

# 20 ANNUAL 22 REPORT

**IsDB**   
البنك الإسلامي للتنمية  
Islamic Development Bank



## PARTNERSHIPS TO FEND OFF CRISES

# CORPORATE PROFILE OF IsDB

## THE ISLAMIC DEVELOPMENT BANK

### ESTABLISHMENT

The Islamic Development Bank (IsDB) is a Multilateral Development Bank established pursuant to Articles of Agreement signed in the city of Jeddah, Kingdom of Saudi Arabia, on 21 Rajab 1394H, corresponding to 12 August 1974. The Inaugural Meeting of the Board of Governors took place in Rajab 1395H (July 1975), and the IsDB formally began operations on 15 Shawwal 1395H (20 October 1975).

### VISION

The Islamic Development Bank strives to become a world-class development bank, inspired by Islamic principles, that helps to significantly transform the landscape of comprehensive human development in the Muslim world and to restore its dignity.

### MISSION

To promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance, and bringing prosperity to the people.



### MEMBERSHIP

The IsDB has 57 member countries across various regions. The prime conditions for membership are that the prospective country should be a member of the Organisation of Islamic Cooperation (OIC), that it pays the first instalment of its minimum subscription to the Capital Stock of the IsDB, and that it accepts any terms and conditions that may be decided upon by the Board of Governors.

### CAPITAL

At its 45<sup>th</sup> Annual Meeting, the IsDB's Board of Governors approved the 6<sup>th</sup> General Capital Increase of ID5.5 billion. As at the end of 2022, the subscribed capital of the IsDB stood at ID55.2 billion.

### ISLAMIC DEVELOPMENT BANK GROUP

The IsDB Group comprises five entities: the Islamic Development Bank (IsDB), the Islamic Development Bank Institute (IsDBI), the Islamic Corporation for the Development of the Private Sector (ICD), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), and the International Islamic Trade Finance Corporation (ITFC).

### HEADQUARTER AND REGIONAL HUBS

The IsDB is headquartered in Jeddah, the Kingdom of Saudi Arabia, and has 11 Regional Hubs in Abuja, Nigeria; Almaty, Kazakhstan; Ankara, Türkiye; Cairo, Egypt; Dakar, Senegal; Dhaka, Bangladesh; Jakarta, Indonesia; Kampala, Uganda; Paramaribo, Suriname; Rabat, Morocco; and Dubai, UAE with a Centre of Excellence in Kuala Lumpur, Malaysia.

### FINANCIAL YEAR

The IsDB's financial year used to be the lunar Hijra Year (H). However, on 1 January 2016, the financial year was changed to the Solar Hijra year starting from 11<sup>th</sup> of Capricorn (corresponding to 1 January) and ending on 10<sup>th</sup> Capricorn (corresponding to 31 December of every year).

### ACCOUNTING UNIT

The accounting unit of the IsDB is the Islamic Dinar (ID), which is equivalent to one Special Drawing Right (SDR) of the International Monetary Fund.

### LANGUAGE

The official language of the IsDB is Arabic, but English and French are also used as working languages.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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# ABBREVIATIONS

<b>ACG</b>	Arab Coordination Group	<b>LLF</b>	The Lives and Livelihoods Fund
<b>ADER</b>	Annual Development Effectiveness Report	<b>LNGOs</b>	Local NGOs
<b>AFTIAS</b>	Aid for Trade Initiative for the Arab States	<b>MAPs</b>	Management Action Plans
<b>AHTF</b>	Afghanistan Humanitarian Trust Fund	<b>MARKETS</b>	Market Access Readiness in Key Economic and Trade Sectors
<b>ALCO</b>	Asset and Liability Management Committee	<b>MCPS</b>	Member Country Partnership Strategy
<b>APICORP</b>	Arab Petroleum Investment Corporation	<b>MCs</b>	IsDB Member Countries
<b>APIF</b>	Awqaf Properties Investment Fund	<b>MDBs</b>	Multi-lateral Development Banks
<b>ASD</b>	Administrative Services Department	<b>MENA</b>	Middle East and North Africa
<b>BCM</b>	The Business Continuity Management	<b>MHPP</b>	Mohmand Hydropower Project
<b>BED</b>	The IsDB Board of Executive Directors	<b>MOOCs</b>	Massive Open Online Courses
<b>BMGF</b>	Bill and Melinda Gates Foundation	<b>MPA</b>	Minimum Package Activities
<b>BoG</b>	The IsDB Board of Governors	<b>MSMEs</b>	Micro, Small and Medium Enterprises
<b>CGS</b>	The Corporate Governance Section	<b>NGOs</b>	Non-Governmental Organizations
<b>CMES</b>	Centre for Mass Education & Science	<b>NMCs</b>	Non-Member Countries
<b>COD</b>	The Community Outreach Division	<b>NRM</b>	Natural Resource Management
<b>COP</b>	The Communities Outreach Programme	<b>ODEC</b>	Operations and Development Effectiveness Committee
<b>CSED</b>	Country Strategy & Engagement Division	<b>OED</b>	IsDB Operations Evaluation Department
<b>CSO</b>	Civil Society Organisation	<b>OIC</b>	The Organization of the Islamic Cooperation.
<b>CWIS</b>	Citywide Inclusive Sanitation	<b>OMS</b>	IsDB internal Operations Management System
<b>DAC</b>	Development Assistance Committee	<b>OPHI</b>	The Oxford Poverty and Human Development Initiative
<b>EA</b>	The Enterprise Architecture	<b>OTLs</b>	Operation Team Leaders
<b>EEA</b>	Economic Empowerment Approach	<b>PPA</b>	Power Purchase Agreement
<b>EGPC</b>	Egyptian General Petroleum Corporation	<b>PPP</b>	Private-Public Partnership
<b>ESG</b>	Environment, Social and Governance	<b>RBMF</b>	Results-based Management Framework
<b>ESID</b>	Economic and Social Infrastructure Department	<b>RCSA</b>	Risk Control and Self-Assessment
<b>FAO</b>	Food and Agriculture Organization	<b>RH</b>	Regional Hub
<b>FDI</b>	Foreign Direct Investment	<b>RMC</b>	The Risk Management Committee
<b>FMSDC</b>	Facility Management & Service Delivery Center	<b>RMSF</b>	Retirement Medical Solidarity Fund
<b>FRP</b>	Fragility and Resilience Policy	<b>RTO</b>	Employee return to Office
<b>GABAC</b>	Group against Money Laundering in Central Africa	<b>SBCP</b>	Strategy, Budget, and Corporate Performance
<b>GAP</b>	Good Agricultural Practices	<b>SCI</b>	Special Capital Increase
<b>GBV</b>	Gender-based Violence	<b>SCOPI</b>	Sustainable Coffee Platform of Indonesia
<b>GCI</b>	General Capital Increase	<b>SDGs</b>	Sustainable Development Goals
<b>GDP</b>	Gross Domestic Product	<b>SERVE</b>	IsDB-ISFD Strengthening the Economic Resilience of the Vulnerable Enterprises
<b>GIABA</b>	Inter-Governmental Action Group against Money Laundering in West Africa	<b>SFA</b>	Strategic Framework Agreement
<b>GIFR</b>	Global Islamic Fund for Refugees	<b>SFD</b>	Saudi Fund for Development
<b>GoB</b>	The Government of Bahrain	<b>SFF</b>	Sustainable Finance Framework
<b>GPFI</b>	Global Partnership for Financial Inclusion	<b>SMEs</b>	Small and Medium Enterprises
<b>HDD</b>	Human Development Division	<b>SNB</b>	Saudi National Bank
<b>IAD</b>	Internal Audit Department	<b>SPRP</b>	IsDB's Strategic Preparedness and Response Program
<b>ICD</b>	The Islamic Corporation for the Development of the private sector	<b>SPV</b>	Special Purpose Vehicle
<b>ICERI</b>	ICIEC-ISFD COVID Emergency Response Initiative	<b>SSA</b>	Sub-Saharan Africa Region
<b>ICIEC</b>	The Islamic Corporation for the Insurance of Investments and Export Credit	<b>STEER</b>	Systematic Tracking of the Execution of Evaluation Recommendations
<b>ICMA</b>	The International Capital Market Association	<b>STEP</b>	Skills, Training & Education Program
<b>ICT</b>	Information, communications and Technology	<b>TA</b>	Technical assistance facility
<b>ID</b>	Islamic Dinar (equivalent to one Special Drawing Right of IMF)	<b>TCP</b>	Technical Cooperation Programme
<b>IDPs</b>	Internally Displaced Persons	<b>TFM</b>	Total Facility Management
<b>IevD</b>	Independent Evaluation Department	<b>TRINE</b>	The Energy Specialized Crowdfunding platform
<b>IFRC</b>	International Institute of Tropical Agriculture	<b>TRSS</b>	Trans-South-South
<b>IICO</b>	International Islamic Charity Organization	<b>TVET</b>	Technical and Vocational Education and Training
<b>ILO</b>	International Labour Organization	<b>TWS</b>	Towfiq Welfare Society
<b>IMDT</b>	Information Management and Disruptive Technologies	<b>UNDP</b>	United National Development Programme
<b>IMF</b>	International Monetary Fund	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>IsDB</b>	The Islamic Development Bank	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>IsDBI</b>	The Islamic Development Bank Institute	<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>IsDB-OCR</b>	IsDB - Ordinary Capital Resources	<b>VCCs</b>	Village Conservation Committees
<b>ISFD</b>	Islamic Solidarity Fund for Development	<b>WASH</b>	Water Sanitation Hygiene
<b>ITFC</b>	The International Trade and Finance Corporation	<b>We-Fi</b>	The Women Entrepreneurs Finance Initiative
<b>IVAC</b>	IsDBG Vaccine Access Facility	<b>WHO</b>	World Health Organization
<b>KRI</b>	Key Risk Indicators	<b>WISE</b>	Women in Sanitation Enterprises'
<b>KSRRelief</b>	King Salman Humanitarian and Relief Center	<b>WSMEs</b>	Women-owned SMEs
<b>LDMCs</b>	IsDB's Least Developed Member Countries	<b>WYE</b>	Women and Youth Empowerment division
<b>LIBOR</b>	London Interbank Offered Rate		



# ACKNOWLEDGEMENTS

The 2022 Annual Report of the Islamic Development Bank was prepared by the Economic Research & Statistics of the Islamic Development Bank Institute based on the overall guidance of the Board of Executive Directors

## **UNDER THE SUPERVISION OF:**

The Director General of IsDBI/Chief Economist IsDB Group  
and Director of Economic Research & Statistics

## **ADVISORY SUPPORT FROM:**

The Executive Office of the President and the Group General Secretariat

## **WITH INPUT FROM:**

Various Departments and Entities of the IsDB Group

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**In the Name of Allah, the Beneficent, the Merciful**

H.E. The Chair,  
Board of Governors of the Islamic Development Bank

Dear Chair,

*Assalamu alaikum warahmatullahi wabarakatuhu*

In accordance with Articles 32(i), 32(iii), and 41(1) of the Articles of Agreement establishing the Islamic Development Bank and Section (11) of the By-laws, I have the honor to submit for the kind attention of the esteemed Board of Governors, on behalf of the Board of Executive Directors, the Annual Report on the operations and activities of the Bank in 2022.

The Annual Report also includes the audited financial statements of the Bank as well as those of the operations of the Waqf Fund, as prescribed in Section (13) of the By-laws.

Please accept, Mr. Chair, the assurances of my highest consideration.

**Dr. Muhammad Al Jasser**  
President, Islamic Development Bank  
Chairman, Board of Executive Directors





## MESSAGE FROM THE PRESIDENT

It has been another challenging year, during which the landscape has been dominated by the lingering effects of the COVID-19 pandemic and the ongoing uncertainty caused by the Eastern European crisis. Given this political and economic instability, it is perhaps unsurprising that there is a heightened risk of debt unsustainability in many low-income countries.

Simultaneously, climate change is triggering an escalation in natural disasters and an accelerated weakening of biodiversity. More than ever, global cooperation is required to mitigate its impact on humanity. The IsDB has been at the forefront of global, regional, and national endeavors to help member countries in their quest for long-term sustainable growth and development.

In this regard, new partnerships were forged, and old ones renewed with several institutions, including the Arab Petroleum Investment Corporation (APICORP), the International Monetary Fund (IMF), the Organization of Islamic Cooperation (OIC), Saudi Fund for Development (SFD), UN Refugee Agency (UNHCR), and World Health Organization (WHO). Our collaboration with the Arab Coordination Group (ACG) and the Kingdom of Saudi Arabia aims to deliver a comprehensive food security response package worth a minimum of US\$10 billion, with IsDB contributing US\$10.5 billion. Furthermore, IsDB and ACG partners announced at the UNFCCC COP27 US\$24 billion for climate finance initiatives.

The landmark Strategic Framework Agreement signed with the WHO draws on lessons from the pandemic. It sets a roadmap to jointly support health-related Sustainable Development Goals, particularly in low-income and fragile countries.

During 2022, our operations focused on three key areas – (i) boosting recovery, (ii) tackling poverty and building resilience, and (iii) driving green economic growth. In addition, IsDB played a vital role in the high-level United Nations Crisis Response Group, formulating guidelines and policies and mobilizing resources.

IsDB Group operations have predominantly supported the post-COVID-19 recovery during 2022 with US\$10.5 billion, out of which IsDB provided US\$3.0 billion, ITFC (US\$6.8 billion), ICD (US\$0.6 billion), and US\$11.6 billion of business insured by ICEIC. The Bank is ready to respond to the needs of its member countries as we navigate the crises together, building resilient and green economies.

I sincerely thank our shareholders for their continued confidence in the Bank, evidenced by their unequivocal support for the 6<sup>th</sup> General Capital Increase, helping us



**I also thank the IsDB staff; our achievements would not have been possible without their relentless commitment.**

maintain our AAA rating for the 20<sup>th</sup> consecutive year. This is crucial to our efforts in tackling the ongoing challenges, building resilience, and charting a course for long-term sustainable growth for our member countries and their achievement of the Sustainable Development Goals. They have placed their unwavering trust in our institution, and we remain steadfastly committed to helping them build resilience and achieve sustainable socio-economic development. I also thank the IsDB staff; our achievements would not have been possible without their relentless commitment.

In 2023 and beyond, we will continue to rely on critical, creative, and diverse thinking while remaining proactive in shaping the direction of economic development by strengthening and leveraging our know-how, networks, and resources.

**Dr. Muhammad Al Jasser**

President, Islamic Development Bank  
Chairman, Board of Executive Directors

# BOARD OF EXECUTIVE DIRECTORS



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PRESIDENT, ISLAMIC DEVELOPMENT BANK AND  
CHAIRMAN, BOARD OF EXECUTIVE DIRECTORS



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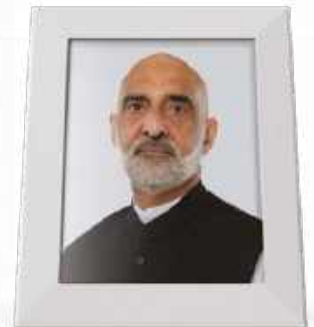
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TAJIKISTAN, UZBEKISTAN

## EXECUTIVE SUMMARY: A YEAR-IN-REVIEW

The recovery from the COVID-19 pandemic has been subdued, uneven and unpredictable, hindered by escalating food and energy prices and global economic instability triggered by the Eastern European crisis. As we move into 2023, there is a proliferation of humanitarian crises throughout the world – earthquakes in Türkiye and Syria; flooding in Pakistan; conflict and drought in some other Member Countries – all compounded by the ever-present and destructive effects of climate change.

Already impacted by the slow recovery from the COVID-19 pandemic, many of our member countries (MCs) are experiencing stretched fiscal budgets and many more millions of men, women and children are living in poverty, suffering from hunger or being displaced from their homes. In response to the fragile international landscape, the IsDB has realigned its strategy to take into account the assorted needs of its member countries – poverty reduction, resilience building and green growth – and is collaborating with other development partners to provide the necessary resources.

While the Bank concludes its short-term COVID-19 response program, it has augmented its operations to counter the food crisis, tackle chronic poverty, and build resilience in the wake of the Eastern European crisis. Annual net approvals of the IsDB Group increased by 18.6% to reach ID7.9 billion (US\$10.5 billion) in 2022, up from ID6.3 billion (US\$8.9 billion) in 2021. Out of the net approvals, US\$3.0 billion was approved by IsDB, US\$6.8 billion by ITFC, and US\$0.6 billion by ICD. The 2022 operations were geared toward achieving resourceful partnerships, tackling poverty and ensuring food security, building resilience, and driving green economic growth.

Highlights from our work in these domains are set out here.

