemented through thirty-five contracts, thus resulting in difficulties associated with coordinating this many contacts and causing significant implementation delays.

Hence, project packaging should be carefully examined and optimized to avoid splitting the project into numerous lots, which make coordination difficult and lead to project implementation slippage.

Engaging beneficiaries (end-users) in management of water resource projects is key for success.

In Azerbaijan's Samur Absheron Irrigation Velvelichay-Takhtakorpu Canal Project, the participation of local communities, especially farmers, in management of the water resource as well as of irrigation facilities has been the key success factor in the project.

In fact, project outcomes are very likely to be sustainable because management functions and responsibilities are clearly defined among the institutions managing the water resources (irrigation, water supply, and power generation) and other stakeholders.

An integrated approach works well in rural development, if there is a strong PMU backed by a proactive local government ensuring coordination among stakeholders and different sectors.

An integrated development method (a multi-sector approach) encompassing agriculture, education, health, water, and sanitation is expected to properly address rural development and poverty reduction issues across various implementing bodies.

However, applying an integrated development approach leading to tangible results has been a challenge for the Bank, with the exception of some projects such as Simeulue Island Tsunami Project in Indonesia. In this case, a decentralized administrative network and a high degree of stakeholder (government agencies, donors, and beneficiaries) participation stimulated by a strong PMU were of paramount importance for the successful implementation of the project. (Please see Box IV-2 for more details)

Box IV-2: Integrated Approach to Rural Development

The Rehabilitation and Reconstruction of Simeulue Island Project in Indonesia (under the Tsunami program) followed an integrated development approach leading to success.

The integrated approach used in the project worked at two levels. First, the project had mostly generic infrastructure development and achieved economies of scale by reducing costs by hiring one consultant and one PMU.

Secondly, in an integrated approach, all components complement one another: Each village has a community medical center linked to general hospitals, which are equipped to handle advanced medical care, through the link road; access to education is supported through elementary, primary, secondary and Islamic schools; and development of the local fisheries industry enhances the livelihood of the local population.

This integrated approach to development coupled with proactive local governance supplies the ingredients needed for success and has potential for replication in other similar situations.



RURAL WATER POINT. BURKINA FASO



NUT PROCESSING FOR EXPORT, THE GAMBIA

D. Lessons Learned from Group Member Evaluations

Leveraging on the reputation and contacts of ITFC enables clients to enhance their business development activities.

ITFC was designed to foster and expand trade among IDBG member countries and between them and the rest of the world. Besides providing these direct benefits in strategic sectors, ITFC financing has also created indirect benefits such as opening up new markets for its clients, who can leverage ITFC's brand value and contacts to gain added business in markets to which they previously had little or no access. For instance, ITFC's guidance and referral enabled Calik

Cotton of Turkey to enter new markets in Africa and the Central Asia region for the first time by using ITFCs contacts and reputation in these countries.

Identifying a quality risk mitigation plan as part of a risk assessment exercise enhances the quality of due diligence.

The due diligence stage of a project appraisal is meant to extract pertinent information on a prospective operation in an objective manner, with a view to mitigating hurdles to its consideration for possible financing. The 'fact-finding' aspects of conducting due diligence at ITFC are technically sound. Posing a problem are a lack of sufficiently rigorous technical conclusions or 'risk mitigation' planning as part of due diligence. For instance, in ITFC's experience with its

financing of the now financially troubled company, SAMIR (major oil refinery in Morocco), a discrepancy existed between the 'fact-finding' aspects of due diligence (which was well done and objective) and the quality of 'risk mitigation' planning and expectations laid out in the due diligence which now appear to be far fetched.

Although the 'fact-finding' process identified the deteriorating situation of the company based on audited financial statements, the conclusions drawn from the risk mitigation plan were overly optimistic with respect to the role that would be played by government. Thus, the lesson to be learned is that the 'risk mitigation' plan of a due diligence process needs to be objective, pragmatic, and reasonable.

Innovations in an ITFC product offering created by simplifying reporting arrangements boosts client satisfaction.

ITFC continued IDB's early and pioneering role by bringing Islamic trade finance to the local market. It helped in educating its clients with the newly introduced two-step murabaha and structured trade finance deals.

The new product offerings of ITFC have been widely appreciated for their flexibility and simplified reporting arrangements. This has also enabled ITFC's clients to learn more about Shariah-compatible instruments of ITFC products.

Regular supervision of SME benefitting from lines of finance ensures timely repayments and tracking of developmental results for ICD projects.

ICD lines of financing of the Asaka Bank operation were supposed to collect repayments from beneficiary SMEs as per a pre-agreed schedule. This required necessary supervision and regular communication between financial institution and beneficiary SME. For its part, Asaka Bank conducted quarterly supervision visits to each beneficiary SME to not only assess the status of repayments but also to play an advisory role in ensuring smooth implementation of the projects and collect information on its progress.

Asaka Bank's regular supervision and monitoring ensured 100% repayment as well as collection of evidence of tangible developmental outcomes of sub-projects.



KAYA-DORI ROAD, BURKINA FASO

E. Synthesis of Recommendations

The recommendations raised in the GOE Department's evaluation reports in 1436H are related to actions aimed at enhancing the following themes related to IDB Group Members and Complexes: (a) Quality at Entry – Project Design; (b) Quality during Implementation and Monitoring & Self-Evaluation; (b) Opportunities for Reverse Linkage; and (c) Improving Implementation of Future ITFC Operations.

These recommendations, supported by fact-based evidence emanating from the evaluations, suggest courses of both strategic and operational actions to be taken by IDB Group Departments. (See Annex-E for the full list of Recommendations.

Some of these follow-up actions and recommendations require immediate action while others require a medium- to long-term implementation plan. The GOE Department solicited feedback on implementation status of recommendations from IDB Group Members and Complexes and prepared a table capturing the progress made so far.)

Quality at Entry – Project Design:

Included in 1436H evaluations were a number of follow-up actions and recommendations regarding improved quality at entry of IDB Group interventions recommended primarily to the IDB Operations Complex (OC) (see further details in Annex-E).

For the OC, at the project level the key ones included are as follows: careful cost estimations and realistic implementation schedules, adequate procurement arrangements, and ensuring availability of sound feasibility studies.

Programming Opportunities:

From the evaluations undertaken in 1436H, the GOE Department identified opportunities to be grasped during future programming activities of the IDB Group, which in some cases consist of identifying future phases of the same project or another project of a similar type needed elsewhere.



PHONE NETWORK RELOCATION FOR UPGRADING OF DAKAR EXPRESSWAY

Improve Implementation of Future Operations of ITFC:

During 1436H, a number of recommendations were raised from ITFC country evaluation case studies and other higher level evaluations including CAE in The Gambia.

The main ones include: (i) Periodic review of its pricing and administrative fees in order to strengthen its market presence, competitiveness, and effectiveness; (ii) Need to undertake special efforts to develop its export financing activities; (iii) Necessity of undertaking detailed market research to explore possibilities of portfolio diversification within each country and across countries; and (iv) Consideration of the possibility of syndication with local banks (domestic or foreign) to finance trade in various sectors.

F. Implementation of Recommendations

The GOE Department has followed up with all concerned departments regarding the status of implementing recommendations emerging from evaluation activities. Overall, management response exhibited a commitment of IDB Group departments to implementation of follow-up actions and recommendations emerging from the evaluations. In 1436H, the GOED made seventy-five recommendations to different IDB Group Members and Complexes, including the Operations Complex (47), the Capacity Development Complex (5), the IRTI (1), the Finance Complex (2), the ITFC (17), and the ICD (3).