THE ISDB HAS BEEN ENTRUSTED BY THE OIC FOREIGN MINISTERS TO ESTABLISH, IMPLEMENT AND MANAGE THE AFGHANISTAN HUMANITARIAN TRUST FUND (AHTF). IN 2022, THE TOTAL PLEDGES TO AHTF STAND AT

**US\$32.61 MILLION.**

## PARTNERING FOR RESOURCE MOBILIZATION

- The Kingdom of Saudi Arabia, the IsDB and the Arab Coordination Group (ACG) are to provide a minimum of US\$10 billion for a comprehensive food security package, with IsDB contributing US\$10.5 billion through 2025.
- The IsDB and ACG partners are to provide US\$24 billion in climate financing, of which US\$13 billion is committed by IsDB through 2030.
- In 2022, financing partners contributed a total amount of US\$2.29 billion to IsDB-financed projects worth over US\$3.6 billion in 19 member countries in Africa and Asia mainly in the infrastructure sector, where IsDB's financing reached US\$1.14 billion.
- The IsDB has been entrusted by the OIC Foreign Ministers to establish, implement and manage the Afghanistan Humanitarian Trust Fund (AHTF). The AHTF Coordination Team has undertaken extensive work and consultations, both internally with all relevant IsDB Group business units and externally with the OIC, member countries, non-member countries, UN agencies, MDBs, IFIs, international and regional organizations, and other stakeholders. In 2022, the total pledges to AHTF stand at US\$32.61 million.
- To ensure sound and prudent financial sustainability, IsDB's Board of Governors approved its sixth General Capital Increase (GCI) in December 2020, amounting to ID5.5 billion (fully cash callable). As of 31 December 2022, 90.5% of the total amount has been subscribed by the member countries, reaffirming the spirit of solidarity and cooperation amongst the member countries, despite a very challenging global economic environment.



**GIVEN THE HIGH AND DISPROPORTIONATE LEVELS OF POVERTY IN THE LEAST DEVELOPED MEMBER COUNTRIES (LDMCs), OVER**

**90%**

**OF THE FUNDING WENT TO THESE COUNTRIES IN 2022.**

## ADDRESSING POVERTY AND FOOD INSECURITY

- At the onset of the food crisis triggered by the Eastern European crisis, the IsDB Group unveiled a comprehensive US\$10.54 billion Food Security Response Program (FSRP). The key objectives of the package are to procure and supply 780,000 tons of wheat and barley and 700,000 tons of building and food storage capacity that can preserve the crops for more than 12 months. This will benefit more than 11 million people and boost agricultural production in member countries.
- In 2022, a total of US\$1.4 billion was approved under the FSRP, of which US\$578.5 million was approved by IsDB, US\$4.2 million by ISFD, US\$630.2 million by ITFC, and US\$40 million by ICD. In addition, US\$159 million worth of business was insured by ICIEC. Most of the projects approved at this stage belong to the short-term track category.
- During the 1443 Hajj season, the Kingdom of Saudi Arabia project for Utilization of Hady and Adahi, overseen by IsDB, to share the gifts and sacrifices amassed at the Holy Sites, distributed the meat of almost 448,000 heads of sheep to projects within Saudi Arabia and 27 other member countries. IsDB has now secured the services of more than 50% of the pilgrims.
- To tackle the increasing issue of poverty in member countries, the IsDB Group, through the Islamic Solidarity Fund for Development (ISFD), approved US\$88.3 million in grants and concessional loans. This includes a US\$50 million capital allocation to establish the Global Islamic Fund for Refugees (GIFR) in partnership with UNHCR. As poverty is multidimensional, this financing encompasses health, education, agriculture and community development projects. Given the high and disproportionate levels of poverty in the Least Developed Member Countries (LDMCs), over 90% of the funding went to these countries in 2022.

**ISDB INTEGRATED WOMEN AND YOUTH EMPOWERMENT PERSPECTIVES INTO THE BANK'S MEMBER COUNTRY PARTNERSHIP STRATEGIES (MCPSS) TO ENSURE TARGETED SKILLS DEVELOPMENT PROGRAMS FOR WOMEN AND YOUTH.**

## BUILDING RESILIENCE WITHIN OUR MEMBER COUNTRIES

- The Bank continues to implement the Fragility and Resilience Policy (FRP), which is focused on investing in prevention, the transition from relief to development, and the recovery and resilience of member countries affected by man-made and natural disasters.
- In 2022, the Bank approved the Skills, Training & Education Program (STEP) to reduce poverty by increasing access to physical and smart education and entrepreneurship development for young refugees in 15 member countries. These countries host over 1 million refugees and Internally Displaced Persons (IDPs). STEP benefits over 600,000 young refugees, IDPs, and host communities.
- The Strengthening of the Economic Resilience of Vulnerable Enterprises (SERVE) program continues to benefit the MCs. In 2022, a total of seven projects were approved in Chad, Uganda, Djibouti, Jordan, Palestine, and Uzbekistan.
- A total of US\$566 million was successfully mobilized from public and private partners to fund Market Access Readiness in Key Economic and Trade Sectors (MARKETS).
- IsDB integrated women and youth empowerment perspectives into the Bank's Member Country Partnership Strategies (MCPSS) to ensure targeted skills development programs for women and youth and the creation of decent jobs, with increased social protection systems.
- The Bank received US\$5.5 million to implement a second phase of BRAVE Women 2.0, to build on the achievements of the first phase and focus on increasing the incomes of women-owned SMEs (WSMEs) in Yemen.
- A grant of US\$6.1 million was received to support the Women in Sanitation Enterprises project, which supports female entrepreneurs who are actively engaged in sanitation-related businesses in 15 municipalities across Bangladesh.
- Over US\$1.1 million raised through the crowdfunding TADAMON platform has been mobilized to support the more remote communities in member countries.

**ISDB PROVIDED A GRANT OF  
US\$1.99 MILLION  
FOR REVERSE LINKAGE PROJECTS TO SUPPORT  
ITS MEMBER COUNTRIES IN TACKLING COMMON  
DEVELOPMENT CHALLENGES IN AGRICULTURE,  
HEALTH, PUBLIC ADMINISTRATION, AMONG OTHERS.**

- In 2022, ITFC, the trade financing arm of the IsDB Group, provided US\$6.8 billion to boost trade in member countries. Of that, over US\$4.8 billion went to intra-trade between the member countries and over US\$2.5 billion benefited the LDMCs. The private sector development arm of the Group, ICD, approved US\$565.8 million to address challenges such as energy access and food security. Meanwhile, the insurance arm of the Group, ICEIC, provided US\$11.6 billion in business insured.
- To support Islamic Financial Inclusion, grants of over US\$1.6 million were approved including a US\$280,000 grant to establish an information system for the supervision and regulation of participating banks in Morocco. In addition, a grant of US\$270,000 was allocated to enable feasibility studies for the Islamic microfinance market in five member countries.
- IsDB provided a grant of US\$1.99 million for Reverse Linkage projects to support its member countries in tackling common development challenges in agriculture, health, public administration, among others.
- To strengthen capacity in terms of preparedness and response to future pandemics, IsDB contributed almost US\$30 million towards the establishment of a manufacturing facility in Senegal for the production of COVID-19 vaccines and other vaccines for preventable diseases.

## DRIVING GREEN ECONOMIC GROWTH

- In 2022, the Bank continued to implement its Climate Action Plan (2020-2025) which sets out modalities and action plans for climate action in member countries, and towards raising the climate finance target of 35% by 2025. In 2022, the Bank realized a climate finance share of 33% of its total approvals.
- At COP27 in Sharm El Sheik, IsDB and Arab Coordination Group (ACG) members committed to providing US\$24 billion by 2030 towards addressing the global climate crisis. Within this commitment, IsDB pledged to approve at least US\$13 billion in adaptation and mitigation finance during the period 2023-2030.

**ISDB, IN PARTNERSHIP WITH THE  
INTERNATIONAL LABOUR ORGANIZATION  
(ILO), LAUNCHED THE YOUTH GREEN SKILLS  
ACCELERATOR CHALLENGE CALL, WITH THE  
OVERARCHING GOAL OF PROMOTING YOUTH  
PARTICIPATION AND SKILLS FOR GREEN JOBS  
FOR A JUST TRANSITION.**

- At COP27, IsDB actively engaged with member countries and partners, hosting over 35 ancillary events and several other engagements.
- IsDB revised and streamlined the climate change and green growth aspects of the Member Country Partnership Strategies developed in 2022. These included the strategies for Indonesia, Niger, Uzbekistan, Bangladesh, Senegal, and Turkmenistan. In addition, all projects and investments with physical assets approved in 2022 were screened against physical climate risk across all regions and sectors to harness opportunities and mitigate the impacts of climate change.
- Under the umbrella of the Sustainable Finance Framework (SFF), the Bank has pioneered both Green and Sustainability Sukuk to mobilize more than US\$5 billion to date for climate-friendly and social development projects. The SFF was reviewed by an external party (CICERO from Norway), which awarded it a Medium-Green Shading.
- IsDB, in partnership with the International Labour Organization (ILO), launched the Youth Green Skills Accelerator Challenge Call, with the overarching goal of promoting youth participation and skills for green jobs for a Just Transition. More than 120 applications were received with the eventual winners being the Bangladesh Youth Environmental Initiative, the Association 3535 (Côte d'Ivoire) and Musanadah Foundation for Development (Yemen). Each received financial support, global visibility at COP27, access to a wide network of experts in skills development, and participation in the ILO Innovation Lab.

Finally, IsDB has invested in and enhanced its own capabilities, with a complete reconfiguration of its organizational structure while maintaining increasingly motivated and competent staff to outperform the expectations of our stakeholders.

Our shareholders have now subscribed to 90.5% of the ID5.5 billion 6<sup>th</sup> GCI that was approved in 2020. IsDB's AAA ratings have been affirmed with a stable outlook for 2023. IsDB has now been rated AAA with a stable outlook for the 20<sup>th</sup> consecutive year by Standard & Poor's, for the 16<sup>th</sup> consecutive year by Moody's Investors Service, and the 15<sup>th</sup> consecutive year by Fitch Ratings.



# 2022 AT A GLANCE

## CLIMATE

THE ISDB GROUP HAS LAUNCHED ITS ACTION PLAN FOR OPERATIONALIZATION OF THE PARIS ALIGNMENT (2022-2023), WHICH AIMS TO SUPPORT ITS 57 MEMBER COUNTRIES IN MITIGATING AND ADAPTING TO CLIMATE CHANGE AS WELL AS HARNESSING THE OPPORTUNITIES IT OFFERS.

IN 2022, ISDB CLIMATE FINANCE STOOD AT

**US\$1.05 BILLION,**  
ACCOUNTING FOR  
**33%**  
OF TOTAL APPROVED INVESTMENTS BY THE BANK IN 2022.

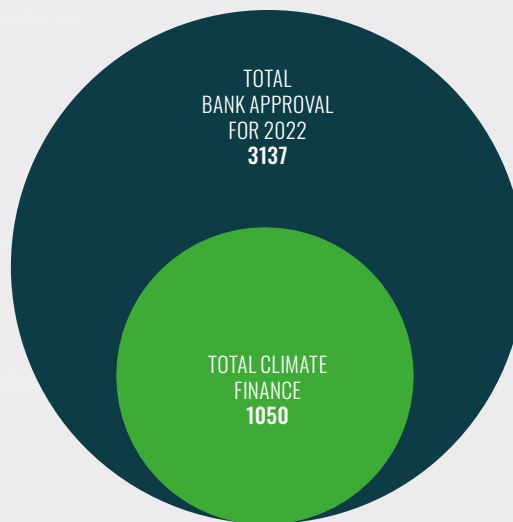
ISDB HAS INCORPORATED CLIMATE CHANGE AND GREEN GROWTH ELEMENTS IN ALL MEMBER COUNTRY PARTNERSHIP STRATEGIES (MCPSs) DEVELOPED IN 2022.

IN 2022, THE ISDB, ALONGSIDE ARAB COORDINATION GROUP (ACG) MEMBERS AT COP27, COMMITTED TO PROVIDING A CUMULATIVE

**US\$24 BILLION**  
IN FINANCING BY 2030 TO ADDRESS THE GLOBAL CLIMATE CRISIS.



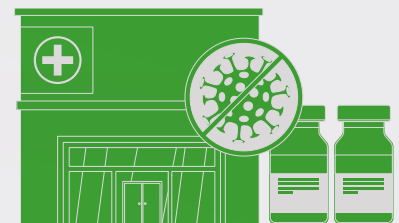
ISDB 2022 CLIMATE FINANCE SHARE OF TOTAL APPROVAL (US\$ MILLION)



## COVID-19

BY DECEMBER 2022, THE TOTAL ISDB GROUP COMMITMENT TO THE COVID-19 RESPONSE WAS

**US\$4.67 BILLION.**



**1,522 VACCINATION CENTERS**  
HAVE BEEN ESTABLISHED.

**31,876**  
HEALTH WORKERS PROVIDED WITH CAPACITY BUILDING SUPPORT TO MANAGE THEIR COVID-19 RESPONSE.



**63 MILLION PEOPLE**  
RECEIVED A COVID-19 VACCINE THROUGH THE ISDB'S RESPONSE.



# EDUCATION

IN APRIL 2022, THE BANK APPROVED A SKILLS, TRAINING AND EDUCATION PROGRAM (STEP) FOR YOUNG REFUGEES IN 15 MEMBER COUNTRIES. STEP WILL BENEFIT OVER **600,000** YOUNG REFUGEES AND INTERNALLY DISPLACES PERSONS (IDPS).

OVER THE PAST 39 YEARS OF OPERATIONS, THE BANK HAS OFFERED SCHOLARSHIPS TO **18,493** STUDENTS FROM **122** COUNTRIES WORLDWIDE.

THE COMMUNITIES OUTREACH PROGRAM APPROVED SIX PROJECTS WITH A TOTAL VALUE OF

**US\$1.255** MILLION

TO SUPPORT THE EDUCATION SECTOR IN FIVE COUNTRIES:



AN INFRASTRUCTURE AND EQUIPMENT GRANT FOR IQRA GIRLS' ACADEMY IN LUSAKA (ZAMBIA) TO THE VALUE OF **US\$0.2 MILLION;**



THE EXPANSION OF A PUBLIC SECONDARY SCHOOL IN MOSTAR (BOSNIA AND HERZEGOVINA) TO THE VALUE OF **US\$0.185 MILLION;**



THE EXPANSION OF RAHMA PRE SCHOOL AND PRIMARY SCHOOL, DODOMA CITY, TANZANIA, TO THE VALUE OF **US\$0.22 MILLION;**

THE CONSTRUCTION OF A PRIMARY SCHOOL BUILDING WITHIN THE INSTITUTE OF ISLAMIC & SECULAR STUDIES (IISS), VALLÉE DES PRÊTRES, PORT-LOUIS, MAURITIUS, TO THE VALUE OF **US\$0.25 MILLION;**



THE EXPANSION OF A VOCATIONAL TRAINING CENTER FOR HAMIDIYA ISLAMIYA SCHOOL SOCIETY IN PANWARI (INDIA) TO THE VALUE OF **US\$0.2 MILLION;**



THE EXPANSION OF MARKAZ-E-ADAB-O-SCIENCE PRIMARY SCHOOL IN RANCHI (INDIA) TO THE VALUE OF **US\$0.2 MILLION.**







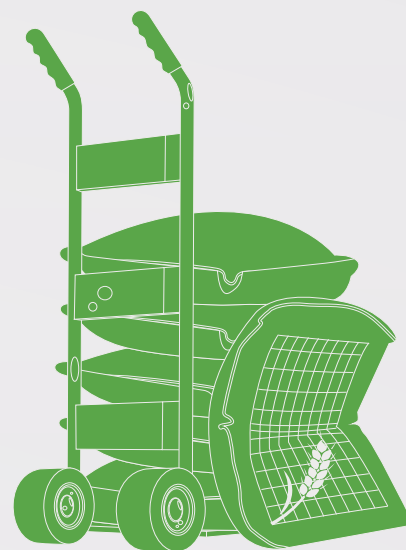
# FOOD SECURITY

IN 2022, THE ISDB GROUP LAUNCHED A **US\$10.54 BILLION** PACKAGE TO RESPOND TO THE FOOD CRISIS TRIGGERED BY THE CONFLICT IN EASTERN EUROPE.



SINCE IT WAS FOUNDED, THE BANK HAS APPROVED MORE THAN **600 PROJECTS** IN 57 MEMBER COUNTRIES. ISDB'S INVESTMENTS TACKLE THE THREE DIMENSIONS OF FOOD SECURITY: **AVAILABILITY, AFFORDABILITY, AND ACCESSIBILITY.**

PROJECTS APPROVED BY THE END OF 2022 ARE EXPECTED TO **MITIGATE THE IMPACT OF HIGH GRAIN PRICES** AND ENSURE A STEADY SUPPLY OF ESSENTIAL FOODS.



COLLECTIVELY, THE 57 ISDB MEMBER COUNTRIES ARE EQUIPPED WITH A WEALTH OF RESOURCES TO DEVELOP SUSTAINABLE FOOD SYSTEMS.