Out of the forty-seven recommendations raised by GOED, 96% concerned the Operations Complex. To improve quality and timeliness of project supervision, based on GOED recommendations, the Operations Complex has delegated a number of projects to the Regional Office in Dakar. With respect to quality at entry, the Complex has demonstrated a commitment to implement GOED recommendations, particularly those related to project design, cross-effectiveness, cost estimation, and sustainability by placing



increased emphasis on project readiness. Similarly, the Operations Complex agreed to include soft components in new projects to improve the capacity of executing agencies. On the other hand, the Operations Complex included six potential projects recommended to it by GOED in the 1437 Annual Work Program. In addition, the Public Private Partnership division of the Infrastructure department is reviewing opportunities under a PPP structure in Bahrain, Egypt, Jordan, Mali, and Pakistan. The CTY, Rabat Regional Office, Indonesia Country Gateway Office, and Turkey Country Gateway Office are consulting with the governments of Morocco, Indonesia, and Turkey on potential projects.

Following the Operations Department in percentage of recommendations, the CDD Complex covered 80% of the GOED's recommendations. The Complex is embarking on a mapping resources center in Morocco, which will serve as a reference of institutions to be used by the Bank and member countries in future interventions under reverse linkage. However, the preparation of the IDB Science and Technology Program Strategy requires follow-up. The Complex reaffirmed its readiness to continue working with CTY

to explore opportunities for offering Islamic Finance training in Uzbekistan.

IRTI addressed the only recommendation made by GOED, stating that it intends to conduct a Policy Dialogue Forum on Islamic Finance in 2016 and communicate with ICD to identify areas of capacity development. ICD covered all recommendations raised by GOED in 1436H including (i) the hiring of additional local staff in Uzbekistan to enhance provision of regular supervision of SME projects, (ii) diversifying ICD's portfolio in Uzbekistan, and (iii) purchasing the recommended power generators that will significantly improve the worsening situation of the Berber Cement Factory.

In total, ITFC covered 76% of GOED's recommendations. The major ones on which positive responses were provided include: (i) A study being undertaken to identify potential sectors for import financing in Morocco, (ii) Plans for diversifying ITFC's portfolio in Bangladesh, Indonesia, and The Gambia, and (iii) Enhancing efficiency and responsiveness. Illustrations of some of the actions taken by Group Members and Departments are given in Annex-E.







ANNEXES

Annex A:

Main Indicators for Projects Evaluated in 1436H

Annex B:

Evaluated OCR Projects with Implementation Delays in 1436H

Annex C:

Cost Variations in OCR Projects Evaluated in 1436H

Annex D:

Criteria-Based Rating for Evaluations in 1436H

Annex E:

Recommendations from 1436H Evaluations

ANNEX A. MAIN INDICATORS FOR PROJECTS EVALUATED IN 1436H

	Country	Project Code	Project Title	Sector	Overall Rating	Implementation Delay (months)	Change in Design	Change in Scope	Appr. (Min)	Disb. (Min)	% of Appr.
ORDINARY PROJECT LEVEL EVALUATION											
1	azerbaijan	AZ0033	Baku Waste to Energy Plant	Energy	Successful	4	No	Yes	127.54	127.49	99.96%
2	azerbaijan	AZ0022	Samur Absheron Irrigation Velvelichay-Takhtakorpu Canal	Agriculture	Successful	22	No	No	10.1	9.98	98.81%
3	bangladesh	BD0160	Rehabilitation of Rural Infrastructures damaged in Gailbandha Kuriaram	Water, Sanitation, And Waste Management (Watsan)	Successful	34	No	No	1.5	1.48	98.67%
4	benin	BEN0039	Akpro Misserete-Bonou-Kpedekpo Road - Supplementary	Transportation	Partly Successful	80	Yes	Yes	7	6.6	94.29%
		BEN0050							3.57	2.798	78.38%
5	benin	BEN0049	Construction of Dormitories at the University of Cotonou	Education	Partly Successful	63	No	Yes	11.5	11.5	100.00%
6	burkina faso	UV0080	Construction of the Kaya - Dori Road Project	Transportation	Successful	33	Yes	Yes	9	8.2	91.11%
7	chad	CD0066	Construction of the Bokoro-Aroutchatak Road Project	Transportation	Successful	32	Yes	No	10.6	10.8	101.89%
8	djibouti	DI0049	Boulaos Thermal Power Plant Upgrade (Phase III)	Energy	Successful	27	No	No	€7.78	€7.43	95.50%
9	gabon	GA0041	Const. of the Franceville-Leconi-Kabala Road (Supplementary Financing)	Transportation	Partly Successful	8	No	No	32.4	32.483	100.26%
10	indonesia	IND0120	Rehab. Reconstr. Of Simeulue Island Tsunami	Agriculture	Successful	0	No	Yes	10	8.864	88.64%
11	jordan	JO0109	Qatrana Electric Power Company	Energy	Highly Successful	4	No	No	51.97	45.92	88.36%
12	malawi	MLI079	Construction of Saraya-Kita Regional Road	Transportation	Partly Successful	44	Yes	Yes	9.5	9	94.74%
13	morocco	MOR0111	Construct. of Fes-Taza Segment	Transportation	Successful	13	No	Yes	€92.00	€82.70	89.89%
14	morocco	MOR0104	Construction of Marrakech Agadir Highway	Transportation	Successful	4	No	Yes	69.88	67.61	96.75%
15	morocco	MOR0102 MOR0103	Water Supply for Berrechid and Taza Rural Communities	Watsan	Successful	48	No	Yes	26.59	24.72	92.97%
16	morocco	MOR0115	Mohammedia Gas Turbine Power Plant Project	Energy	Highly Successful	2	No	Yes	122	116.66	95.62%
17	qatar	QA0024	Ras Lafan Independent Water and Power Plant	Watsan	Successful	0	No	No	97.63	97.63	100.00%
18	senegal	SE0096 SE0097 SE0107	Upgrading of Dakar Expressway	Transportation	Successful	43	No	Yes	27	25.9	95.93%
19	senegal	SE0080	Construction of Saraya-Kita Regional Road	Transportation	Partly Successful	12	Yes	No	9.5	8.8	92.63%
20	sudan	SU0118	Khartoum North Power' Station Automation Project	Energy	Successful	31	Yes	Yes	15.926	15.926	100.00%
21	togo	TO0013	Basic Education Development	Education	Successful						
22	tunisia	TUN0086	The Health Project	Health And Other Social Services	Successful	31	No	No	19.73	18.98	96.20%
23	turkey	TU0135	Yalova and Bolu Sewerage	Watsan	Successful	48	Yes	Yes	30.66	22.65	73.87%
		TU0136				24			4.44	3.618	81.49%
CLUSTER EVALUATION OF SPECIAL ASSISTANCE											
24	china	CHN0015	Eight Schools damaged by Floods in February 2002	Special Assistance Operations	Successful	No Delay	No	No	418872	413730	98.77%
		CHN0016	Construction of Shandong Muslim Science & Technology Training	Special Assistance Operations	Partly Successful	No Delay	No	Yes	129861	129861	100.00%
		CHN0019	Construction of Hebei Provincia Islamic College- Shijiazhuang	Special Assistance Operations	Successful	No Delay	No	Yes	184516	184516	100.00%
		CHN0020	Construction and Equipment of Jiamusi Muslim Vocational Training and Cultural Center	Special Assistance Operations	Partly Successful	No Delay	No	No	149519	84511	56.52%