ISDB MEMBER COUNTRIES:



COVER **29%** OF THE WORLD'S AGRICULTURAL LAND;



HAVE **7,261 KM<sup>3</sup> (14%)** OF THE WORLD'S TOTAL RENEWABLE WATER RESOURCES;

FOLLOWING THE LAUNCH OF A REGIONAL RICE VALUE CHAIN PROGRAM IN WESTERN AND CENTRAL AFRICA, THE ISDB IS CURRENTLY DEVELOPING AN AMBITIOUS **REGIONAL CASSAVA VALUE CHAIN PROGRAM** ACROSS SEVEN SELECTED COUNTRIES.



PRODUCE **18** OF THE WORLD'S 20 MAJOR AGRICULTURAL TRADED COMMODITIES;



ACCOUNT FOR **14-15%** OF THE WORLD'S CEREAL AND HORTICULTURE PRODUCTION.



# INFRASTRUCTURE

## SECTORAL DISTRIBUTION OF ISDB-OCR NET APPROVALS 2022

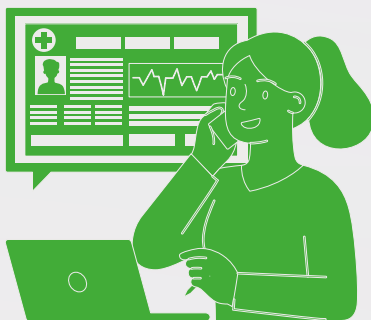




# WOMEN & YOUTH

IN 2022 WOMEN AND YOUTH EMPOWERMENT PERSPECTIVES WERE INTEGRATED INTO MEMBER COUNTRY PARTNERSHIP STRATEGIES (MCPSS). A KEY FOCUS WAS ON PROMOTING AND SUPPORTING WOMEN AND YOUNG PEOPLE'S ENTREPRENEURSHIP AND BUSINESSES.

THE WOMEN AND YOUTH EMPOWERMENT DIVISION LED THE DESIGN OF GRANT OPERATIONS TO BENEFIT WOMEN AND YOUNG PEOPLE TO THE AMOUNT OF **us\$629,000.**



IN PAKISTAN, ISDB'S SCIENCE TECHNOLOGY AND INNOVATION (STI) PROGRAMME HAS HELPED OUT-OF-PRACTICE FEMALE DOCTORS PURSUE THEIR CAREERS THROUGH THE EDUCAST TELEMEDICINE PROJECT. THE PROJECT SUPPORTED THE TRAINING AND CERTIFICATION OF **450 E-DOCTORS.**



IN 2022 ISDB, IN PARTNERSHIP WITH THE INTERNATIONAL LABOUR ORGANIZATION (ILO), LAUNCHED **THE YOUTH GREEN SKILLS ACCELERATOR CHALLENGE CALL** TO PROMOTE YOUTH PARTICIPATION AND SKILLS IN GREEN JOBS FOR A JUST TRANSITION.

THE CHALLENGE CALLED FOR SOLUTIONS THAT CONTRIBUTE TO ONE OR MORE TARGET SCOPES:



UPSkill OR RESkill YOUTHs



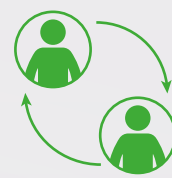
CREATE OR IMPROVE TRAINING PROGRAMMES



ACCESS TO OPPORTUNITIES FOR GREEN SKILLS ACQUISITION



EMPLOYMENT CREATION, ENTREPRENEURSHIP



PEER-TO-PEER LEARNING



SUPPORT GREEN SKILLS TRAINERS



MAINSTREAM CLIMATE CHANGE INTO TECHNICAL VOCATIONAL EDUCATION & TRAINING

IN 2022 THE BANK WAS GRANTED TWO ADDITIONAL ROUNDS OF FUNDING BY THE WOMEN ENTREPRENEURS FINANCE INITIATIVE (WE-FI):

**us\$5.5 MILLION** TO IMPLEMENT THE SECOND PHASE OF BRAVE WOMEN 2.0;

**us\$6.1 MILLION** TO SUPPORT THE WOMEN IN SANITATION ENTERPRISES PROJECT IN BANGLADESH.



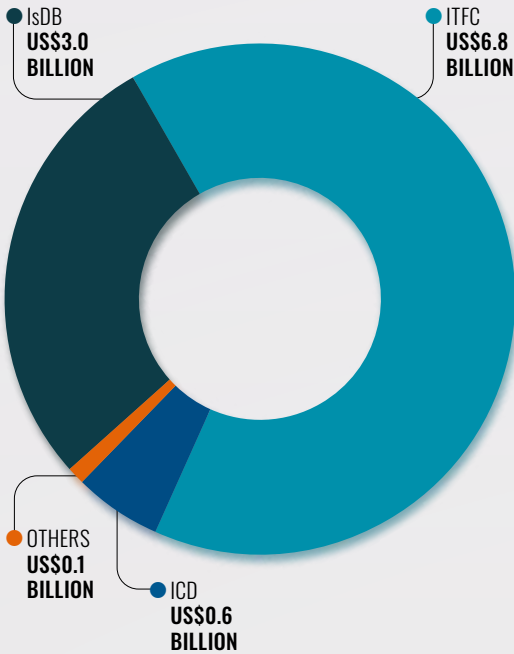
# 2022 IN NUMBERS

ANNUAL NET APPROVALS INCREASED BY 18.6% TO REACH

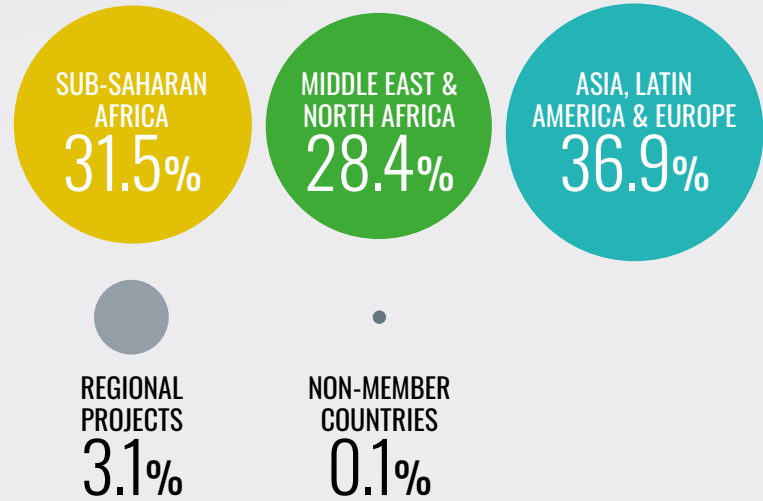
**ID7.9 BILLION**  
(US\$10.5 BILLION)

IN 2022, UP FROM ID6.3 BILLION (US\$8.9 BILLION) IN 2021.

OUT OF THE NET APPROVALS, **US\$3.0 BILLION WAS APPROVED BY ISDB,** **US\$6.8 BILLION BY ITFC,** AND **US\$0.6 BILLION BY ICD.**

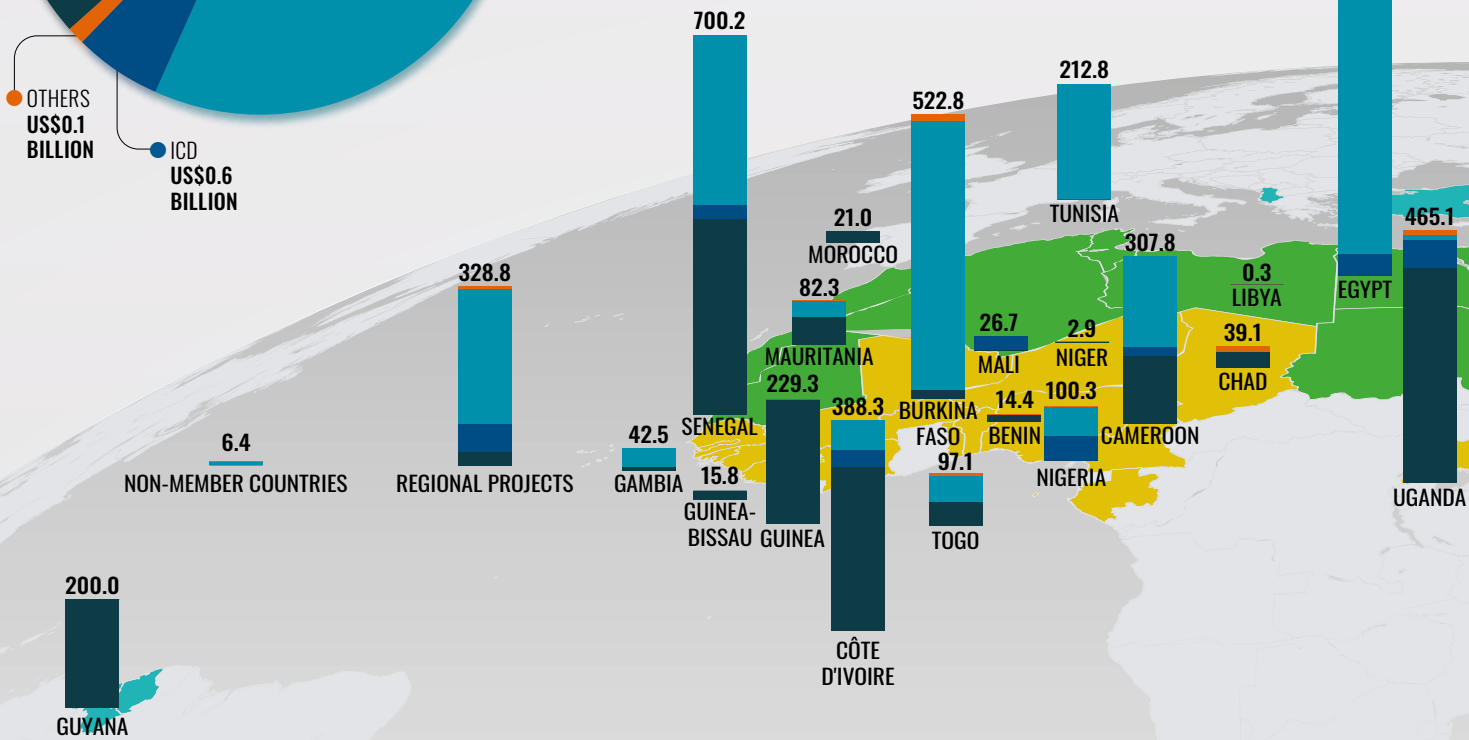


THE REGIONAL DISTRIBUTION OF THE ISDB GROUP APPROVALS HAS REMAINED LARGELY CONSISTENT, TILTING SLIGHTLY TOWARDS SUB-SAHARAN AFRICA AND ASIA, LATIN AMERICA & EUROPE REGIONS IN 2022 DUE TO THE LOOMING FOOD CRISIS.



APPROVALS | ISDB GROUP NET APPROVALS BY COUNTRY AND ENTITY (US\$ MILLION)

KEY  
 ● IsDB ● ITFC  
 ● ICD ● OTHERS





GLOBAL GROWTH IS FORECAST TO DROP TO **3.4%** IN 2022, DOWN FROM 6.3% IN 2021, BEFORE DECREASING FURTHER TO 2.8% IN 2023.

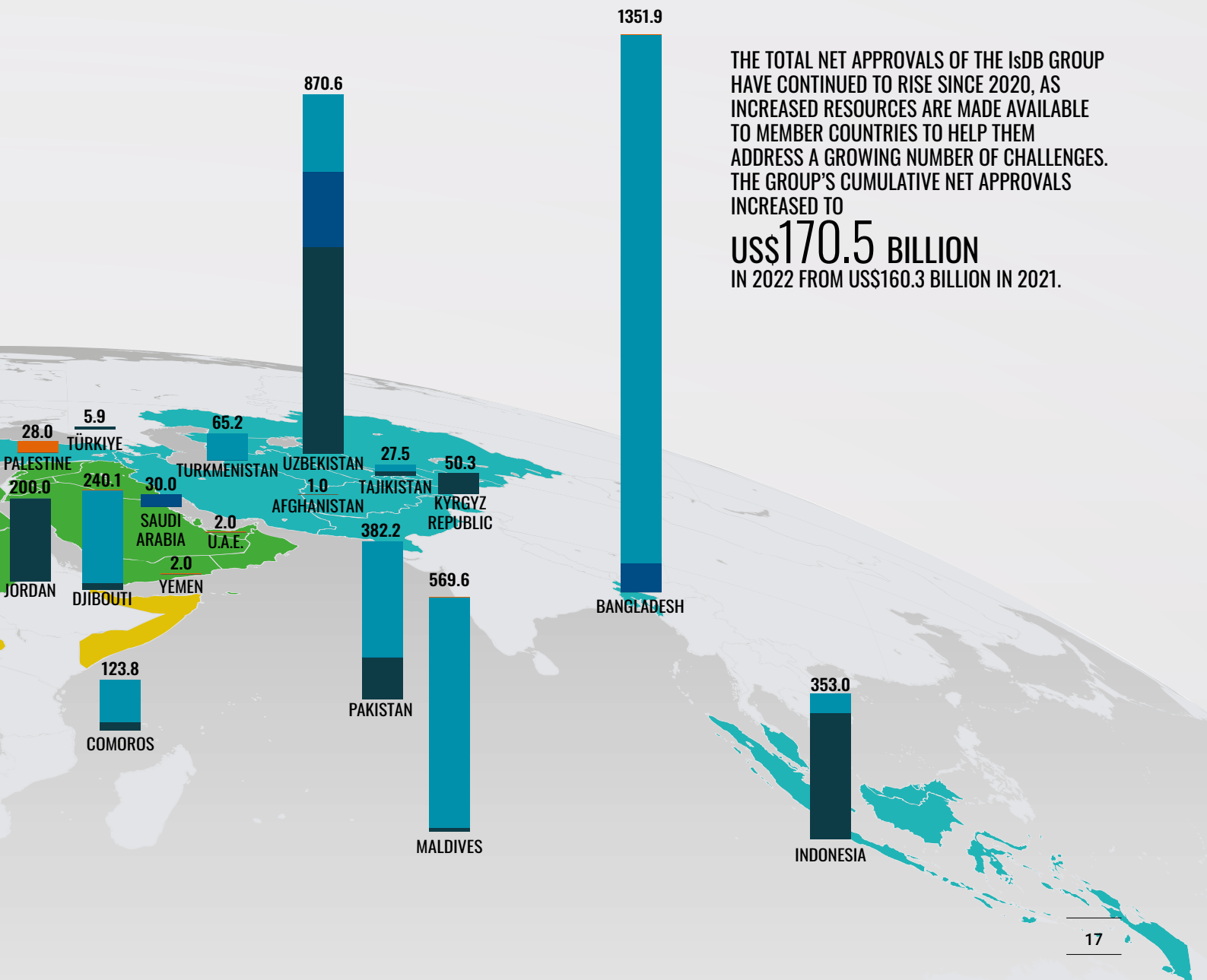
IsDB MCs GROWTH REMAINED SOLID AT **5.5%** IN BOTH 2021 AND 2022.



IsDB MENA MEMBER COUNTRIES ESTIMATED A GDP GROWTH RATE OF **5.9%** IN 2022, UP FROM 4.4% IN 2021.

IsDB ALAE MEMBER COUNTRIES ESTIMATED A GDP GROWTH RATE OF **5.6%** IN 2022, DOWN FROM 6.3% IN 2021.

IsDB SSA MEMBER COUNTRIES ESTIMATED A GDP GROWTH RATE OF **3.9%** IN 2022, DOWN FROM 4.2% IN 2021.



THE TOTAL NET APPROVALS OF THE IsDB GROUP HAVE CONTINUED TO RISE SINCE 2020, AS INCREASED RESOURCES ARE MADE AVAILABLE TO MEMBER COUNTRIES TO HELP THEM ADDRESS A GROWING NUMBER OF CHALLENGES. THE GROUP'S CUMULATIVE NET APPROVALS INCREASED TO

**US\$170.5 BILLION** IN 2022 FROM US\$160.3 BILLION IN 2021.



# CHAPTER 1

## ISDB GROUP ACTIVITIES

This chapter highlights the main achievements of the IsDB Group, the umbrella organization under which sits the Islamic Development Bank (IsDB), the Islamic Development Bank Institute (IsDBI), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Corporation for the Development of the Private Sector (ICD), and the International Islamic Trade Finance Corporation (ITFC). While the IsDB is the main development bank, the other organizations complement its work to deliver a comprehensive range of projects and activities to support sustainable socio-economic development in its member countries.



## 1.1 | RECENT ECONOMIC PERFORMANCE

### GROWTH

The global economy is facing multiple crises including high inflation, tight monetary conditions, and worsening geopolitical conditions due to the Eastern European conflict pushing food and fuel prices to high levels. Meanwhile, many parts of the world are grappling with the impacts of climate change: intense heat, droughts, floods, bush fires, and other environmental and ecological disasters, all on top of the ongoing impacts of the COVID-19 pandemic. As a result, global growth is forecast to drop to 3.4% in 2022, down from 6.3% in 2021, before decreasing further to 2.8% in 2023. This reflects the weakness of most economies including the world's three largest – the US, China, and the eurozone – and means one third of the world could be in recession in 2023.