ANNEX B. EVALUATED OCR PROJECTS WITH IMPLEMENTATION DELAYS IN 1436H

	Country	Project Code	Project Title	Implementation Delay (months)	Implementation Delay (months)	Reasons for Delay
1	AZERBAIJAN	AZ0022	Samur Absheron Irrigation Velvelichay-Takhtakorpu Canal	Agriculture	22	Long wait to achieve cross effectiveness condition requiring Government to sign agreements with other funding agencies (SFD & OPEC).
2	BANGLADESH	BD0160	Rehabilitation of Rural Infrastructures damaged in Gailbandha Kuriaram	Watsan	34	1) Lack of readymade designs and bills of quantities for civil works due to unplanned nature of the works at the time of approval, 2) More time required to undertake needs assessment and estimate works to be undertaken, and 3) longer period to make provision in the national budget to meet Government Counterpart funding obligation.
3	BENIN	BEN0039 BEN0050	Akpro Misserete-Bonou-Kpedekpo Road - Supplementary	Transportation	80	(i) Initial 24 months delay attributed to administrative delay from the side of the Government of Benin to ratify the project in the parliament. (ii) settlement of problems arising due to land expropriations and raw materials sourcing sites (river sand extraction authorizations). (iii) Updating of the outdated feasibility studies (iv) Mobilization of Supplementary Financing (v)Lack of effective project planning and lack of supervision of Contractor.
4	BENIN	BEN0049	Construction of Dormitories at the University of Cotonou	Education	63	1) 2 years delay in launching the bids due to cumbersome procedures in selection of main contractors (through ICB) and supervision consultants; 2) Cost of civil works for three (3) Lots exceeding the credit available and requiring re-scoping.
5	BURKINA FASO	UV0080	Construction of the Kaya-Dori Road Project	Transportation	33	1) Delay in attaining project effectiveness for disbursement mainly attributed to a lack of a topographical study at works start-up. 2) Late transmission of implementation plans for Tougouri and Yalgo dams. 3) Frequent stops of the works by the contractor due to shortage of fuel, cement, shortage of spare parts at project site and other construction materials. and 4) Execution of additional civil works that were not initially included in the scope.
6	CHAD	CD0066	Construction of the Bokoro-Aroutchatak Road Project	Transportation	32	Mainly caused by the revision of the scope after signing of loan agreement that lasted 22 months.
7	DJIBOUTI	DI0049	Boulaos Thermal Power Plant Upgrade (Phase III)	Energy	27	The update of project cost has resulted in a long start-up delay owing to the time needed to secure additional financing to execute the project.
8	GABON	GA0041	Const. of The Franceville-Leconi-Kabala Road (Supplementary Financing)	Transportation	8	Lengthy procurement procedures by the government and the bank as well as weather conditions.
9	MALI	MLI079	Construction of Saraya-Kita Regional Road	Transportation	44	Delays occurred due to cross-effectiveness conditions and challenges related to the selection processes of the contractors and consultants for the supervision of works.
10	MOROCCO	MOR0111	Construct. of Fes-Taza Segment	Transportation	13	Inclusion of additional works and severe weather conditions (winter).
11	MOROCCO	MOR0102 MOR0103	Water Supply for Berrechid and Taza Rural Communities	Watsan	48	(i) the project packaging into 35 lots, (ii) delays related to the acquisition of right-of-ways, crossing of railways, gas pipeline, electrical lines, (iii) coordination with several stakeholders (Electricity company, Railway company, Gas company, Roads Authority, and Rural Communes), (iv) delays in preparation of technical studies by the electricity company, (v) coordination among implementers of different lots, (vi) approval of electrical drawings, and testing by the electricity company, and (vii) coordination with Daourat Regional Water Supply Project.
12	SENEGAL	SE0096 SE0097 SE0107	Construction of Saraya-Kita Regional Road	Transportation	43	Lengthy procedures to recruit the consultant.
13	SENEGAL	SE0080	Construction of Saraya-Kita Regional Road	Transportation	12	Delays occurred due to cross-effectiveness conditions and challenges related to the selection processes of the contractors and consultants for the supervision of works.
14	SUDAN	SU0118	Khartoum North Power Station Automation Project	Energy	31	The delays were caused by two factors. (i) The introduction of an embargo on Sudan in 2005 led to companies withdrawing from the tender. Consequently, a new tender was called. The second tender resulted in the selection of DIMCO, a South Korean company as a contractor. (ii)Following DIMCO's site visit to the plant, it became apparent that major changes to the scope of works were needed. Re-scoping resulted in an additional 10 month delay.
15	TOGO	T00013	Basic Education Development	Education	31	
16	TUNISIA	UN0086	The Health Project	Health And Other Social Services	48	The civil works was delayed by 4 years. This delay is due largely to the long response time of the national procurement committee. At the time of the mission, the information related to the equipment were not yet sent to the Department of Buildings of the Ministry of Health. The significant delay of 2 years and 4 months in equipment delivery was due to the long delay in obtaining no-objection from the IDB. Four extensions were granted for proper completion of the project. The main reasons for delay were due to: (i) the long waiting period for obtaining no objection from the IDB, and (ii) the administrative delays in the procurement process.
17	TURKEY	TU0135	Yalova and Bolu Sewerage	Watsan	24	(i) Soil stability issues faced during the construction of the main pumping station; (ii) delay in performing additional works related to the setting up of a rain storm drainage system; and (iii) delay in the completion of the network caused delays in the commissioning of the treatment plant. In addition, the project experienced significant start-up delays of 13 months and 21 months for both Yalova and Bolu before project disbursements. The reasons for this start-up delay in Yalova was due to the time taken to revise the findings of the feasibility study and thus re-scoping of the project.

ANNEX C. COST VARIATIONS IN OCR PROJECTS EVALUATED IN 1436H

	Country	Project Code	Project Title	Sector	Appraisal (Mn)	Actual (Mn)	Var. (%)	Reasons for Delay
1	BANGLADESH	BD0160	Rehabilitation of Rural Infrastructures damaged in Gailbandha Kuriaram	Watsan	\$1.90	1.7	-10.53%	The cost under-run was occasioned by the competitive tendering with lowest bid offers as well as the use of resources from government (executing agency).
2	BENIN	BEN0039 BEN0050	Akpro Misserete-Bonou-Kpedekpo Road - Supplementary	Transportation	19.74	42.37	114.64%	(i) inaccurate cost estimation at appraisal that led to revision of cost during the supplementary financing which were more close to the actual cost; (ii) the unfavorable exchange rate US\$/CFAF (US\$ 1 = CFAF 767 at appraisal and US\$ 1 = CFAF 540 at the time of revision and US\$ 1 = 526.468 CFAF at completion); (iii) the price escalation (especially for gas, oil and bitumen) as a result of higher oil prices at US\$ 130/barrel in 2008 period.
3	BENIN	BEN0049	Construction of Dormitories at the University of Cotonou	Education	\$10.60	15.56	46.79%	1) The depreciation of the US dollar against the FCFA during the implementation period (from FCFA 541/1 US\$ in December 2005 to a monthly average of FCFA 4.6/1 US\$ from January 2006 - April 2010); 2) Increased cost of civil works in 3 Lots (from 8.5 to 10.7 million US\$), hence requirement for additional funding; 3) Additional cost of Administration Block that was not included in the original cost.
4	BURKINA FASO	UV0080	Construction of the Kaya-Dori Road Project	Transportation	\$34.10	39.8	16.72%	The cost overrun was mainly attributed to the additional works undertaken comprising: (i) strengthening the embankment of the road; (ii) construction of 11 additional hydraulic structures; (iii) change in road alignment between KP 125+500 and KP 128+080; (iv) construction of two toll stations at Dori and Kaya; and (v) variation of the works quantity of the Yalgo dam following changes in the design of its overflow as recommended by the validation report.
5	CHAD	CD0066	Construction of the Bokoro-Aroutchatak Road Project	Transportation	\$27.30	62.8	130.04%	1) The cost overrun was occasioned by additional works addendum as a result of change in design at appraisal that led to upward revision of cost; and 2) extended engagement of consultants though contract was never signed.
6	DJIBOUTI	DI0049	Boulaos Thermal Power Plant Upgrade (Phase III)	Energy	€9.50	€16.50	73.68%	The cost over-run was mainly due to the 2007 -2008 high prices increase of the equipment - as indicated above - coupled with overall project cost under-estimation at appraisal.
7	INDONESIA	IND0120	Rehab. Reconstr. of Simeulue Island Tsunami	Agriculture	15	13.1	-12.67%	The lower cost of project stemmed from non-utilization of project contingency budget of 11%. The cost of civil works for reconstruction of school and Community Medical Centers was lower by 5%, while the cost of PMU was borne by the government, contributing to remaining cost savings. The DED consultant did not deliver as expected, and was penalized. The cost of road infrastructure rehabilitation escalated between appraisal and actual implementation. To fit original cost estimates, road length was reduced to 23 km.
8	MALI	MLI079	Construction of Saraya-Kita Regional Road	Transportation	\$80.40	167.50	108.33%	The addition of 2 more bridges (Bafing & Bale financed by JICA) that were not part of the original project cost and the 13 km added because of two bypasses at road section in Kita and a deviation from a mountain at Bafing-Faleme stretch.
9	MOROCCO	MOR0111	Construct. of Fes-Taza Segment	Transportation	€462.90	€560.50	21.08%	Cost of treatment of soil instability on sections of the road; and 2) Cost of land expropriation.
10	MOROCCO	MOR0104	Construction of Marrakech Agadir Highway	Transportation	\$196.45	225.92	15.00%	Additional works mainly two interchanges and 3 pedestrian bridges not planned for during appraisal.
11	SENEGAL	SE0096 SE0097 SE0107	Upgrading of Dakar Expressway	Transportation	37.18	59.27	59%	Additional works and consultancy services to widen the OMVS Plaza Interchange and construction of 5 footbridges.
12	SENEGAL	SE0080	Construction of Saraya-Kita Regional Road	Transportation	\$80.40	\$167.50	108.33%	The cost overrun was mainly attributed to a major revision of the overall cost as a result of change in technical design of the road section in Senegal to replace the double surface concrete asphalt layer with a bituminous concrete.
13	SUDAN	SU0118	Khartoum North Power' Station	Energy	€ 30.48	22.31	7.00%	Leaving out works relating to firefighting systems, and desulphurization unit and limiting scope to unit 3 and 4 only.
14	TOGO	TO0013	Automation Project	Education	11.42	8.09	-29.16%	Project was down-scope and retained only the components related to schools.
15	TURKEY	TU0135	Basic Education Development Yalova and Bolu Sewerage	Watsan	73.45	51.63	-29.71%	The reduction in project cost is mainly attributed to the reduced scope. This was due to the implementation of only 1 waste water treatment plant instead of 2 planned at appraisal which in turn resulted in significantly reducing the sewerage network and collector line from 326 km of network lines expected at appraisal to only 175 km.

ANNEX D. CRITERIA-BASED RATING FOR EVALUATIONS IN 1436H

	Country	Project Code	Project Title	Sector	Overall Rating	Relevance	Effectiveness	Efficiency	Sustainability
1	AZERBAIJAN	AZ0033	Baku Waste to Energy Plant	Energy	Successful	Relevant	Effective	Efficient	Likely
2	AZERBAIJAN	AZ0022	Samur Absheron Irrigation Velichay-Takhtakorpu Canal	Agriculture	Successful	Relevant	Effective	Efficient	Likely
3	BANGLADESH	BD0160	Rehabilitation of Rural Infrastructures damaged in Gailbandha Kuriaram	Watsan	Successful	Relevant	Effective	Efficient	Likely
4	BENIN	BEN0039 BEN0050	Akpro Misserete-Bonou-Kpedekpo Road - Supplementary	Transportation	Partly Successful	Relevant	Effective	Inefficient	Less Likely
5	BENIN	BEN0049	Construction of Dormitories at the University of Cotonou	Education	Partly Successful	Relevant	Effective	Less Efficient	Less Likely
6	BURKINA FASO	UV0080	Construction of the Kaya-Dori Road Project	Transportation	Successful	Relevant	Effective	Less Efficient	Likely
7	CHAD	CD0066	Construction of the Bokoro-Aroutchatak Road Project	Transportation	Successful	Relevant	Effective	Less Efficient	Likely
8	DJIBOUTI	DI0049	Boulaos Thermal Power Plant Upgrade (Phase III)	Energy	Successful	Relevant	Effective	Less Efficient	Likely
9	GABON	GA0041	Const. of The Franceville- Leconi-Kabala Road (Supplementary Financing)	Transportation	Partly Successful	Partly Relevant	Ineffective	Efficient	Likely
10	INDONESIA	IND0120	Rehab. Reconstr. Of Simeulue Island Tsunami	Agriculture	Successful	Highly Relevant	Effective	Efficient	Likely
11	JORDAN	JO0109	Qatrana Electric Power Company	Energy	Highly Successful	Highly Relevant	Highly Effective	Highly Efficient	Likely
12	MALI	MLI079	Construction of Saraya-Kita Regional Road	Transportation	Partly Successful	Relevant	Less Effective	Inefficient	Less Likely
13	MOROCCO	MOR0111	Construct. of Fes-Taza Segment	Transportation	Successful	Relevant	Effective	Efficient	Likely
14	MOROCCO	MOR0104	Construction of Marrakech Agadir Highway	Transportation	Successful	Relevant	Effective	Efficient	Likely
15	MOROCCO	MOR0102 MOR0103	Water Supply for Berrechid and Taza Rural Communities	Water, Sanitation, And Waste Management	Successful	Relevant	Effective	Less Efficient	Likely
16	MOROCCO	MOR0115	Mohammedia Gas Turbine Power Plant Project	Energy	Highly Successful	Highly Relevant	Highly Effective	Highly Efficient	Likely
17	QATAR	QA0024	Ras Lafan Independent Water and Power Plant	Watsan	Successful	Relevant	Effective	Efficient	Most Likely
18	SENEGAL	SE0096 SE0097 SE0107	Upgrading of Dakar Expressway	Transportation	Successful	Relevant	Effective	Less Efficient	Likely
19	SENEGAL	SE0080	Construction of Saraya-Kita Regional Road	Transportation	Partly Successful	Relevant	Less Effective	Inefficient	Less Likely
20	SUDAN	SU0118	Khartoum North Power' Station Automation Project	Energy	Successful	Relevant	Effective	Efficient	Likely
21	TOGO	TO0013	Basic Education Development	Education	Successful	Relevant	Effective	Less Efficient	Likely
22	TUNISIA	TUN0086	The Health Project	Health And Other Social Services	Successful	Relevant	Effective	Efficient	Less Likely
23	TURKEY	TU0135	Yalova and Bolu Sewerage	Watsan	Successful	Relevant	Effective	Less Efficient	Likely
24	CHINA	CHN0015	Eight Schools damaged by Floods in February 2002	Special Assistance	Successful	Highly Relevant	Effective	Efficient	Likely
		CHN0016	Construction of Shandong Muslim S&T Training	Special Assistance	Partly Successful	Relevant	Ineffective	Efficient	Unlikely
		CHN0019	Construction of Hebei Provincial Islamic College - Shijiazhuang	Special Assistance	Successful	Relevant	Less Effective	Efficient	Less Likely
		CHN0020	Construction and Equipment of Jiamusi Muslim Vocational Training and Cultural Center	Special Assistance	Partly Successful	Relevant	Ineffective	Less Efficient	Less Likely