Growth in the economies of IsDB member countries is estimated at 5.5% for 2022, remaining solid at the Post-COVID-19 growth recovery rate of 5.5% in 2021. This is despite the challenging external economic conditions and the spillover effect of the Eastern European crisis. This projection indicates a strong position due to the gains made by the energy exporting member countries who are net gainers from higher energy prices. Growth is projected to decelerate to 3.6% in 2023 on the back of lower energy prices and tighter financial conditions in the major trading partners. However, growth varies considerably amongst member countries. Growth in the IsDB MENA member countries is estimated at 5.9% in 2022, up from 4.4% in 2021, making it the fastest growing IsDB region. It will however soften to 3.3% in 2023, with much of the growth coming from the fuel exporting countries in the region. The Asia, Latin America, and Europe (ALAE) region of the IsDB member countries has the second-highest estimated GDP growth rate of 5.6% in 2022, down from 6.3% in 2021, followed by the Sub-Saharan Africa (SSA) region with a growth estimate of 3.9% compared to 4.2% in 2021, reflecting the effect of growing economic crises and the spillover effect of the Eastern European conflict.

### INVESTMENT

Investment is a critical engine of economic growth. It is estimated that globally, there is a gap of investment amounting to US\$12 trillion for the period 2023-2040. The largest investment gaps among IsDB member countries constitute 8% of the global investment gap, and they are observed for Türkiye, Egypt, Nigeria, Bangladesh, Pakistan and Saudi Arabia (SESRIC-IsDB Investment Outlook Report, 2022). Though IsDB member countries allocate around 29% of their GDP to investment, their share in global investment is relatively low at 12.2% of global public investment and 12.3% of global private investment in 2019. The investment is highly concentrated



**GROWTH IN THE ISDB MENA MEMBER COUNTRIES IS ESTIMATED AT 5.9% IN 2022, UP FROM 4.4% IN 2021, MAKING IT THE FASTEST GROWING ISDB REGION.**

in a few member countries, with five (Saudi Arabia, UAE, Indonesia, Türkiye, and Malaysia) accounting for 58.3% of public investment, and three (Indonesia, Türkiye, and Saudi Arabia) accounting for 55.8% of private investment. Also, the foreign direct investment inflows to IsDB member countries decreased from US\$129.8 billion in 2013 to US\$114.4 billion in 2019, and further down to US\$100 billion in 2020, driven by pandemic disruptions and the prevailing investment ecosystems in IsDB member countries, among other factors (SESRIC-IsDB Investment Outlook Report, 2022).

### TRADE

In 2022, with global trade already struggling to emerge from unprecedented supply chain disruptions caused by the pandemic, the Eastern European crisis broke out, dampening the prospects of trade recovery. This is particularly the case for energy and food commodities, given the key role of Russia and Ukraine in the global supply of food and energy resources. Many countries, including several IsDB member countries, are exposed directly or indirectly to the risks of food and energy crises. However, most IsDB member countries except those in SSA have recorded improved trade balances, attributed to their being exporters of energy or experiencing post-COVID-19 recovery. SSA member countries, dominated by net food and energy importers, have seen a deteriorating trade balance. The current account balance of IsDB member countries is estimated to increase from a surplus of 1.5% of GDP in 2021 to 3.4% of GDP in 2022 before decreasing to 1.3% in 2023. The widening of surplus in 2022 was boosted by improved external accounts of fuel exporter member countries estimated at 10.7% of GDP in 2022 and 5.4% of GDP in 2023. The MENA member countries are forecast to have a current account surplus of 9.7% of GDP in 2022 and 5.0% in 2023, up from 4.5% in 2021, with a considerable amount coming from the relatively large number of fuel-exporting countries in the region estimated at 13.8% in 2022 and 7.4% in 2023, up from 7.5% in 2021. The current account balance in ALAE member countries are forecast to deteriorate slightly from a surplus of 0.3% of GDP in 2021 to deficits of 0.2% of GDP in 2022 and 0.5% in 2023. However, in SSA member countries, the current account deficit is predicted to slightly widen, reaching 3.9% of GDP in 2022, and 3.3% in 2023.

## DEBT

Ongoing interest rate hikes in major advanced economies to fight inflation – a legacy of COVID-19-induced fiscal and monetary expansion – could exacerbate the debt situation in many countries, especially low-income countries. Average gross government debt in member countries expanded from 41.1% of GDP in 2019 to 50.0% of GDP in 2020; it then declined to 48.0% and an estimated 42.8% in 2021 and 2022 respectively on the back of post-COVID-19 economic recovery and high energy export revenues for energy exporters. However, these figures vary widely among IsDB groups, regions, and countries. The IsDB group of low-income countries faces the highest debt burden of 71.4% of GDP in 2022, after rising sharply from 74.1% of GDP in 2019 to 90.7% in 2020. As a result, several IsDB low-income member countries face severe risk to debt sustainability, with Mozambique, Sudan, and Somalia already in debt distress. Tunisia and Egypt have entered talks with the IMF for emergency loans. Of the IsDB regions, ALAE member countries have the lowest debt level of 41.3% of GDP in 2022 (down from 45.0% in 2021), followed by MENA (43.9% of GDP, down from 52.9% of GDP in 2021), and SSA member countries (45.4% of GDP, up from 45.0% of GDP in 2021). Similarly, the debt service burden, though still high, has improved for all IsDB regions except SSA. Specifically, the ratio of foreign debt service to export of goods and services is estimated to decline from 14.2% in 2021 to 12.6% in 2022. In the same period, the ratio is estimated to improve in ALAE, MENA and to deteriorate in SSA member countries, from 19.0% to 16.5%; from 10.4% to 8.6%, and from 13.6% to 23.2% respectively.

## INFLATION

Following expansive fiscal and monetary policies to resuscitate economies in the wake of the COVID-19 pandemic, inflation has skyrocketed globally and is being further elevated by the spikes in energy and food prices caused by the Eastern European conflict. Global inflation is estimated to nearly double from 4.7% in 2021 to 8.7% in 2022 before subsiding to 7.0% in 2023. It is much worse in the IsDB member countries, estimated at 17.7% in 2022 compared to 10.4% in 2021. It is projected to remain elevated at 16.5% in 2023. Among the IsDB member country regions, inflation is highest in the ALAE region with the rate increasing from 11.5% in 2021 to an estimated 23.9% in 2022 before decreasing slightly to 21.0% in 2023, followed by the SSA region with an inflation rate of 11.1% in 2021, estimated to reach 13.7% in 2022 before easing to 13.5% in 2023. Inflation in the MENA region is also estimated to remain high, but decreasing slightly from 8.1% in 2021 to 7.9% in 2022 before rising to 9.2% in 2023. Rising inflation has a severe consequence on food affordability, a key component of food security. The global food price index has kept rising in both nominal and real terms since 2019, triggered by the COVID-19 pandemic

and now fueled by the Eastern European crisis. From 2019 to 2021, the nominal food price index of FAO increased 32.2%, and it is expected to hit a 56.3% increase by the end of 2022.

## UNEMPLOYMENT

Employment and decent jobs are key desired outcomes of economic growth and development to preserve and promote human dignity. With growth stumbling and recession looming in many countries, job losses could rise further. Millions of jobs were lost during the COVID-19 pandemic, pushing unemployment across member countries to 7.1% in 2020, up from 6.3% in 2019. The unemployment rate further deteriorated to 7.2% in 2021 due to uneven recovery across IsDB member countries. The Eastern European crisis and associated surges in food and energy prices mean the unemployment rate is estimated to remain elevated at 7.1% in 2022 and is worse among women and youth at 8.4% and 15.7% respectively. Of the IsDB regions, MENA had the highest unemployment rate in 2022, estimated at 11%, followed by SSA (6.3%), and ALAE (6.2%). The unemployment rate among women was 22.0%, 6.9%, and 6.1% in MENA, ALAE and SSA respectively, and among youth it was 27.1% (MENA), 15.4% (ALAE), and 11.1% (SSA). These elevated unemployment rates could have unique country-specific factors, but global crises ranging from the pandemic to the Eastern European conflict are significant contributors. Now more than ever, global partnerships are crucial to fend off international crises and build resilient and inclusive economies.

## 1.2 | OPERATIONAL HIGHLIGHTS

Despite the disruptions in recent years and the emergence of new challenges during 2022, IsDB has remained resolute in providing financial assistance to member countries that have been most affected by humanitarian crises, and as they endeavor to sow the seeds for a greener, more sustainable future.

The total net approvals of the IsDB Group have continued to rise since 2020, as increased resources are made available to member countries to help them address a growing number of challenges. The Group's cumulative net approvals increased to US\$170.5 billion in 2022 from US\$160.3 billion in 2021.

As the Bank concludes its short-term COVID-19 response program, it has refocused and escalated its operations to address the growing food crises among its member countries, combat enduring poverty and develop resilience in the wake of the Eastern European conflict and other conflicts in Asia, Africa and the Middle East.

In 2022, the Group's annual net approvals increased by 18.6% to US\$10.5 billion (ID7.9 billion), up from US\$8.9 billion (ID6.3 billion) in 2021. (Figure 1.1).





FIGURE 1.1 | ISDB GROUP NET APPROVALS

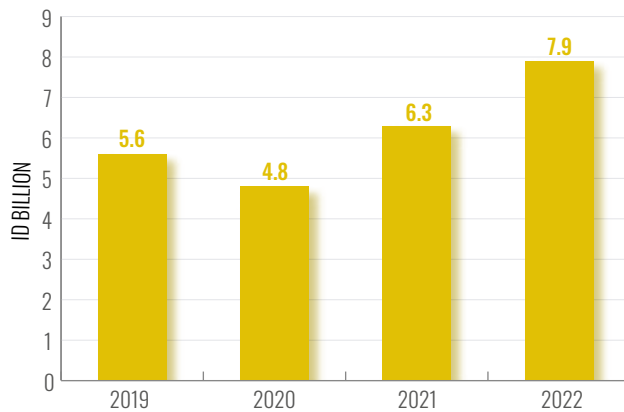


FIGURE 1.2 | TRENDS IN SHARE OF ENTITIES IN TOTAL ISDB GROUP NET APPROVALS

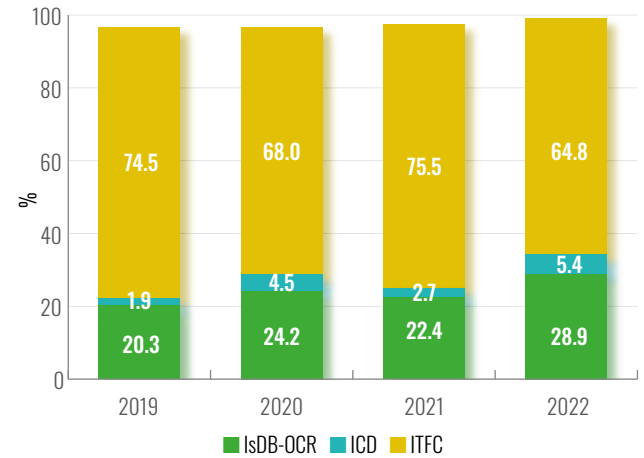


FIGURE 1.3 | NET APPROVALS BY ENTITIES &amp; FUNDS

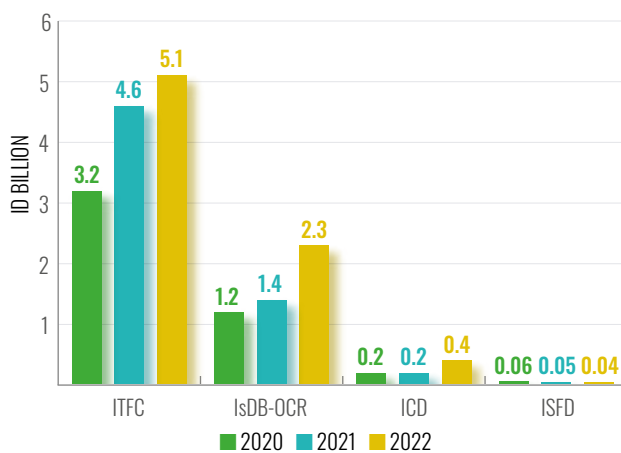
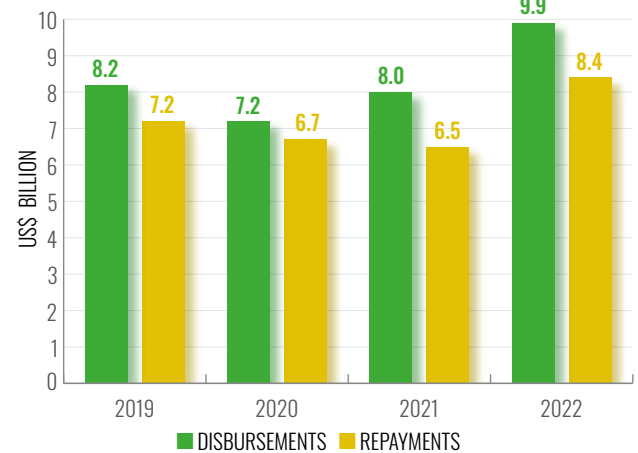


FIGURE 1.4 | TRENDS IN ISDB GROUP DISBURSEMENTS AND REPAYMENTS

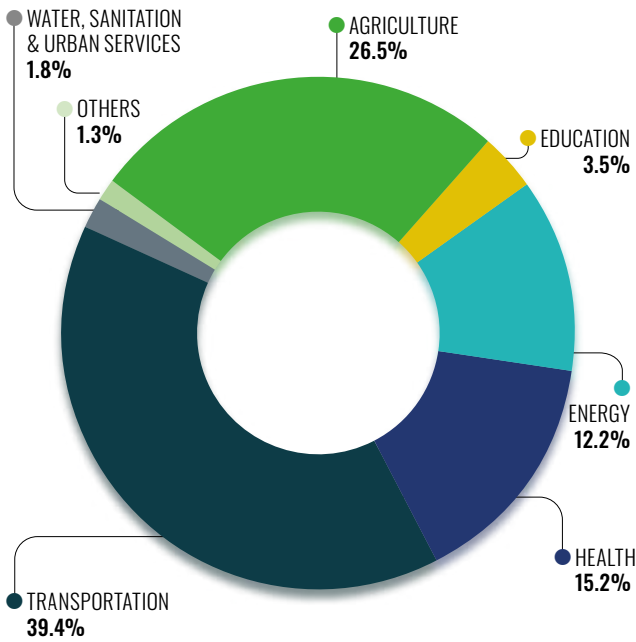


The shares of IsDB and ICD in the total Group net approval increased from 22.4% and 2.7% in 2021 to 28.9% and 5.4% respectively in 2022, while ITFC's share stands at 64.8% in 2022 (Figure 1.2).

All organizations within the group witnessed a marked increase in their approvals (Figure 1.3). In response to an increase in demand from member countries, the Group's organizations continued scaling up their approvals. In 2022, as supply chains gradually returned to normal, ITFC boosted trade financing by US\$6.8 billion (ID5.1 billion), to support agricultural trade and food security. IsDB net approvals soared to US\$3 billion (ID2.3 billion), an increase of over 53%, to support recovery, poverty reduction, resilience building, and defending against food crises. Similarly, ICD more than doubled its net approval to US\$0.57 billion (ID0.4 billion) from US\$0.24 billion (ID0.2 billion) the previous year. (Figure 1.3)

We have maintained positive net resource transfer to member countries as more finance is contributed to development than is currently being repaid. The disbursements increased to US\$9.9 billion in 2022 from US\$8.0 billion in 2021, representing 94.3% of the net group approval. Though the post-COVID-19 recovery was spread unevenly and incompletely in some countries, the support for the IsDB Group from its member countries has been overwhelming. The level of repayments exceeded pre-pandemic levels, reaching US\$8.4 billion in 2022 from US\$6.5 billion in 2021 and US\$6.7 billion in 2020. (Figure 1.4)

**FIGURE 1.5 |** SECTORAL DISTRIBUTION OF ISDB-OCR NET APPROVALS 2022



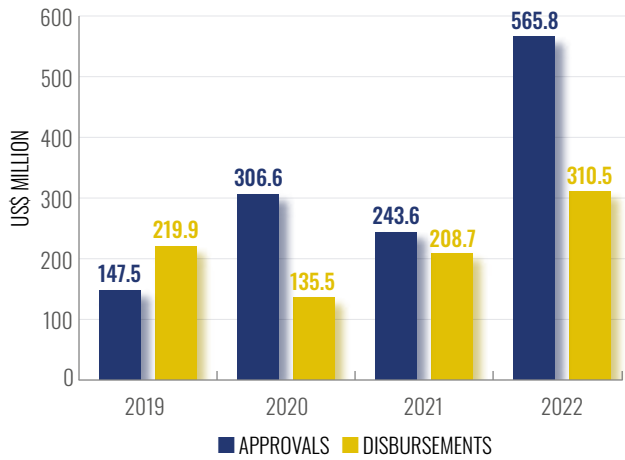
IN THE PAST TWO YEARS, HEALTH AND AGRICULTURE HAVE FEATURED PROMINENTLY IN OUR OPERATIONS. MILLIONS OF PEOPLE FACED THE PROSPECT OF HUNGER IN 2022, AND THIS WAS MET WITH ACCELERATED AGRICULTURAL FINANCING. THIS WILL NOT ONLY MEET IMMEDIATE NEEDS BUT WILL ALSO HELP TO BUILD SUSTAINABLE FOOD SECURITY FOR FUTURE GENERATIONS.

THE SHARE OF AGRICULTURE FINANCING IN THE ISDB ANNUAL NET APPROVAL GREW MARKEDLY TO 26.5% IN 2022 FROM 14.7% IN 2021.

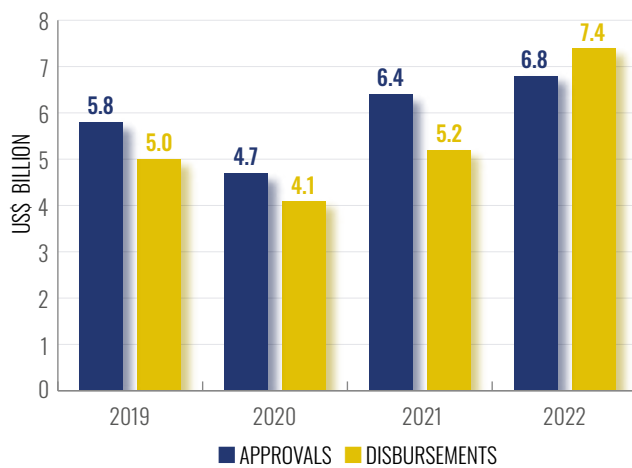
HEALTH FINANCING INCREASED TO 15.2% IN 2022, UP FROM 8.6% IN 2021.



**FIGURE 1.6 |** TRENDS IN ICD NET APPROVALS & DISBURSEMENTS



**FIGURE 1.7 |** TRENDS IN ITFC NET APPROVALS & DISBURSEMENTS

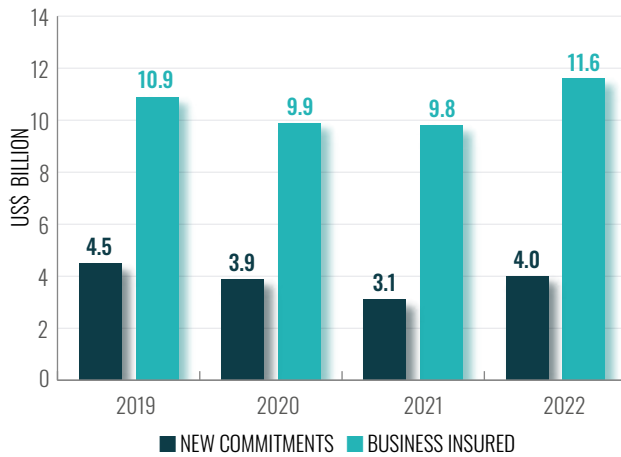


As member countries started to emerge from the pandemic, only to confront a food crisis, the IsDB has remained vigilant and supportive in helping those member countries face the new challenge. In the past two years, health and agriculture have featured prominently in our operations. Millions of people faced the prospect of hunger in 2022, and this was met with accelerated agricultural financing. This will not only meet immediate needs but will also help to build sustainable food security for future generations.

As a result, the share of agriculture financing in the IsDB annual net approval grew markedly to 26.5% in 2022 (Figure 1.5) from 14.7% in 2021. Similarly, health financing increased to 15.2% in 2022, up from 8.7% in 2021. Meanwhile, transport infrastructure development, to provide connectivity and integration within and between member countries, has remained the dominant share, accounting for 39.4% of total IsDB approvals in 2022, up from 34.4% the previous year.



**FIGURE 1.8 | TRENDS IN ICIEC BUSINESS INSURED AND NEW COMMITMENTS**



**ICIEC APPROVALS ARE NOW EXCEEDING PRE-PANDEMIC LEVELS BY US\$700 MILLION**

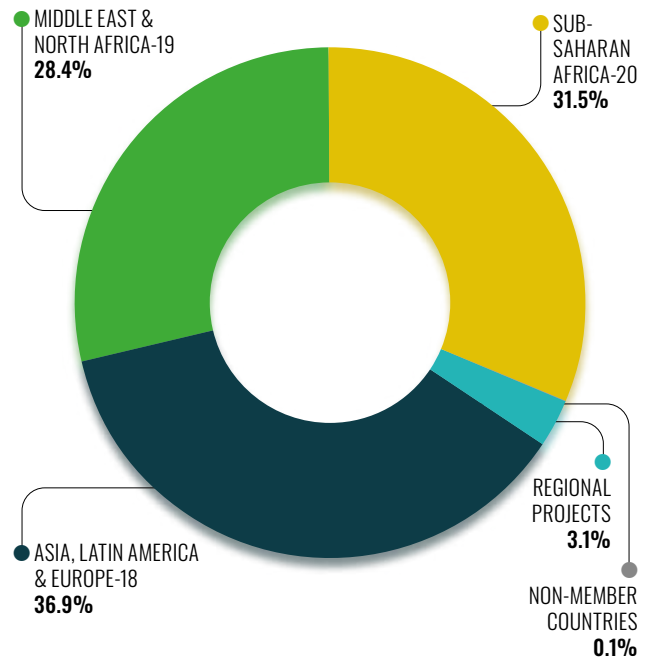
ICD’s net approvals increased by 132.3% to reach US\$565.8 million in 2022 from US\$243.6 million in 2021 (Figure 1.6). This reflects the realigned approach to focus ICD’s business model on credit financing for private sector development. Development in the financial sector accounts for 66.8% of ICD’s financing, followed by energy (24.4%) and industry and mining (8.8%).

As supply chains started to return to some sort of normality, trade financing received increased support from ITFC, with approvals reaching US\$6.8 billion in 2022, up from US\$6.4 billion in 2021 (Figure 1.7). This financing covers 121 operations, with 102% achievement of the annual target. Approvals cover the critical sectors of energy and agriculture, as well as the private sector. The disbursement increased 42.4% to reach US\$7.4 billion in 2022, representing 108.8% of net approvals, and 139% of the annual target.

In 2022, ICIEC provided a total of US\$11.6 billion in business insured, the majority of which was involved in short-term trade for various goods and services in almost all ICIEC member countries as well as many non-member countries. ICIEC provides insurance services that positively impact poverty reduction, food security, and climate initiatives. ICIEC approvals are now exceeding pre-pandemic levels by US\$700 million (Figure 1.8).

The regional distribution of the IsDB Group approvals has remained largely consistent, tilting slightly towards Sub-Saharan Africa and Asia, Latin America, & Europe regions in 2022 due to the looming food crisis. The share contributed to Sub-Saharan Africa grew to 31.5% in 2022 from 26.7% in 2021 (Figure 1.9). Similarly, the share allocated to the Asia, Latin America, & Europe region rose from 30.7% in 2021 to 36.9% in 2022.

**FIGURE 1.9 | REGIONAL DISTRIBUTION OF ISDB GROUP NET APPROVALS IN 2022**



## 1.3 | KEY INITIATIVES

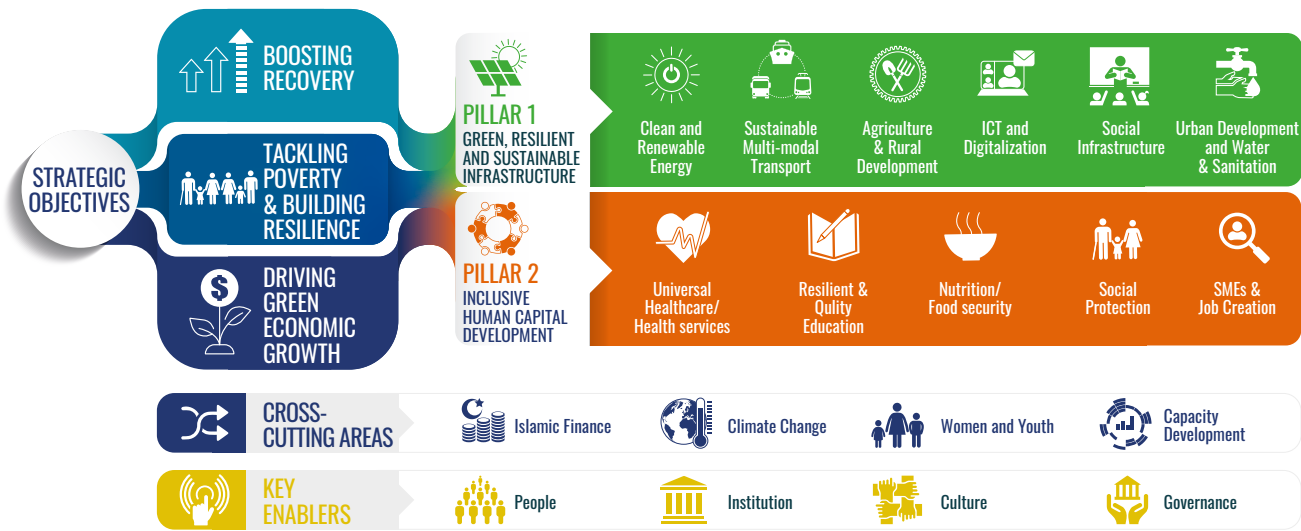
### 1.3.1 | STRATEGY 2025

As directed by the Board of Governors (BOG) in September 2021, IsDB underwent a considerable overhaul of its strategic framework. In February 2022, the Bank’s Board of Executive Directors (BED) adopted a Realigned Strategy document and this was officially endorsed by the BOG at the 47<sup>th</sup> Annual Meeting on 2 June 2022. The Realigned Strategy – ‘IsDB Realignment 2023-2025: Promoting Comprehensive Human Development and Sustainable Infrastructure’ – clarifies the focus areas indicated by the BOG. These are: (i) Boosting recovery; (ii) Tackling poverty and building resilience; and (iii) Driving green economic growth. Accordingly, IsDB’s interventions over the next three years will be driven by two key pillars.

The first pillar is geared toward supporting green, resilient and sustainable infrastructure, by tackling six critical sectors: (i) clean and renewable energy facilities; (ii) sustainable multi-modal transport; (iii) agriculture and rural development; (iv) information and communication technology and digitization; (v) social infrastructure; and (vi) urban development, water and sanitation.

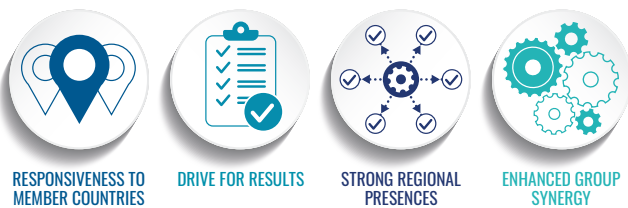
The second pillar promotes inclusive human capital development by focusing on five thematic areas: (i) universal healthcare; (ii) resilient and quality education; (iii) nutrition and food security; (iv) social protection; and (v) MSMEs and job creation.

FIGURE 1.10 | REALIGNED STRATEGY (2023-2025)



To support these initiatives, four intersecting facilitators were identified: Islamic finance; climate change; women and youth; and capacity development. Additionally, the strategy’s implementation will be driven by four guiding principles: (i) responsiveness to member countries; (ii) drive for results; (iii) strong regional presences; and (iv) enhanced group synergy under the ‘One Group, One Goal’ banner. This approach enables IsDBG entities to collaborate and offer holistic services to member countries. The figure above depicts the framework of the Realigned Strategy (2023-2025).

FOUR GUIDING PRINCIPLES



**THIS APPROACH ENABLES ISDBG ENTITIES TO COLLABORATE AND OFFER HOLISTIC SERVICES TO MEMBER COUNTRIES.**

**BOX 1 | ROLL-OUT OF ISDB REALIGNED STRATEGY (2023-2025)**

In 2023, the IsDB will be rolling out the IsDB Realigned Strategy (2023-2025). To support the roll-out, the strategy division of the Strategy, Budget, and Corporate Performance (SBCP) department has identified three main workstreams to be tackled.

The first workstream is aimed at internalizing the Realigned Strategy into the Bank’s programming and project cycles. This will be achieved by (i) updating the revamped MCPS process to ensure its strategic alignment; (ii) further enhancing the Bank’s operations delivery model; and (iii) operationalizing the newly adopted Results-Based Management Framework.

The second workstream to support the strategy roll-out is focused on ‘deep rooting’ the strategy in IsDB’s cultural model. This will require efficient communication and advocacy of the Realigned Strategy to IsDB staff in the HQ and Regional Hubs, as well as reassessing and fully embracing the Bank’s current Cultural Model.

The third workstream is focused on leveraging the IsDB Group’s value proposition by developing new financing instruments to enhance resource mobilization while promoting group synergy.

As part of its efforts to address those workstreams, the strategy team will launch innovative initiatives that will be guided by core coalitions with the relevant business units to steer the work in an efficient and timely manner.



**ISDB CONDUCTED A MAJOR OPERATIONAL REALIGNMENT TO ENSURE THE ADOPTION OF THE STRATEGY. REMARKABLE PROGRESS WAS ACHIEVED IN ENHANCING THE BANK'S OPERATIONS BUSINESS DELIVERY MODEL, BY EMPOWERING STAFF, PARTICULARLY REGIONAL HUBS AND PROJECT TECHNICAL TEAMS, THROUGH THE DELEGATION OF OPERATIONAL AUTHORITY.**

As part of the seamless implementation of the Realigned Strategy, in early 2022, IsDB launched Phase II of the exercise to ensure widespread readiness for changes related to the bank's organizational structure, human resources, culture, systems and processes. The Bank's different business units worked collectively to achieve some key initiatives.

For example, the Bank conducted a major institutional realignment by adopting a fine-tuned organizational structure on 1 September 2022. This was complemented by the filling of the managerial and director-level appointments on 24 November 2022. In conjunction, an entire revision of the Bank's organizational manual, charters of the managerial committees, and business processes were finalized on 31 August 2022, followed by the necessary revision of the Delegation of Authority (DoA) matrixes.

IsDB conducted a major operational realignment to ensure the adoption of the strategy. Remarkable progress was achieved in enhancing the Bank's operations business delivery model, by empowering staff, particularly Regional Hubs and project technical teams, through the delegation of operational authority. Furthermore, the Bank initiated the process of formulating a revamped Member Country Partnership Strategy (MCPS) for strategic engagements with member countries. In 2022, seven MCPSs (Maldives, Indonesia, Senegal, Niger, Guinea, Uzbekistan, Turkmenistan) were launched, and the preparation of six MCPSs (Bangladesh, Kyrgyz Republic, Malaysia, Nigeria, Iraq, Morocco) was initiated for the 2023 pipeline.

The Bank has also laid solid foundations for operational efficiency by adopting an Internal Work Program (IWP) for 2023-2025 and developing a Results-Based Management Framework (RBMF), both of which were approved on 10 December 2022.

Going forward, IsDB will leverage expanding partnerships and mobilize additional financing to scale up its own financing to ensure the successful implementation of the Realigned Strategy.

### 1.3.2 | COMBATING FOOD INSECURITY

The COVID-19 pandemic and the Eastern Europe conflict have exacerbated food insecurity by disrupting global supply chains and driving up the prices of food and agricultural inputs, particularly fertilizers. Today, about 828 million people globally suffer from hunger. IsDB's member countries are no exception.

Collectively, the 57 IsDB member countries are equipped with a wealth of resources to develop sustainable food systems. IsDB member countries:

- Cover 29% of the world's agricultural land;
- Have 7,261 km<sup>3</sup> (14%) of the world's total renewable water resources;
- Produce 18 of the world's 20 major agricultural traded commodities;
- Account for 14-15% of the world's cereal and horticulture production.

Despite this, IsDB member countries are also among the worst affected by the ongoing food crisis. This is because 27 of the member countries are on the African continent, which accounts for 249 million or a third of the hungriest people in the world.

In focusing its efforts on combating food insecurity, the Bank has taken the first steps to aligning its agriculture portfolio with the recently adopted Realigned Strategy (2023-2025), focusing on green, resilient, and sustainable infrastructure.

Prior to that, the Bank's Agriculture and Rural Development Sector Policy (approved in 2020), set enhancing food security and alleviating poverty in agriculture-based member countries as one of its primary objectives. In these countries, the agriculture and rural development sectors are recognized not only as a way of life and essential for national socio-economic development but also as an engine for economic growth.

Since it was founded, the Bank has approved more than 600 projects in 57 member countries. A review of these projects showed that they are well-placed to tackle the three dimensions of food security: availability, affordability and accessibility.

These projects have financed activities related to enhancing food production, supply and security infrastructure such as the construction of grain silos, warehousing and storage facilities. This has provided the conditions for market access (rural roads, rural and urban markets) and strengthened the seed systems in member countries. However, the new generation of projects has to adopt a value chain approach and consider the effects of climate change, which is a cross-cutting theme of the Bank's Realigned Strategy.

**CASSAVA**  
IS BEING PROMOTED AS  
AN ADAPTATION AND  
RESILIENCE SOLUTION FOR  
**FOOD SECURITY**  
IN THE FACE OF RECURRING  
DROUGHTS AND OTHER  
EXTREME WEATHER EVENTS.