ANNEX E. RECOMMENDATIONS FROM 1436H EVALUATIONS

Country/ Proj Code	Project Title	Sector	Follow Up Action / Recommendation	Responsible	Status of Implementation
AZERBAIJAN/ AZ0033	BAKU WASTE TO ENERGY PLANT	Energy	IDB should liaise closely with other MDBs in the waste treatment sector and seek opportunities for financing new projects, which will be identified after the current study carried out for the sector by World Bank and other MDBs.	INF	The department has pursued an opportunity in Bahrain under PPP structure that is still under review.
AZERBAIJAN/ AZ0022	SAMUR ABSHERON IRRIGATION VELVELICHAY -TAKHTAKORPU CANAL	Agriculture and Rural Development	- The almost two years start up delay was occasioned by the cross-effectiveness condition that required the Government to sign financing agreements with the other funding agencies (Saudi Fund for Development & Organization of the Petroleum Exporting Countries). In this regard, it is recommended that IDB works in concert with other financiers in such engagements in fixing timelines. - To avoid unnecessary delays in project start-up and implementation, IDB may encourage engaging a single firm to undertake preliminary design, final design, tender documents, tender evaluations, and construction supervision. This would help in avoiding unnecessary revisions, and cost escalations.	CTY ARD	- As per the recommendation, cross-effectiveness condition will not be included in the financing agreements of future projects unless it is absolutely necessary due to specific nature of the project. - As a matter of standard practice, ARD for its projects is mostly engaging a single firm to undertake preliminary design, final design, tender documents, tender evaluations, and construction supervision.
BANGLADESH/ BD0160	REHABILITATION OF RURAL INFRASTRUCTURES DAMAGED IN GAILBANDHA KURIARAM	Agriculture and Rural Development	- IDB should in the future consult with Governments before approving the scope of any financial assistance. This will offer the country the opportunity to present very comprehensive proposal or request for funding that will meet its aspirations and strategies. - To ensure holistic socio-economic development of the project area, the Bank should consider extending further support to the Government of Bangladesh to improve on other infrastructure (health, education, irrigation/agriculture, markets etc.) besides roads in the two districts.	CTY	- The CTY is consulting with the Government of Bangladesh (GoB) on continuous basis before approving the type and scope of any financing. It has been agreed on a 3-year Work Program for the period 2016-2018. - IDB determines its intervention in a country not only based on its priorities but through a partnership strategic framework such as MCPs. Both the GoB and IDB have discussed and agreed on the said 3-year Work Program, which covers wide geographical areas in Bangladesh.
BENIN / BEN 0039	AKPRO MISSERETE - BONOU -KPEDEKPO ROAD	Transport	- Integrating toll gates/weighbridges into road infrastructure projects should be encouraged within the framework of mobilising the resources required for road maintenance after the implementation of a project. - Conducting more than one project appraisal in the same field mission may not place the required attention and focus on appraising the quality of the project arrangements, capacity of the Executing Agency, quality of the feasibility study, etc. Thus, the Bank needs to ensure that sufficient time and resources are given to perform quality appraisal of given projects.	INF	This recommendation will be implemented through the preparation and appraisal missions for new project subject to prevailing law and regulation in some regions such as WAEMU zone.
BENIN / BEN 0036	CONSTRUCTION OF DORMITORIES AT THE UNIVERSITY OF COTONOU	Education	- Since the project was not able to achieve its intended outcomes, it is important that the Bank extend further support to the Government to undertake two key actions, namely, the rehabilitation of the completed blocks and the completion of the remaining building and external works (recreational ground, roads, drainage and sewage systems and water reservoir) - Undertake regular supervision mission for on-going projects to address issues as they appear during implementation - Assist the EA (Ministry of Education) to develop its procurement and project management capacity for future projects.	HDE/CTY HDE	- A new project under the title of Support to the Higher Education Development Project is approved by the Board on 04/10/2015. This project aims to contribute to the HE Sector Plan (2013- 2017), which aims at producing qualified workforce with relevant skills demanded by the economy. The project will specifically contribute to increase access to quality and relevant HE through upgrading, expanding and equipping of two existing public universities. However, the University of Cotonou is not included in the project, since it is not requested from the GoB. - The Project is completed. The suggestions will be taken in consideration as recommended. - In order to improve the supervision of projects under implementation in Benin, several projects, including BEN0074 and BEN0084, are delegated to the Regional Office in Dakar by 15/12/2015. - In the new project of BEN0084, the capacity of the EA will be improved through strengthening the PMU with some additional personnel, organizing study visits, establishing an M&E System.

ANNEX E. RECOMMENDATIONS FROM 1436H EVALUATIONS

Country/ Proj Code	Project Title	Sector	Follow Up Action / Recommendation	Responsible	Status of Implementation
BURKINA FASO/ UV0080	CONSTRUCTION OF THE KAYA-DORI ROAD	Transport	- IDB should pay more attention to making careful and rigorous estimation of project costs and realistic implementation period at project's design stage. The substantial change in scope (civil works) that occurred during implementation suggests that the detailed technical studies needed to be more accurate and comprehensive. - IDB should continue to extend additional support for the improvement of the transport sector in the Republic of Burkina Faso, which is crucial for sustaining the economic growth in the country. - IDB should ensure the conduct of project audit and preparation of PCR for all its financed projects.	INF INF/CTY INF	- The recommendation is noted. The Concerned EA will be informed. TRA is paying attention to cost estimates at appraisal of project - The Bank has recently approved more than five projects in the Transport sector in Burkina Faso. - All approved projects have audit component, which implementation is being monitored closely. PCR for completed projects are being prepared in collaboration with Dakar Regional Office. - The Project is completed. The suggestions will be taken in consideration as recommended.
CHAD/CD0066	CONSTRUCTION OF THE BOKORO-AROUTCHATA K ROAD	Transport	- IDB should always check rigorously the compliance of each disbursement request against the availability of funds under the component's budget line. - IDB should send a correspondence to the Government of Chad calling for the payment of due statutory road funds in favour of the Road Maintenance Funds. - The Bank should include the periodic maintenance of the priority roads as a priority item in future country dialogue with Chad and advocate alongside other financiers for resource mobilization in favour of the Road Maintenance Fund (FER).	INF INF/CTY	- The contract management system linked to the ODS and SAP system now applied for disbursement prevent such situation. - The recommendation is noted. The matter was discussed with the Authorities during the IDB supervision mission in April 2015. - The Bank through its missions in MCs in the region is advising and encouraging MCs for sharing experiences in the field of road maintenance. Other donors such as European Union are also assisting these countries for more two decades. - This Project was closed in 2012. IDB does not undertake periodic maintenance for roads and the Bank will notify the country in the upcoming programming mission.
DJIBOUTI/ DI0049	BOULAOS THERMAL POWER PLANT UPGRADE (PHASE III)	Energy	One of the causes of high cost overrun encountered by the project was the under-estimation of project cost at appraisal done by the Bank. Thus, in order to ensure sound implementation and viability of the operations that it finances, the Bank should ensure adequate appraisal estimates with relevant and accurate data.	INF	- The recommendation is noted. ENE is paying attention to cost estimates at appraisal of project. - The project is included in the 2016 work program.
GABON/ GA0041	CONSTRUCTION OF THE FRANCEVILLE- LECONI-KABALA ROAD	Transport	- IDB may study the finance of the upcoming project OKANDIA-MAKOKOUN (265 km) estimated at about US\$ 54.0 million since it was identified as one of the top priorities in the country road network, however, the financing needs to be supported by proper feasibility studies by IDB and GoG. - Ensure proper selection of project that represents Government top priorities and increase Government contribution in roads financing.	INF/CTY CTY	- The project is already included in the Work Program 1437H. - Projects are selected on the basis of the country priorities.
INDONESIA/ IND0120	REHABILITATION AND RECONSTRUCTION OF SIMEULUE ISLAND TSUNAMI	Agriculture and Rural Development	- Phase-II of the project was planned, with focus on rehabilitation of livelihood. The phase-II, approved in 2010, was cancelled due to fiscal issues between local and federal government in Indonesia. Now that the fiscal issue is resolved, CTY and ARD may follow-up for a potential revitalization of a Phase-II, addressing current priorities of Simeulue Island. - IDB should do financial, economic and risk analysis of supply chain management projects/components, similar to the fisheries development component, to make fully informed investment decisions. In such livelihood support projects, an integrated approach with all aspects of market creation need to be incorporated in the project (if justified by the economic and risk analysis). Over-reliance on infrastructure development in such projects needs to be avoided and the opportunity cost of such investments should be taken into account, especially in post-disaster conditions and with concessionary financing.	ARD/CTY	- ARD will provide all necessary technical support that may be required by CTY for revitalization of a Phase-II addressing current priorities of Simeulue Islands. - Following the completion of phase-I, CTY or AGR has not had any mission to Indonesia to follow-up on the possibility of continuing the project in a second phase. - In ARD's current projects dealing with supply chain management an integrated/inclusive approach is being adopted in which all aspects of market creation are incorporated. Infrastructure development has a supportive function and the opportunity cost of such investments is given due consideration, particularly in post-disaster and with concessionary financing.