In this regard, following the launch of a Regional Rice Value Chain program in Western and Central Africa, the IsDB is currently developing an ambitious Regional Cassava Value Chain program across seven selected countries (Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Mozambique, Niger and Uganda). This program is looking not only at addressing the climate resilience of this important staple crop's value chain but also promoting cassava as an adaptation and resilience solution for food security in Africa in the face of recurring droughts and other extreme weather events.

This innovative regional program will have a strategic focus on:

- ◆ Low productivity of smallholder farmers;
- ◆ Poor links with markets, to strengthen weak or broken value chains;
- ◆ Climate change and variability associated with increased incidence of droughts and floods;
- ◆ Policies that would incentivize the private sector's effective engagement, including farmers making significant investments in their farms.

**BOX 2 | IsDB & ACG PARTNERS ALLOCATE US\$34 BILLION TO TACKLE FOOD AND CLIMATE CRISES**

At the behest of the Kingdom of Saudi Arabia, IsDB and the Arab Coordination Group (ACG) announced in June 2022 in Vienna an ACG Food Security Response package worth a minimum of US\$10 billion. The package aims to deliver immediate assistance as well as medium- and long-term assistance to recipient countries to provide a comprehensive response to the food crisis and help build resilience over the longer term. IsDB is set to contribute US\$10.5 billion to the ACG package, which covers both sovereign and non-sovereign operations and consists of new and repurposed operations.

Furthermore, IsDB and ACG partners earmarked US\$24 billion for climate finance through 2030, as announced at the UNFCCC COP27 in November 2022 in Sharm El-Sheikh, Egypt. This landmark ACG commitment will support the acceleration of the energy transition, the increased resilience of food, transport, water and urban systems, and the promotion of energy security in partner countries. The financial commitment comes as part of a joint ACG Call for Climate Action for Equitable Development. IsDB is set to contribute US\$13 billion to the ACG climate finance commitment, which will strengthen global partnerships, including South-South and Triangular Cooperation, to provide adaptation and mitigation solutions. In addition to their own resources, IsDB and ACG partners aim to leverage additional financing to de-risk and catalyse private investment through blended finance and guarantees.

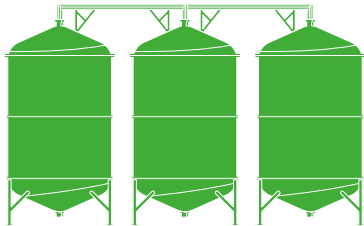


## 1.4 | ISDB GROUP ACCOMPLISHMENTS

### 1.4.1 | KEY DEVELOPMENT OPERATIONS

IsDB-OCR approval in 2022 increased markedly to US\$3.04 billion from US\$2 billion in 2021. This covers 61 operations in 26 member countries, with the transportation and agriculture sectors accounting for the largest shares (Figure 1.5), reflecting the increased response of the IsDB-OCR to alleviate the ongoing food crisis in member countries. The new approvals are expected to bring promising developmental results to member countries and Muslim communities around the world. Highlights of anticipated results, once the 2022 approved operations are completed, include:

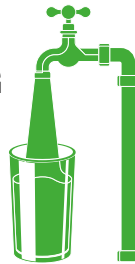
OVER  
**11 MILLION FARMERS**  
WILL BENEFIT FROM AGRICULTURAL  
PROJECTS, WITH OVER  
**700,000 TONS**  
OF FOOD STORAGE FACILITIES BEING  
BUILT AND A TOTAL AREA OF  
**18,000 HECTARES**  
EXPECTED TO BE IRRIGATED.



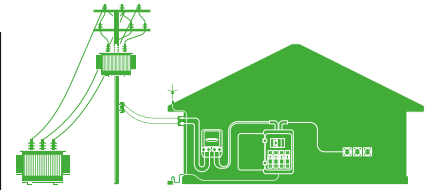
IN THE HEALTH SECTOR, EACH YEAR  
OVER  
**EIGHT MILLION**  
PATIENTS WILL BENEFIT FROM NEARLY  
**800 NEW HEALTH  
FACILITIES AND  
HOSPITALS**  
THE VACCINATION PROGRAMS  
AGAINST PREVENTABLE DISEASES  
(SUCH AS POLIO, AND COVID-19),  
FINANCED IN 2022, WILL REACH OVER  
**200 MILLION PEOPLE.**



WATER AND SANITATION  
PROJECTS ARE EXPECTED  
TO BRING SAFE DRINKING  
WATER TO  
**163,222**  
**HOUSEHOLDS.** ANOTHER  
**60,000 HOUSEHOLDS**  
WILL BENEFIT FROM IMPROVED  
SANITATION AND SEWAGE SYSTEMS.

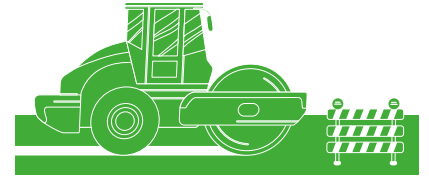


PROJECTS APPROVED IN THE  
EDUCATION SECTOR ARE EXPECTED TO  
BENEFIT NEARLY  
**200,000 STUDENTS**  
AT 466 EDUCATIONAL  
INSTITUTIONS  
THAT WILL BE BUILT OR UPGRADED.

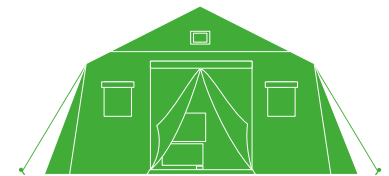


ENERGY GENERATION PROJECTS WILL  
BENEFIT OVER  
**FIVE**  
**MILLION HOUSEHOLDS**  
BY CONNECTING THEM TO THE  
ELECTRICITY GRID.

THE TRANSPORT PROJECT WILL  
BENEFIT OVER  
**TWO MILLION PEOPLE**  
WITH NEARLY 940 KM OF NEWLY-  
CONSTRUCTED PAVED ROADS.



THE BANK'S INTERVENTIONS WILL  
BENEFIT POPULATIONS AFFECTED BY  
DISASTERS AND CONFLICTS, INCLUDING  
THE PROVISION OF IMPROVED  
SHELTERS AND HOUSES TO OVER  
**63,000 PEOPLE.**



THE BANK'S NEW OPERATIONS  
WILL BENEFIT OVER  
**21,000 SMEs**  
AND PROVIDE MICROFINANCE  
SERVICES TO ANOTHER  
**20,000 PEOPLE.**  
MOREOVER, THESE OPERATIONS  
WILL CREATE NEARLY  
**130,000**  
**NEW JOBS.**



### 1.4.2 | REINFORCING PRIVATE SECTOR DEVELOPMENT

Through extending lines of financing to partner financial institutions and investments in various projects that address key global challenges such as energy access and food security, ICD's project approvals for the year totaled over US\$565.83 million, more than double last year's figure (US\$243.60 million). In terms of product breakdown, 2022 project approvals consisted of line of finance (LOF) (61.49% share) and term finance (38.51% share), underpinned by a re-aligned approach to focus ICD's business model on credit financing. This brings cumulative project approvals since inception to US\$7.4 billion.

### 1.4.3 | SUPPORTING TRADE FINANCE

ITFC achieved record trade finance approvals with figures in 2022 totaling US\$6.8 billion spread across 105 operations. Approvals covered the critical sectors of energy and agriculture, as well as the private sector. During the same period, ITFC achieved record disbursements amounting to US\$7.38 billion.

In terms of diversification, approvals outside of the oil and gas markets amounted to US\$2.8 billion, representing 42% of the total trade finance portfolio. Approvals of intra-OIC trade reached US\$4.85 billion (71.3% of approvals), while financing extended to LDCs amounted to US\$2.53 billion (37% of approvals).

Total private sector approvals amounted to US\$757 million. The financing was extended to 23 partner banks and financial institutions and two corporate clients. Elsewhere, ITFC continued the success achieved in 2021 in expanding the LC Confirmation business, aimed at facilitating trade between OIC member countries and beyond.

In 2022, 18 trade development programs were developed by ITFC and are currently being implemented. These include integrated solutions, targeted interventions and flagship programs (including AATB and the launch of AFTIAS 2.0).

In 2022, ITFC continued with its COVID-19 response initiative:

- Under R1 (Response), a total of US\$604.7 million was approved, of which US\$528 million has been disbursed.
- Under R2 (Recovery), US\$945 million was approved, of which US\$585.3 million has been disbursed.
- ITFC acted as an agent, managing the trade-related aspect of the IsDB COVID-19 Response Program.
- ITFC has reviewed purchase contracts amounting to US\$335 million, of which US\$324.5 million has been disbursed in 14 member countries.

### 1.4.4 | PROVIDING INSURANCE FOR CREDIT AND COUNTRY RISKS

At the end of 2022, ICIEC supported a total of US\$11.64 billion in business insured, the majority of which was in short-term trade in almost all member states of ICIEC as well as a number of non-member countries. ICIEC provides insurance services that positively impact poverty reduction, food security and climate initiatives.

The ICIEC-ISFD COVID-19 Emergency Response Initiative (ICERI), launched in July 2020 and concluded a year later, completed 13 transactions and approvals totaling US\$271 million. These supported trade-related transactions for the benefit of our least developed member countries (LDMCs) including Bangladesh, Egypt, Cameroon, Mauritania, Senegal, Tunisia and Benin. With the support of ICERI, during the pandemic, these countries were able to import critical goods at discounted rates and strengthen their healthcare and food sectors.

In terms of food security, ICIEC joined its IsDB Group sister organizations to establish the Food Security Response Program (FSRP). ICIEC pledged US\$500 million until the end of 2025, adding to the total Group package of US\$10.5 billion. Utilization of the FSRP reached US\$159 million, supporting agriculture modernization projects, the import of agriculture-related equipment and the export and import of fertilizers, sugar and wheat to and from several member states. The beneficiary member countries of this program include Uganda, Uzbekistan, Bangladesh and Senegal.

### 1.4.5 | THOUGHT LEADERSHIP IN ISLAMIC ECONOMICS AND FINANCE

In 2022, the Islamic Development Bank Institute (IsDBI) produced books, evidence-based reports and knowledge solutions, and organized data to inform and support the Bank's decision-making. The Institute published three books, two issues of Islamic Economic Studies Journals, seven country diagnostic studies, eight topical issues and reports on the food crisis and the impact of the Eastern European crisis on our member countries. The Institute serves the role of the data custodian for the IsDB Group, collecting, systemizing and offering easy access to key data and information. This is disseminated in the form of statistical publications, providing timely and accurate information on IsDB member countries and non-member countries.

The Institute also translates its thought and knowledge into practice by providing training, financial grants and FinTech solutions to develop the capacity of Islamic financial institutions. Besides Massive Open Online Courses (MOOCs), several pieces of training covering Sukuk, Awqaf, product development, and Shari'ah standards were conducted in 2022. IsDBI supported several institutions in member countries through grants





of over US\$1.6 million, including a US\$280,000 grant to establish an information system for the supervision and regulation of participating banks in Morocco, and a grant of US\$270,000 to enable feasibility studies for the Islamic microfinance market in five member countries.

Innovative solutions have been developed, including the Sukuk Enhancement Fund, a product that aims to provide a protection mechanism for Sukuk without additional costs to issuers. IsDBI signed a Memorandum of Understanding with Beyond Limits, a firm specializing in Artificial Intelligence, to explore the transformation of IsDBI's fintech patents into ready-made solutions.

The Institute also incentivizes knowledge creation globally with an annual prize for Impactful Achievement in Islamic Economics. In 2022, the prizes were awarded to Prof. Habib Ahmed (first prize), Prof. Mansur Masih (second prize) and Prof. Tariquillah Khan (third prize). In addition, the Institute, in partnership with the Saudi-Spanish Center for Islamic Economics and Finance, organized the Islamic Finance Changemakers competition to support social entrepreneurs, innovators and business leaders seeking to create a better society. The latest edition of the competition attracted 90 projects from 25 countries.

#### 1.4.6 | PARTNERING FOR POVERTY REDUCTION

After the interruption of the COVID-19 pandemic, the fight against poverty has become increasingly challenging, pushing millions into hardship. Progress has also been dented by rising inflation, a food crisis, and the impacts of climate change.

The Global Multidimensional Poverty Index 2022 Report, issued by the UNDP and the Oxford Poverty and Human Development Initiative (OPHI), indicates that across 111 countries, 1.2 billion people (19.1%) live in acute multifaceted poverty, 498.1 million (40.8%) of whom live in IsDB member countries. Of this number, 406.6 million (83.1%) live in rural areas, 82.5 million live in urban areas and 55% are children. More than half of the world's poor (289.5 million) live in 17 of the IsDB member countries where food vulnerability is high. They include 281.2 million people who are poor and experiencing malnutrition. Member countries with higher proportions of people who are experiencing deprivation are also among the least food-secure countries in the world. Even in relatively food-secure countries, a sizable number of people are facing malnutrition. This overlap has helped the Bank and its entities to holistically target poverty reduction, an approach adopted by the Islamic Solidarity Fund for Development (ISFD).

ISFD plays an important role in reducing poverty in IsDB member countries, in particular those that are least developed, through the creation of innovative programs that are designed in collaboration with IsDB, donors and main stakeholders. It is focused on comprehensive human development (mainly education and health) and economic empowerment (for the benefit of women, youth and MSMEs). Since its inception, ISFD has provided around US\$1.2 billion in the form of concessional loans and grants to finance projects and programs in sectors such as education, health, agriculture and microfinance.



SINCE ITS INCEPTION, ISFD HAS PROVIDED AROUND

**US\$1.2 BILLION**  
IN THE FORM OF CONCESSIONAL LOANS AND GRANTS TO FINANCE PROJECTS AND PROGRAMS IN SECTORS SUCH AS EDUCATION, HEALTH, AGRICULTURE AND MICROFINANCE.

PARTNERSHIPS TO FEND OFF CRISES

Since its inception in 2005, ISFD has launched more than 20 flagship schemes such as programs for bilingual education, vocational literacy, Ebola prevention and control, microfinance support and dry land. The most recent programs are aligned with its new strategy for 2030 which focuses on education (e.g. the ‘Enrolling and retaining out-of-school children’ program), on job creation and economic empowerment (e.g. the ‘Strengthening the economic resilience of vulnerable enterprises’ program), on health (e.g. the ‘Alliance to Fight Avoidable Blindness’ program), or on community development (e.g. the ‘TADAMON for NGOs empowerment for poverty reduction’ program).

In 2022, US\$88.3 million was approved for projects and programs. US\$34.3 million went to member countries in

the form of concessional loans, while US\$4.0 million was provided in the form of grants. This is in addition to the US\$50 million capital allocation to establish the Global Islamic Fund for Refugees in partnership with UNHCR. The financing incorporates health, education, agriculture and community development projects. Community development (49%), microfinance (19%) and education (13%) are the top sectors benefiting from ISFD approvals. The rest of the financing was distributed among other sectors including agriculture and health. Over 90% of funding went to countries with disproportionate levels of poverty in accordance with the ISFD Policy on Poverty Reduction, which provides that 80% of ISFD cumulative financing should go to LDMCs and 20% to poverty pockets in non-LDMCs.

**BOX 3 | SAFEGUARDING ACADEMIC AND ECONOMIC POTENTIAL – NOOR’S STORY**

When the COVID-19 pandemic struck, the IsDB launched the Strategic Preparedness and Response Program (SPRP) aimed at supporting member countries in preventing, containing, mitigating, and recovering from the impact of the pandemic.

Under the framework of the SPRP, the Islamic Solidarity Fund for Development (ISFD) in collaboration with the Resilience and Climate Action Department of IsDB developed a new TADAMON CSOs Pandemic Response Accelerator Program. ISFD supports member countries’ efforts to alleviate poverty by focusing on human capital development, economic empowerment, and creating jobs for youth, women, and marginalized groups, including refugees.

The scope of the program included supporting higher education during the pandemic and highlighted the important role of civil society organizations (CSOs) in complementing member country governments to address the impact of the pandemic. Through the SPRP, ISFD not only provided financial support but also restored hope for talented students who could not afford the necessary means to continue their education.

**A JORDANIAN CSO PROVIDED NOOR WITH INFORMATION ABOUT THE ISFD TADAMON PROGRAM. WITHIN A FEW WEEKS, NOOR HAD RECEIVED A SCHOLARSHIP FROM ISFD TADAMON TO STUDY ACCOUNTING, WHICH WAS ONE OF THE MAJORS SHE HAD DREAMT OF.**

Noor Jomaa was one of them. A talented Syrian student, Noor was recognized for her diligence and academic achievement. In 2012 Noor was admitted to Damascus University. However, when the Syrian conflict broke out Noor and her family were among 600,000 people forced to seek refuge in Jordan.

After a long period of fear and uncertainty, a Jordanian CSO provided Noor with information about the ISFD TADAMON program. Within a few weeks, Noor had received a scholarship from ISFD TADAMON to study Accounting, which was one of the majors she had dreamt of. She got off to a flying start, achieving the highest grade in the whole of Jordan in the comprehensive exam, and securing a place at Luminus Technical University College. She now hopes to complete her BA and Master’s degrees to become a qualified accounting instructor.





#### **BOX 4 | A SECURE FINANCIAL FUTURE FOR THE ZAMZAM FOUNDATION**

The Zamzam Foundation for Voluntary Health Services approached the Awqaf Properties Investment Fund (APIF) to try and establish a more sustainable funding model that would limit its dependence on charitable giving. The aim is for the foundation to be able to sustain in the long term its various programs which include a mobile clinic, Haj clinic, and charitable pharmacy. These, along with other programs, have benefited over 34,000 people over the past three years.

APIF approved the financing of the construction of a two-tower commercial complex in Makkah to support the activities of the foundation in the field of healthcare in Saudi Arabia. Occupying a 2,000 square meter plot, the two towers cost around US\$18 million, US\$12 million of which was financed by IsDB with US\$6 million from each of APIF and APIF Line. The project became effective in December 2020 and disbursements began in late January 2021, lasting 20 months. Despite the obstacles and challenges faced due to the COVID-19 pandemic, the construction of the complex proceeded smoothly and is currently almost complete.

Composed of a 15-floor North Tower, a 9-floor South Tower, and a 3-storey basement, the complex has two floors dedicated to retail and 48 furnished or customizable offices of different sizes. With a total constructed area of 19,250 square meters and smartly designed bridges connecting each floor of the two towers, the complex offers a variety of opportunities and easy access to all tenants. Based in Makkah, the two-tower complex reflects the heritage of the holy



**THE AIM IS FOR THE FOUNDATION TO BE ABLE TO SUSTAIN IN THE LONG TERM ITS VARIOUS PROGRAMS WHICH INCLUDE A MOBILE CLINIC, HAJ CLINIC, AND CHARITABLE PHARMACY. THESE, ALONG WITH OTHER PROGRAMS, HAVE BENEFITED OVER 34,000 PEOPLE OVER THE PAST THREE YEARS.**

city into its architecture and interior design. Because the two towers are in a prime location in the city, the aesthetic of the buildings was important to the marketing of the project.

The foundation offers a variety of rental packages, enabling tenants to rent single offices, entire floors, and/or an entire tower. The buildings will soon be open for business, and the Zamzam Foundation will have taken its first step toward sustainable development.

### **1.4.7 | LEVERAGING AWQAF FOR DEVELOPMENT**

Economic development is the process by which the economic wellbeing and quality of life of a nation, region or community are improved according to targeted goals and objectives. It is affected by many factors including income per capita, public education and social facilities. Awqaf (assets that are donated, bequeathed or purchased to be held in perpetual trust for specific causes that are socially beneficial) has a fundamental role to play in improving a country's economic development by equipping it with the facilities and skills it needs.

The IsDB therefore established the Awqaf Properties Investment Fund (APIF) in 2001. The fund generates a return that supports an organization's social mandate, helps its beneficiaries achieve long-term financial sustainability and enables them to take part in a larger framework of social and economic development. APIF's double mandate of achieving both a sustainable financial return and social impact is fully in line with the Bank's

10-Year Strategy and the Global 2030 Sustainable Development Goals (SDGs) agenda.

Characterized by its reasonable cost and high impact, APIF has financed 56 real estate projects in 28 countries with a total value of US\$1 billion and has supported various non-profit beneficiaries, ranging from governments to research centers and charitable organizations. These have helped people from a variety of backgrounds and a wide scope of projects, which have helped to increase the standards of public service in each location.

An example of the developmental potential of Awqaf can be seen in APIF's empowerment of Somalia's marginalized groups. For instance, it financed the purchase of Towfiq Trust's SOMAK house in Nairobi, Kenya, and supported the Towfiq Welfare Society (TWS) in Somalia. TWS has contributed to nearly 400,000 people's education, healthcare, nutrition and sanitation. For more information, please visit the APIF website at <https://www.isdb.org/apif/>



### BOX 5 | IMPROVING FINANCIAL INCLUSION THROUGH REVERSE LINKAGE IN MAURITANIA AND TUNISIA

Access to information and communication technology (ICT) infrastructure has been improving in Mauritania in recent years. Mobile network coverage has reached 94% of the country, and the total number of subscribers for these networks exceeds the country's population.

The country's ICT infrastructure is not yet fully leveraged to deploy user-applications that save Mauritanian's time and effort and ease business transactions, especially between the scattered cities and villages. As a result, most of the population has no access to financial services such as payment and cash transfer applications. This exacerbates financial exclusion.

The Mauritanian Post Corporation (MauriPost) enjoys the trust of Mauritanian society and has experience in providing traditional financial services through its offices. Meanwhile, the Tunisian Post service has experience in successfully providing digital financial services through mobile networks.

The IsDB therefore initiated the formulation and implementation of a Reverse Linkage project between Mauritania (as the recipient) and Tunisia (as the provider) for 'Developing a Platform for Mobile-Based Financial Services'.

The project aims to increase access and improve the security and speed of financial services in Mauritania, which will contribute to the Government's efforts to enhance financial inclusion. This will be achieved through setting up a mobile-based financial services platform based on cloud architecture.

The new platform will automate a number of financial services for Mauritanian citizens such as cash transfer, paying the invoices of public utilities such as water and electricity, settlement of traders' bills, and paying for mobile phone subscriptions. The platform will be operated by MauriPost following its development by Tunisian Post – the project's source of expertise and technology.

### 1.4.8 | SHARING BEST PRACTICES IN DEVELOPMENT

During 2022, IsDB continued to play the role of catalyst in facilitating the transfer of development solutions among its member countries through many channels including the Technical Cooperation Program (TCP) and Reverse Linkage mechanism.

Through its TCP, IsDB supports short-term capacity development interventions to foster the socio-economic development of member countries.

In 2022, a total of 20 TCP operations amounting to US\$ 648,700 were approved. Priority was given to the least developed member countries as well as to activities related to Food Security and Health. These operations included the following:

**THREE ON-THE-JOB TRAINING SESSIONS AMOUNTING TO**  
**US\$134,500;**

**EIGHT KNOWLEDGE-SHARING EVENTS AMOUNTING TO**  
**US\$261,000;**

**SIX STUDY VISITS AMOUNTING TO**  
**US\$194,000;**

**RECRUITMENTS OF THREE EXPERTS AMOUNTING TO**  
**US\$59,200.**

Under Reverse Linkage, IsDB connects its member countries to tackle common development challenges. In 2022, a US\$1.99 million grant was approved for Reverse Linkage. Three standalone Reverse Linkage projects amounting to US\$0.58 million were approved for the benefit of Nigeria, Palestine and Uganda in the areas of agriculture, halal ecosystems and public administration. Five Reverse Linkage interventions amounting to US\$1.28 million were mainstreamed in IsDB's ordinary operations. These mainstreamed components under Reverse Linkage benefited the Kyrgyz Republic, Mauritania, Morocco, Senegal and Tajikistan in areas such as agriculture, aquaculture, and health. In addition, around US\$0.13 million was allocated for the matchmaking between eight member countries.

The year 2022 has witnessed a further expansion of the IsDB network of partners under Reverse Linkage. For the first time, IsDB partnered with Chile to share best practices with the Palestine International Cooperation Agency. In its efforts to support vaccine producers in member countries, IsDB supported the Institut Pasteur Dakar in enhancing its capacities as well as achieving self-reliance in vaccine production. This will help the Institute support 13 African member countries and help them fight pandemics and communicable diseases. In addition, IsDB continued to tap into the know-how and expertise of its existing partners. For instance, Serunai – a renowned center of excellence from Malaysia – has availed its services to support Uganda in developing the capacity of its Halal Bureau in the area of certification.



## 1.4.9 | HARNESSING THE POWER OF SCIENCE, TECHNOLOGY, AND INNOVATION FOR DEVELOPMENT

### SUPPORT FOR VACCINE MANUFACTURING

In June 2022, IsDB approved a project for the establishment of a manufacturing unit for COVID-19 vaccines and other routine vaccines for preventable diseases in the Republic of Senegal, under the Strategic Preparation Response Plan for COVID-19 – Restart (SPRP - R3). The project seeks to strengthen the capacities of Senegal and the African continent in terms of preparedness and responses to new pandemics including COVID-19, disease control and immunization coverage. It will help the manufacture and supply of high-quality, affordable vaccines for illnesses such as measles, rubella and influenza. The project is spearheaded by the Economic and Social Infrastructure Department (ESID)/health team and the Dakar Regional Hub, with a total contribution from IsDB OCR of almost US\$30 million, a Reverse Linkage grant of US\$321,000, a science, technology and information innovation grant of US\$107,000, together with a grant of almost US\$300,000 from ITFC.

### SUPPORT TO RURAL HEALTHCARE FACILITIES WITH RELIABLE ELECTRICITY THROUGH THE AWQAF PROGRAM

On 20 December 2021, through the Awqaf program, IsDB also supported the provision of reliable electricity to rural healthcare facilities through the Multilateral Energy Compact for Health Facility Electrification, a platform managed by Sustainable Energy for All (SEforALL), a UN initiative. This is also supported by the USAID Power Africa Program, in which development partners express their ambitions and coordinate potential partnerships towards energizing health facilities in SSA.

The project has been developed by the ESID and APiF while leveraging UNDP's 'Solar for Health' program. IsDB will offer a waqf-based solution for the supply. IsDB and UNDP have agreed to conduct comprehensive feasibility studies in Cameroon and Senegal to assess health sector needs and resource requirements. They will then recommend the most beneficial financing mechanisms along with the most optimum delivery systems. IsDB committed a grant of US\$175,000 and ICD committed US\$25,000 (US\$200,000 in total) to co-finance the feasibility studies. These will assess how waqf-based solutions can be designed to address the challenge of energy access faced by rural healthcare facilities in Africa.

This initiative targets both the health sector through supporting the infrastructure of remote health facilities and the energy sector through connecting rural health facilities with renewable energy resources.

THE PROJECT IS SPEARHEADED BY THE ESID/ HEALTH TEAM AND THE DAKAR REGIONAL HUB, WITH A TOTAL CONTRIBUTION FROM ISDB OCR OF ALMOST

**US\$30 MILLION,**  
A REVERSE LINKAGE GRANT OF  
**US\$321,000,**  
A SCIENCE, TECHNOLOGY AND  
INFORMATION INNOVATION GRANT OF  
**US\$107,000,**  
TOGETHER WITH A GRANT OF ALMOST  
**US\$300,000**  
FROM THE INTERNATIONAL ISLAMIC  
TRADE CORPORATION (ITFC).



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**ADDRESS THE CHALLENGE  
OF ENERGY ACCESS**  
FACED BY RURAL HEALTHCARE FACILITIES  
IN AFRICA.



### STRENGTHENING OF THE STI ECOSYSTEMS IN UZBEKISTAN AND MOZAMBIQUE

In a bid to strengthen and build resilient science, technology and innovation (STI) ecosystems capable of contributing to the SDGs, IsDB in partnership with UNESCO supported the Republics of Uzbekistan and Mozambique to develop, implement and monitor gender-responsive STI policies. This partnership leveraged the application of UNESCO's Global Observatory of Science, Technology, and Innovation Policy Instruments (GO-SPIN) to collect and analyze information on the STI ecosystems of member countries, identify areas of strategic investment, and facilitate the development of evidence-based STI policies. The national STI Policies of Uzbekistan and Mozambique were finalized and presented to stakeholders at hybrid launch ceremonies held in Mozambique and Uzbekistan, on 11 April 2022 and 19 April 2022, respectively.

**THIS PARTNERSHIP LEVERAGED THE APPLICATION OF UNESCO'S GLOBAL OBSERVATORY OF SCIENCE, TECHNOLOGY, AND INNOVATION POLICY INSTRUMENTS (GO-SPIN) TO COLLECT AND ANALYZE INFORMATION ON THE STI ECOSYSTEMS OF MEMBER COUNTRIES, IDENTIFY AREAS OF STRATEGIC INVESTMENT, AND FACILITATE THE DEVELOPMENT OF EVIDENCE-BASED STI POLICIES.**



### BOX 6 | PAKISTAN SUPPORTS THE TRAINING OF COMPUTER ENGINEERS IN THE GAMBIA

The School of Information and Communication Technology (ICT) at the University of The Gambia (UTG) was established in 2005, but its students have so far been admitted only at the undergraduate level as no Masters-level program was available.

To change this, the IsDB – through its Technical Cooperation Program – has supported a project between The Gambia and Pakistan on 'Establishing a Computer Science Master Program in the University of The Gambia', which was implemented successfully between March and October 2022.

The IsDB identified the Al-Khwarizmi Institute of Computer Science at the University of Engineering and Technology in Lahore, Pakistan as a potential provider of technical expertise to The Gambia for project. The Al-Khwarizmi Institute was in fact one of the Resource Centers identified through the IsDB Resource Centers mapping exercise of Pakistan in 2021.



This project is strategically important for The Gambia as it will help build a critical mass of competent computer engineers who can contribute to digital transformation at organizational and national levels. The project scope entails developing the curriculum of 10 courses which will constitute the Master's Program of the University of The Gambia and conducting training in Pakistan for university faculty members and staff of the ICT Department. The curriculum covers advanced topics such as artificial intelligence, machine learning, computer vision and cybersecurity. The University of The Gambia was also assisted in improving the design of its ICT infrastructure.

Following this collaborative project between The Gambia and Pakistan, the University of The Gambia will roll out its first Computer Science Master's program, which will equip its students with advanced ICT knowledge.

This cooperation between The Gambia and Pakistan is part of IsDB's efforts to tap into the technical expertise of its member countries to address major developmental challenges in other member countries, giving priority to the Least Developed Member Countries (LDMCs).

**THE COOPERATION BETWEEN THE GAMBIA AND PAKISTAN IS PART OF ISDB'S EFFORTS TO TAP INTO THE TECHNICAL EXPERTISE OF ITS MEMBER COUNTRIES TO ADDRESS MAJOR DEVELOPMENTAL CHALLENGES IN OTHER MEMBER COUNTRIES, GIVING PRIORITY TO THE LEAST DEVELOPED MEMBER COUNTRIES (LDMCs).**

THE ISDB – THROUGH ITS TECHNICAL COOPERATION PROGRAM – HAS SUPPORTED A PROJECT BETWEEN THE GAMBIA AND PAKISTAN ON 'ESTABLISHING A COMPUTER SCIENCE MASTER PROGRAM IN THE UNIVERSITY OF THE GAMBIA', WHICH WAS IMPLEMENTED SUCCESSFULLY BETWEEN MARCH AND OCTOBER 2022.



# CHAPTER 2

## RESPONDING TO CRISES

Like the rest of the world, IsDB was taken by surprise when COVID-19 spread so quickly and with such devastation. However, the Bank quickly brought in new financing agreements to boost the production and distribution of affordable vaccines for some of the world's lowest-income countries. It is using the same approach to address the growing food security crisis.







## 2.1 | STRATEGIC PREPAREDNESS AND RESPONSE PROGRAM

With the Strategic Preparedness and Response Program (SPRP) coming to an end in December 2022, the Bank undertook a full review of the projects that were initially to be processed under the program. Based on the approval of the Food Security Response Program (FSRP) and the program timeline, several projects are now being processed under FSRP. This move is better suited to the program’s objectives and the readiness of the projects to meet the timelines. The Board of Executive Directors (BED) approved the SPRP on 4 April 2020, to support IsDB member countries in preventing, containing, mitigating and recovering from the impact of the COVID-19 pandemic. Subsequently, the BED approved the extension of the SPRP in April 2021. Through the extension of the program, the IsDBG increased its financing commitment to US\$4.43 billion from US\$2.27 billion in April 2020, out of which US\$770 million of business has been insured by ICIEC. The Bank has also created a refill facility to finance the parent projects that have previously repurposed their financing for the projects.

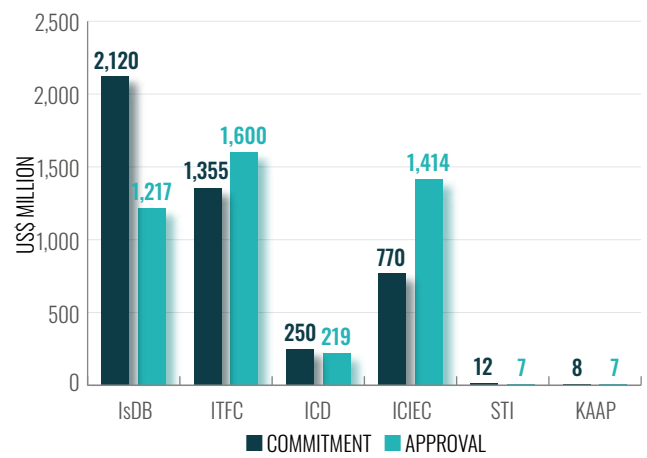
As of 31 December 2022, the total IsDB Group commitment to the COVID-19 response is US\$4.67 billion. The Group level disbursements increased to US\$2.054 billion, up from US\$1.967 billion, representing a 98.72% approval rate and a 67.54% disbursement rate (excluding ICIEC-approved operations) by the end of the approvals period.