ANNEX E. RECOMMENDATIONS FROM 1436H EVALUATIONS

Country/ Proj Code	Project Title	Sector	Follow Up Action / Recommendation	Responsible	Status of Implementation
JORDAN/ J00109	QATRANA ELECTRIC POWER COMPANY	Transport	- IDB should consider potential replication of such PPP projects in Jordan or in other member countries, where the construction risk is fully shifted to the private company and smooth implementation and operation is ensured but preferably with purchase guarantees at lower prices. - IDB should closely follow-up the gas supply issue faced by the country and liaise closely with Government of Jordan for financing the infrastructure development for LNG supply and/or possible trade finance of liquefied natural gas (LNG) through ITFC.	INF/CTY CTY	- The project recently achieved full financial completion and is successfully operating at 100% capacity availability. Subsequent to this project, PPP has participated in six such IPP projects, where the construction risk has been fully passed on the private partner. Out of these six projects, Uch Power, Fauji I & II in Pakistan and Bibiana Power in Bangladesh have been completed successfully and COD achieved. The other two projects i.e. Patrind Hydro Power in Pakistan and Safi Coal Fired IPP in Morocco are under implementation and are expected to achieve COD by early 2017 and early 2018 respectively. PPP is currently looking at a number of IPPs, both renewable and thermal, in Jordan, Egypt, Mali and Pakistan which will be based on PPP model, under power purchase agreements with the host government-owned utilities - Actually, there are 3 PPP projects in the Work Program-2016 Category A. In addition, INF/PPP is currently working to add another new PPP project in the energy sector. IDB followed up closely with the Government of Jordan for financing the infrastructure development for LNG supply, however, this project has been financed by the grants that Jordan received from the Gulf countries. A framework agreement has been signed between ITFC and Government of Jordan to finance some strategic commodities during the next three years.
MALI/ MLI079	CONSTRUCTION OF SARAYA-KITA REGIONAL ROAD	Transport	- IDB should pay more attention at the project's design stage by making careful and rigorous estimation of project costs and realistic implementation period. The substantial change in scope (civil works) that occurred during implementation suggest that the detailed technical studies needed to be more accurate and comprehensive. - IDB should make a deep analysis before setting up a cross effectiveness clause in the agreement. This can curtail unnecessary delay and administrative cost to the beneficiaries as it has been the case during the implementation of this project.	INF INF/CTY	- This is being implemented by putting more emphasis on project readiness, specially having Detailed Engineering Design (DED) and tender document of projects before embarking in the process of their approval by the Bank. - The Project is completed. The suggestions will be taken in consideration as recommended.
MOROCCO/ MOR0111	CONSTRUCTION OF FES-TAZA SEGMENT	Transport	- IDB as a credible development partner should consider supporting the Kingdom of Morocco in its future highways projects. Morocco has embarked on an ambitious road development program (about 1200 km additional highways planned) which is beyond the financial capability of the government and the executing agency. It is expected that more donor support will be required to accomplish the objective. - Organize a Regional Forum for MCs on the establishment and management of highway networks with focus on the best practice in some MCs, in particular the experience of ADM. - Support the EA (ADM) interventions in Member Countries (MCs) mainly in Africa: Establish a facility for tripartite cooperation ADM-IDB-MC for incubation of the highway projects through facilitating policy, regulation and expertise transfer from ADM to other MCs through the Reverse Linkage Initiative.	INF/CTY CCD Complex- Capacity Development Department	- CTY and Regional Office in Rabat (RRA) continue to probe and consult with the Moroccan Government to support it in its logistics investment program. However, Morocco is reluctant to approach IDB due to perceived higher cost of finance. - It was agreed with the Office of Governor for Morocco and AMCI (Technical Cooperation Agency in Morocco) that the Bank will include the ADM in the mapping exercise of resources centers in Morocco.

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Country/ Proj Code	Project Title	Sector	Follow Up Action / Recommendation	Responsible	Status of Implementation
MOROCCO /MOR0111	CONSTRUCTION OF FES-TAZA HIGHWAY SEGMENT	Transport	• Support the EA (ADM) interventions in Member Countries (MCs) mainly in Africa: Establish a facility for tripartite cooperation ADM-IDB-MC for incubation of the highway projects through facilitating policy, regulation and expertise transfer from ADM to other MCs through the Reverse Linkage Initiative. • Organize a Regional Forum for MCs on the establishment and management of highway networks with focus on the best practice in some MCs, in particular the experience of ADM. • Based on its long experience and good capabilities in the areas of highway design, bidding, financing operation and management as well as in the institutional aspects in the road sector, ADM has set up an international Branch called ADM Project to operate overseas. Subsequently, this branch signed on 5 December 2014, a Memorandum of Understanding (MOU) with the Government of Cote d'Ivoire to participate in the design, preparation of the bidding documents, and management of about 1,500 km of highways planned in Cote d'Ivoire. The Bank may support this initiative by financing part of the country's highway network.	CCD Complex- Capacity Development Department	• It was agreed with the Office of Governor for Morocco and AMCI (Technical Cooperation Agency in Morocco) that the Bank will include the ADM in the mapping exercise of resources centers in Morocco. • It is to be noted that the Bank is embarking in mapping resources center in Morocco which will serve as reference of institutions to be used by the Bank and member countries in their future intervention under Reverse Linkage.
MOROCCO /MOR0103	WATER SUPPLY FOR BERRECHID AND TAZA RURAL COMMUNITIES	Agriculture and Rural Development	• In future similar projects, IDB should carefully examine and optimize project packaging with a view to avoid splitting the project into numerous lots for which coordination is difficult and may cause implementation delays.	ARD	• In most of the IDB MCs rural areas are remote, underdeveloped, spread over vast areas and having need of small value rural infrastructure making it unattractive for outside big contractors, therefore, the rural infrastructures work is undertaken by small contractors in small packages that are in consonance with their capacities.
MOROCCO /MOR0115	MOHAMMEDIA GAS TURBINE POWER PLANT PROJECT	Energy	• IDB should liaise closely with the EA (ONEE) for financing the possible future conversion of this gas fired power plant to a combined cycle one. • IDB should approve future projects at as much advanced stage as possible, but preferably before the signing of construction and supply contracts.	INF/CTY	• ONEE has not expressed any intention to undertake such a conversion. • CTY and RRA have recently been approached by the Moroccan government to finance three railway stations on its high-speed rail network while the project is at an advanced stage of implementation.
QATAR/ QA0024	RAS LAFAN INDEPENDENT WATER AND POWER PLANT	Energy	• IDB should follow up the issue of full load testing of the facility, which has not been completed yet.	INF	• The issue of full load testing came up at the time of testing sustainable operation for the project. This issue is still outstanding and the state owned utility KHARAMA continues to be responsible for deemed completion till such time it makes the load availability for the project on the grid.
			• IDB should develop internal capacity in cost-benefit and risk analysis to cross check the consultants' appraisal on similar PPP projects to avoid any misguidance.	INF	• IDB ensures that the consultants chosen by the lenders are amongst the top ranking consultants in the world. This is to compensate for lack of sufficient technical capacity internally, which incidentally is also the model pursued by other MDBs like ADB and IFC. PPP does however consults internally with its ENE sector teams on all such IPP projects and is guided by the suggestions and recommendations of ENE from the point a PCD is formulated for the projects.
			• For such projects, IDB should encourage similar contractual structure having state companies as equity holder of the project company in order to ensure strong back-up from the Government and facilitate knowledge transfer to the country	INF	• Normally the formation of sponsor-group of IPPs is beyond the control of IDB and is solely dependent on how the sponsors have initially interacted amongst themselves to form the consortium. In most cases, the IPPs financed by IDB do not have direct shareholding of state-owned enterprises. While we fully appreciate the importance of GOED's recommendations, the absence of such shareholding is compensated with robust and well-structured concession and implementation agreements between the project company and the government. These agreements ensure that the project is well protected and is undertaken under clearly defined guidelines and support from the government, including necessary obligations under the PPA. The issue of knowledge transfer is addressed through majority staffing of local employees, not just in the technical field but also that of administration and O&M.

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Country/ Proj Code	Project Title	Sector	Follow Up Action / Recommendation	Responsible	Status of Implementation
SENEGAL/ SE0096/S E0096/SE0096	UPGRADING OF DAKAR EXPRESSWAY	Transport	IDB should pay more attention at the project's design stage to ensure accurate cost estimates and realistic implementation plan. The substantial design changes that occurred during the implementation of this project suggests that the detailed technical studies should have been more accurate and comprehensive.	INF	This is being implemented by putting more emphasis on project readiness, specially having Detailed Engineering Design (DED) and tender document of projects before embarking in the process of their approval by the Bank.
SENEGAL/ SE0080	CONSTRUCTION OF SARAYA-KITA REGIONAL ROAD	Transport	- IDB should pay more attention at the project's design stage to ensure accurate cost estimates and realistic implementation plan. The substantial change in scope (civil works) that occurred during implementation suggest that the detailed technical studies needed to be more accurate and comprehensive. - IDB should make a deep analysis before setting up a cross effectiveness clause in the agreement. This can curtail unnecessary delay and administrative cost to the beneficiaries as it has been the case during the implementation of this project.	INF	- This is being implemented by putting more emphasis on project readiness, specially having Detailed Engineering Design (DED) and tender document of projects before embarking in the process of their approval by the Bank. - The Project is completed. The suggestions will be taken in consideration as recommended.
SUDAN/ SU0118	KHARTOUM NORTH POWER STATION AUTOMATION PROJECT	Energy	- Quality at entry needs to be enhanced. Project appraisals must be more detailed and must challenge the validity of assumptions on which they are founded. To ensure this approach, IDB needs to ensure trained staff/consultants are utilized for the appraisal task. - In future electricity projects, IDB should not consider automation as a sole means of increasing reliability and efficiency of existing power stations.	INF	Sector staff are now utilized for the appraisal task of ENE's project.
TUNISIA/ TUN0086	THE HEALTH PROJECT	Health	- Continue to support the Ministry of Health in the implementation of the second health development program. - Include a soft component in future IDB projects to cater for Quality Assurance and Continuous Medical Education (CME). - Ensure the inclusion of health sector as a distinct component in the coming MCPS due to its high priority in the country strategic plans.	HDE/CTY HDE CTY	- No official request for support of the Bank has been received so far on health sector from Togo and Tunisia. - It will be included in the new projects, if any request is received from the relevant governments. - The CTY may consider the health sector in the forthcoming MCPS in close consultation with the Health Division.
TURKEY/ TU0135/ TU0136	YALOVA AND BOLU SEWERAGE	Infrastructure	- IDB should consider financing the second phase of Bolu Waste Water Treatment Plant (WWTP) so as to support the achievement of the project's intended impact. - IDB should ensure the availability of comprehensive feasibility study at appraisal so as to ensure proper project design and adequate allocation of resources that would serve the project ultimate objectives. - IDB may consider financing the extension of Yalova WWTP to include tertiary treatment so as to support the project financial sustainability.	INF/CTY INF INF/CTY	- During the preparation of the Work Program for 2016 (1437-1438H), the CGO Ankara was contacted in order to approach the Undersecretariat of Treasury and the Ilker, and trigger the demand for a follow up intervention in both cities. However, the Work Program did not include such operation. IDB is exploring the idea to work with Ilker Bank on Urban Transport in 2016, but the request for a second phase will be renewed to CTY and CGO Ankara. - The Turkey CGO has met the relevant municipalities after the GOED evaluation and its recommendation to have second phases of the previously successful projects. Since IDB can only provide financing for such projects with the Turkish Treasury's guarantee, Ilker Bank is the only institution, which can receive such a guarantee for municipalities. Currently, the mentioned municipalities have some indebtedness issues with Ilker Bank, which is therefore unable to propose these projects for policy reasons as the relevant municipality's debt has to fall below a certain threshold to be eligible for new funding. Therefore, these projects were not included in the tentative project pipeline for Turkey in 2016-2017. However, there is a scope to work on these projects in the future with a programmatic approach Urban Development Program with Ilker Bank, which will be an executing agency for IDB's proposed Urban Transport Program. Once the latter is approved and effective, the scope may be widened to include water and sanitation sub-sector/other sub-sectors and also include other municipalities such as Yalova and Bolu (as their internal constraints are rectified over time). - As presented in the Staff Appraisal Report, only the WWTP in Yalova did not have a feasibility study. The networks in Yalova and Bolu and the WWTP in Bolu had feasibility studies, or even detailed designs, ready at the time of the project appraisal.

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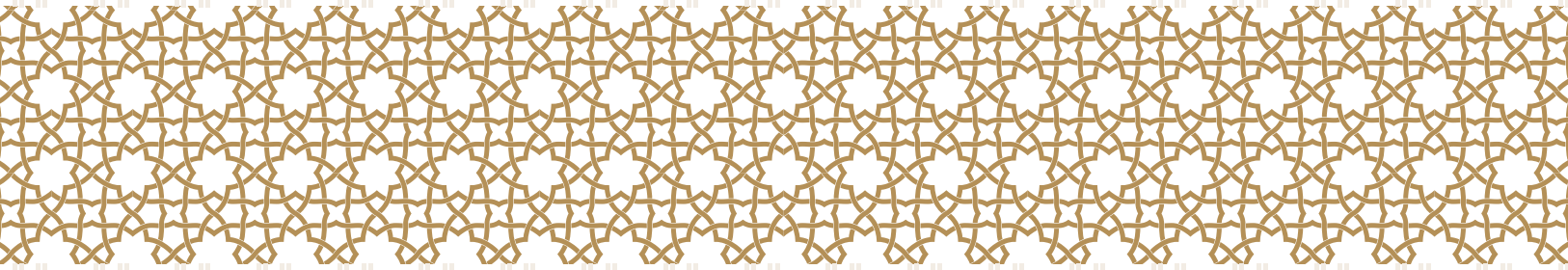
Country/ Proj Code	Project Title	Sector	Follow Up Action / Recommendation	DEP/GROUP	Status of Implementation
UZBEKISTAN	ICD LINE OF FINANCING ASAKA BANK	ICD	- Enhance the level of supervision on LOF beneficiaries by ensuring all supervision and monitoring reports conducted by FIs on client activities are shared with ICD as soon as they are conducted. - Diversify the portfolio of ICD LOF in Uzbekistan to get a healthy balance in terms of strategic sectorial representation, geographical orientation towards the more rural SMEs and smaller SMEs to have a greater developmental impact notwithstanding the need for ensuring financially strong and regular repayment from a given SME. - IRTI and IFS may take the initiative of offering requisite Islamic Finance training to the ministries, banks and other regulatory bodies in Uzbekistan to assist in creating an environment conducive to the regulatory reform for Islamic Finance.	ICD ICD IRTI/IFS	- ICD officer in Tashkent office regularly visit selected SME projects and provide ICD with monitoring reports. - In order to enhance supervision capacity, ICD hired an additional local staff. This will allow visiting each individual SME projects on regular basis. Additionally, ICD requires from LOF beneficiary banks to submit quarterly monitoring reports. - Before providing its approval, ICD carefully studies each individual SME projects in order to ensure all factors of diversification are covered. More than 200 SME projects have been financed through ICD LOF; these projects cover such sectors as food processing, manufacturing, health, construction, textile, agriculture and other sectors. - In 2015, ICD approved additional US\$ 25 million LOF facility to five local banks. Out of five banks two banks are new clients, this will further help to diversify ICD LOF portfolio and provide access to finance for further segments of the economy. - IRTI will conduct a Policy Dialogue Forum on Islamic Social Finance in 2016G. - IRTI is communicating with ICD to identify areas for capacity development. - The IFS Department provides technical assistance for Islamic finance development based on official request from the IDB Governors. As such, we will continue to liaise with CTY to explore any opportunity of obtaining such a request from Uzbekistan in the near future.
SUDAN	BERBER CEMENT COMPANY (CORPORATE EQUITY)	ICD	The shareholders should explore financing opportunities to support Berber Cement Company (BCC) in their capital investment requirement to procure an in-house captive power generator which may cost in the range of US\$ 10 million to US\$ 30 million, depending on the specifications provided. BCC is already in distress, and failure to remedy the situation will likely lead to worsening it.	ICD	- Berber purchased the needed power station (3 generators) from STX in South Korea for approximately US\$10m after strong negotiations. - In Beginning of April 2016, Berber was able to secure the funding from its operations and paid 85% as a down payment with the remaining 15% payable upon delivery.
UAE/6UAE-0040	NAMA COMMERCIAL & RESIDENTIAL BUILDING, FUJAIH	APIF	The awqaf sector in UAE is flourishing and growing, particularly among charitable organizations. IFSD needs to be proactive and look for profitable investment opportunities.	IFS	Since inception of APIF, IDB has approved 6 waqf projects in UAE total amounting US\$ 116.28 million. This is nearly 8% of the size of APIF portfolio. Moreover, two other Waqf projects in Ras Al-Khaimah and Fujairah are under consideration in 2016 for a total amount of investment estimated at US\$ 75 million.
MOROCCO	ITFC- Case Study Trade Finance Evaluation	Thematic Evaluation	- ITFC should attempt to expand its outreach to sectors of the economy mentioned which are priority for the government (renewable energy, automotive, micro processing, textile, agro-food industry, chemical industry). - Study the possibilities for assisting companies to penetrate into the SSA market, particularly as it relates to lines of finance and export financing.	ITFC ITFC	- ITFC is currently studying new import financing operations in Steel, phosphates and Agriculture sectors. Another operation is a pre export finance for cooper products. - ITFC is leading an IDB Group initiative called The Arab Africa Trade Finance Bridge. It is a regional trade promotion program aimed at enhancing the trade flows between Arab countries and SSA countries, members of OIC. Morocco, being part of Africa and the Arab world, benefits from a unique position to act as a regional hub. Moreover, it is supported by the existing presence of Moroccan banks in many African Countries (Attijariwafa Bank, BMCE Bank and Groupe Banque Populaire) which are actively involved in sub-Saharan Africa trade flows.

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ble	Status of Implementation
	• The program aims to establish finance lines dedicated to trade flows between Arab and SSA regions using Moroccan Banks' branches in SSA. Indeed, the existing network of Moroccan banks in Arab countries, Morocco and SSA is an underlying asset to secure access and utilization of the finance lines in Both directions, and offer private sector players a competitive advantage in the form of an "incentivized" financing to support import/export goods between the regions. The proposed program will be supported by the existing frameworks & partnerships and will offer a tangible financing tool to materialize these initiatives, namely: - The Arab Africa Trade Bridge. - The MOU signed between IDB Group and the Government of Morocco to enhance the capacities of Sub Sahara Countries. - The MOU signed between ITFC and the Ministry of Foreign Trade to enhance trade promotion in Morocco.
	• ITFC Business Plan in Indonesia for the next 3 years is to diversify its financing to more clients in various sectors. • ITFC has signed MOU with Bank Danamon and is in discussions with local FIs to co-finance new deals. • ITFC team stationed in Jakarta is attending seminars, conferences, and events, and visiting potential clients to promote Islamic Banking.
	• ITFC continues to support Eximbank with upcoming new syndications for Export financing. A program with ICIEC can be developed based on management decision. • Processing improvements are underway, including proposal to open a bank account in Turkey and appointing Credit and Operations staffs in Istanbul Office to process deals faster.
	• ITFC is closely monitoring local market and economic trends and exploring opportunities in different industries in both public and private sectors through local presence in Bangladesh. • Line with different banks in Bangladesh is under discussion/process with a view to enhance cooperation with the local financiers and to cater more clients in the private sector. • Initiatives have been undertaken to diversify ITFC portfolio in Bangladesh considering different potential sectors including Steel, Cement, Fertilizer, Chemical, Pharmaceuticals, IT, Textile and Garments, Food Commodities, etc.

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Country/ Proj Code	Project Title	Sector	Follow Up Action / Recommendation	Responsible	Status of Implementation
THE GAMBIA	COUNTRY ASSISTANCE EVALUATION (CAE)	Country Evaluation	• In general, ITFC financing is valuable and timely. However, bureaucracies from within the Government circles in The Gambia and ITFC, have at times, caused delays in receiving funds. These impediments should be improved upon as groundnuts purchasing is quite time sensitive and tardiness in receiving funds can pose severe consequences in the availability of groundnuts for purchase. • ITFC may need to diversify its portfolio to avoid concentration on few sectors as experienced in Groundnut and Oil sectors. • ITFC may consider revising its terms of financing to GNPC as the case of GCC where the payment period was gradually being increased from 9 (nine) months at the start of the facility to 12 (twelve) months.	ITFC ITFC ITFC	• ITFC has taken into consideration the need to provide financing to the Groundnut sub-sector in a timely fashion. In this regard, there has been remarkable improvement in the 2015/16 season as ITFC was able to get the financing ready to be disbursed as soon as a request was received from the Government of The Gambia, through the GGC. In fact, several reminders were sent to the GGC for them to submit their request for disbursement. • In terms of diversification, ITFC's current involvement in The Gambia is in line with its strategy in terms of interventions in the most crucial sectors of the economy. In this regard, Agriculture and Energy are identified as sectors needing urgent attention as they impact the lives of the majority of Gambians. There are attempts to explore opportunities in the Banking Sector. However, this is still a Work-In-Progress. • In terms of tenor of financing to the Energy Sector, this is being reviewed in light of the frequent delays encountered in repayment from GNPC, which mainly relates to the inability of the sole user of Heavy Fuel Oil (HFO), NAWEC, to repay GNPC in a timely fashion. Consequently, the next renewal of the facility in July 2016 will reflect the revised tenor, which is likely to be increased to 10 months. It is important to highlight that the tenor of financing to the Energy sector in The Gambia cannot be the same with that of the Agricultural sector as the conversion cycle in the former is much shorter.
LEBANON	COUNTRY ASSISTANCE EVALUATION (CAE)	Country Evaluation	• IDB needs to continue financing the education sector in Lebanon, focusing on enhancing the access and quality of basic, primary and secondary education, in addition to higher education. IDB may also need to increase its special assistance to Syrian refugees in Lebanon in education sector and collaborate with other stakeholders in the country, including CDR, and other MDBs in order to continue to align the focus of the IDB interventions with the long-term goals of the education sector of the country. • When the Executing Agency is not itself the operating body (like in Lebanon), IDB project appraisals should not focus only on the implementation stage. Further attention should be paid to the project sustainability by assessing the capacity of the operating body (staffing, budget, readiness to run the project operations, etc.). • IDB may need to balance its interventions in the Water and Sanitation Sector with a more integrated approach that encompasses development of infrastructure of supply, treatment, distribution and sanitation.	CTY Operations Complex CTY	• Currently, there are two projects in the active portfolio financing education projects. In addition, there is a project in the pipeline (Cat.B) with an estimated budget of US\$50 million to establish 50 schools countrywide. In addition, IDB has expressed to the Government for its readiness to consider any new requests to finance education projects. • This issue of the project sustainability by assessing the capacity of the operating body has been considered when appraising the new projects. • In addition, this issue has been raised and discussed with the Government of Lebanon during the visit of the CPPR team to Lebanon in the last February. Government promised to find a solution to this issue.
GLOBAL	IDB GRANT-BASED SCIENCE AND TECHNOLOGY PROGRAM EVALUATION	Program	• IDB should define an overall strategy for the S&T Program based on an assessment of MC's needs. Implementing partners should be required to deliver clearly defined deliverables based on their comparative advantages	CCD Complex-CAP	• In principle, the importance of preparing the IDB's strategy for promoting STI is agreed upon. However, the strategy preparation should consider all the results of evaluating the IDB's S&T operations, which is being finalized.





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