The cumulative IsDBG disbursement of US\$2.054 billion is 67.54% of the cumulative US\$3.042 billion approval amount (excluding ICIEC volume of approved insurance).

Through its COVID-19 Vaccine Access Facility (IVAC) under SPRP 2.0, the Bank was able to ensure the procurement of COVID-19 vaccines in an efficient, safe and competitive manner. The IVAC program provides financing under four different pillars: (i) procurement, (ii) development, (iii) manufacturing, and (iv) delivery. The Bank has approved four projects under the IVAC program, in Guinea, Kyrgyz Republic, Pakistan and Senegal.

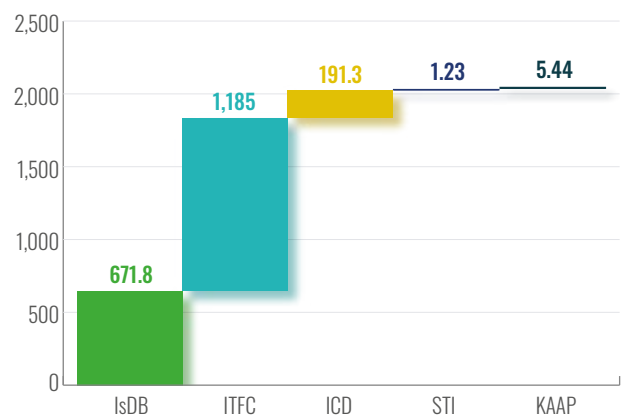
At the completion of the program, around 63 million people will have benefited from receiving a COVID-19 vaccine. Of these, 3.4 million will have been given the vaccination through 1,522 newly established vaccination centers, 48.7 million people will have been reached through our awareness and prevention campaign, 9.7 million households in acute food insecurity will have been supported with food rations to fulfil their nutritional needs, 351,000 jobs will have been created to help revive priority value-chains and economic sectors, 31,876 health workers will have been provided with capacity building support to manage their COVID-19 response, 15,000 micro-enterprises or households will have benefited

FIGURE 2.1 | COMMITMENTS VS APPROVALS (US\$ MILLION) UNDER SPRP FINANCING



THE GROUP LEVEL DISBURSEMENTS INCREASED TO **US\$2.054 BILLION**, UP FROM US\$1.967 BILLION, REPRESENTING A 98.72% APPROVAL RATE AND A 67.54% DISBURSEMENT RATE (EXCLUDING ICIEC-APPROVED OPERATIONS) BY THE END OF THE APPROVALS PERIOD.

FIGURE 2.2 | BREAKDOWN OF IsDBG SPRP DISBURSEMENTS (US\$ MILLION)



from micro-finance services, 87,891 students will have benefited from e-learning programs, and 39,569 small and medium enterprises (SMEs) will have been provided with financial assistance.

Some of the key challenges of the program have included: (i) limited availability of concessional IsDB financing; (ii) limited bargaining power of IsDB due to concessional and grant financing offerings from other MDBs and bilateral agencies; and (iii) design issues of the IsDB offerings. Furthermore, member countries were also expecting long-maturity financing which also limits the attractiveness of the offer from the group entities.

## 2.2 | FOOD SECURITY RESPONSE PROGRAM

On 28 July 2022, the IsDB Group endorsed a US\$10.54 billion comprehensive Food Security Response Program (FSRP) package.

The objective of the program is to support member countries by complementing their national efforts in averting the ongoing food crisis and strengthening their resilience to future food crises. The program will achieve this by amplifying and accelerating IsDB’s efforts in providing immediate food security support and by improving agriculture and food systems at national and regional levels.

Of the total finance, IsDB will contribute up to US\$5.7 billion to member countries, comprising approvals worth US\$4.0 billion and fast-tracking of existing disbursements worth US\$1.7 billion. The remaining balance will be provided by the other members of the Group (ICD, ICIEC and ITFC).

The Bank has adopted a fit-for-purpose and value-for-money procurement procedure for each

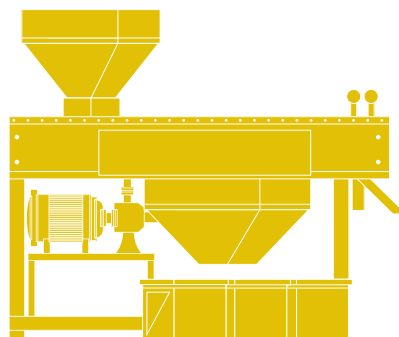
operation, prioritizing fast-tracking procurement and implementation. For specific interventions related to the private sector, entities will follow their procedures if acceptable to IsDB and established commercial practices may be applied, ensuring fast-tracking procurement.

The total amount of financing approved by IsDB Group by the end of 2022 stands at US\$1.41 billion. Of this amount, US\$578.56 million was approved by IsDB, US\$4.25 million was approved by ISFD, US\$630.2 million by ITFC and US\$40 million by ICD. Most of the projects approved at this stage belong to the short-term track category. In addition, US\$159 million worth of business was insured and approved by ICIEC.

In respect of disbursements, currently US\$152.03 million has been distributed as part of IsDB financing from 78 ongoing projects within the FSRP scope. ITFC has disbursed US\$366 million from its US\$630.2 million approval.

The Bank’s projects approved by the end of 2022 are expected to mitigate the impact of high grain prices and ensure a steady supply of essential foods, thereby alleviating the suffering of poorer households. At completion, these projects are expected to achieve:

A REDUCTION IN THE PROCESSING TIME TO PRODUCE GROUNDNUTS FROM NINE MONTHS TO FIVE MONTHS, RESULTING IN THE PRODUCTION OF **160,000 TONS** ANNUALLY.



FOOD PROCESSING PROJECTS THAT WILL BENEFIT NEARLY **30,000** SUBSISTENCE FARMERS.

PROCUREMENT AND SUPPLY OF **780,000 TONS** OF WHEAT AND BARLEY.

FOOD STORAGE CAPACITY OF **700,000 TONS** CAPABLE OF PRESERVING WHEAT AND BARLEY FOR 18 AND 12 MONTHS RESPECTIVELY.

FOOD SUPPLY AND STORAGE FACILITIES THAT WILL BENEFIT **11 MILLION PEOPLE** FOR THE NEXT SIX MONTHS.





**BOX 7 | AFGHANISTAN HUMANITARIAN TRUST FUND (AHTF)**

On 21 December 2021, the IsDB was entrusted by the OIC Foreign Ministers to establish, operationalize and manage the Afghanistan Humanitarian Trust Fund (AHTF), while OIC was mandated with resource mobilization. Accordingly, the IsDB BED, in its meeting held on 14 February 2022, approved the establishment and operationalization of the AHTF. The AHTF Charter was signed between OIC and IsDB on 22 March 2022.

The AHTF Coordination Team has undertaken extensive work and consultations both internally with all relevant IsDB Group business units and externally with OIC, member countries, non-member countries, UN agencies, MDBs, IFIs, international and regional organizations and other stakeholders.

As of 31 December 2022, the total pledges to the AHTF stand at US\$32.61 million. This breaks down as follows: Saudi Arabia (US\$30 million), Nigeria (US\$1 million), Türkiye (US\$1 million), Kuwait (US\$500,000), Malaysia (US\$100,000) and Algeria (US\$10,000). Two Donor Contribution Agreements (DCAs) were signed on 9 June 2022 with King Salman Humanitarian Aid and Relief Center (KS Relief) for US\$10 million, and with the Saudi Fund for Development for US\$20 million. Other DCAs are under review by the other donors.

The IsDB Field Office has been operational in Kabul since January 2022, and two physical missions have also been undertaken to Kabul by the IsDB's Regional Hub of Türkiye, in coordination with the OIC Office in Kabul. As a direct result of consultations with partners and communities, the following focus areas are being prioritized for funding under AHTF:

- Provision of basic needs, including nutrition, clean water, basic healthcare, as well as education facilities in remote rural communities.
- Preservation of rural livelihoods, including enhancing crop yield/productivity, to promote self-reliance and long-term food security.
- Women's empowerment and the creation of employment opportunities for youth.

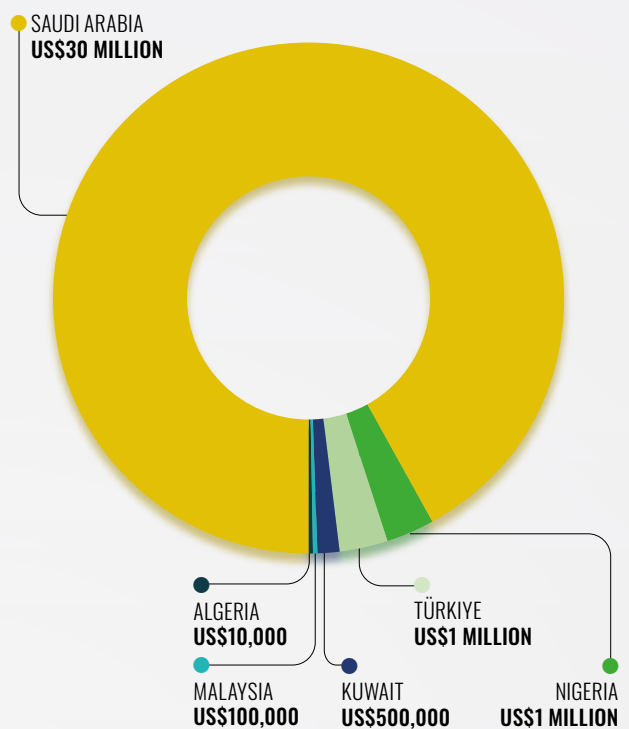
The total pledges received by the Fund in 2022 alone amounted to US\$10.11 million. Seven pilot operations/projects to the value of US\$12.65 million, with AHTF contribution of US\$8.56 million, have been finalized, and these are anticipated to be implemented and fully disbursed within 2023. Additional projects covering priority sectors are being formulated pending receipt of more funds.



TOTAL PLEDGES TO THE AFGHANISTAN HUMANITARIAN TRUST FUND (AS OF 31 DECEMBER 2022)

AS OF 31 DECEMBER 2022, THE TOTAL PLEDGES TO THE AHTF STAND AT **US\$32.61 MILLION.**

THE TOTAL PLEDGES RECEIVED BY THE FUND IN 2022 ALONE AMOUNTED TO **US\$10.11 MILLION.**





## CHAPTER 3

### NURTURING INCLUSIVE AND RESILIENT GROWTH AND DEVELOPMENT

The IsDB is committed to helping its member countries reduce poverty and inequality, transforming lives through a more diversified, sustainable, resilient and inclusive development and growth, in line with the United Nations' Agenda 2030 framework.



## 3.1 | CONTRIBUTING TO INCLUSIVE DEVELOPMENT

### 3.1.1 | HUMAN DEVELOPMENT

In the wake of the pandemic, IsDB signed the first-ever Strategic Framework Agreement (SFA) with the World Health Organization to encourage and promote dialogue about education and health. The Bank also activated the existing Memorandum of Agreement with the Global Fund by engaging in a Strategic Financing Agreement. The Bank is also actively engaged in two of the five thematic action plans for transforming education: (i) inclusive, equitable and safe schools; and ii) the financing of education. The Bank has participated in the new repositioning strategy and the action plan of the Islamic Advisory Group, a consortium including Al-Azhar Al-Sharif in Egypt, the International Islamic Fiqh Academy in Saudi Arabia and the OIC. This was presented during the Executive Committee meeting held in Jeddah in December 2022. In addition, IsDB was a signatory to the joint statement of the Government of Tajikistan and the development partners to strengthen primary healthcare. In an effort to build resilience in the post-COVID-19 era, IsDB commissioned a study on the use of ICT in the education and health sectors, and the required investment in digital transformation to identify the needs of African member countries. This will provide actionable recommendations for investment in digital infrastructure and service development.

#### EDUCATION

In order to create partnerships that improve investment and resource mobilization in the education sector, IsDB has developed Operational Guidelines for the \$500 million Arab Coordination Group (ACG) SmartEd facility, due to be rolled out in 2023. Three countries (Cameroon, Kyrgyz Republic and Uzbekistan) are involved in the first phase, which will leverage a US\$70 million Global Partnership for Education (GPE) grant with a further US\$280 million loan from the ACG which includes US\$120 million from IsDB.

#### HEALTH

At the 2022 IsDB Annual Meeting, Human Development Division (HDD) brought together government officials, the private sector and global health partners, to discuss topics under the theme 'Regional Capacity Development in Vaccine Production for Vaccine Sovereignty in IsDB Member Countries'. This was further developed during the meeting of the National Medicines Regulatory Bodies of OIC member countries, 'Strategies & Future Prospects for Development, Manufacturing & Management of Vaccines' in September 2022. As a result, IsDB and AfDB have embarked on an aggressive business development plan to support investments in the pharmaceutical development sector.

### BOX 8 | PROMOTING YOUTH PARTICIPATION AND SKILLS FOR A JUST TRANSITION

Climate change and environmental degradation are among the greatest challenges of our times and ultimately contribute to reduced productivity, job losses, and increased inequality. The effects of the climate crisis fall disproportionately and profoundly on the most vulnerable, including young people. By contrast, climate action and the shift to a green economy have the potential to create more and better-quality jobs.

During the Bank's 2022 Annual Meeting, the Islamic Development Bank (IsDB) in partnership with the International Labour Organization (ILO) launched the Youth Green Skills Accelerator Challenge Call, with the overarching goal of promoting youth participation and skills for green jobs for a Just Transition. To that end, IsDB and ILO invited youth-led organizations, networks or coalitions based in the IsDB–ILO common member countries to propose new and innovative ideas and solutions to support a just transition towards environmentally sustainable economies and societies for all. The objective of the call is to identify, incubate, test, and disseminate innovative and bankable ideas and solutions that equip youths with the competencies required for supporting a just transition in their communities.

The Bank received more than 120 applications from across member countries. Applicants underwent a rigorous and extensive evaluation and compliance clearance process, which resulted in the selection of three winners. The winners received financial support, global visibility at COP27, access to a wide network of experts in the area of skills development, and participation in the ILO Innovation Lab.

The 1<sup>st</sup> place winner was the **Bangladesh Youth Environmental Initiative**. This project aims to improve the economic condition of climate-vulnerable marginalized youth by establishing Green Skills Innovation Hubs within technical and vocational education and training (TVET) institutions. The 2<sup>nd</sup> place winner was the **Association 3535** (Côte d'Ivoire). Their project aims to strengthen green building construction skills and build a climate-efficient warehouse to extend the shelf life of perishable mango. Finally, the 3<sup>rd</sup> prize winner was **Musanadah Foundation for Development** (Yemen). This project seeks to enhance sustainable economic opportunities for vulnerable youth, by implementing a training program for solar energy technicians in installation, repair, and maintenance work.

PARTNERSHIPS TO FEND OFF CRISES

HDD also developed several new products and partnerships. These included 'Value for Money of the IsDB Global Financing Support to tackle the COVID-19 Pandemic', the 'Maternal Neonatal Health Asynchronous Course Platform', the scaling up of the partnership with the IAEA for the 'Rays of Hope' initiative for access to radiotherapy, and the food security partnership for access to promising resilient crops and livestock. Also, the US\$50,000 mobilized for the preparation of Togo's health project has received full support from the Global Fund to support the strengthening of the health system and primary health care. This includes an IsDB contribution of US\$42.8 million, US\$16.9 million co-funding from the Global Fund and US\$3.7 million from the Government of Togo.

**THE LEADERS OF ISDB AND WHO SIGNED A LANDMARK STRATEGIC FRAMEWORK AGREEMENT (SFA) THAT LAYS OUT A ROADMAP TO JOINTLY SUPPORT HEALTH-RELATED SDGs, ESPECIALLY IN LOW-INCOME AND FRAGILE COUNTRIES.**

**BOX 9 | A NEW STRATEGIC FRAMEWORK AGREEMENT BETWEEN ISDB & WHO**

At the 'Scoring for the Goals' event on the sidelines of the FIFA World Cup 2022, in Doha, Qatar, the leaders of IsDB and WHO signed a landmark Strategic Framework Agreement (SFA) that lays out a roadmap to jointly support health-related SDGs, especially in low-income and fragile countries.

Building on the first MoU between the IsDB and WHO signed in 1978, the SFA aims to improve IsDB's accountability and governance on health. This new partnership opens up opportunities for a sustainable funding model that supports long-term sustainable instruments to address national health priorities.

**BOX 10 | LEVERAGING STI TO BRIDGE THE GENDER GAP THROUGH TELEMEDICINE**

In Pakistan, many pregnant women and children in remote regions do not get the necessary medical care due to the lack of access to female medical practitioners. Additionally, only 20% of trained female medical professionals pursue medical careers due to various issues. With the support of IsDB under its Science Technology and Innovation (STI) programme, Educast – a telemedicine provider – is addressing this issue by helping out-of-practice female doctors pursue their careers while managing their family responsibilities.

The telemedicine platform connects e-Doctors with female health workers using video conferencing and other e-communication tools. The project has supported the training and certification of 450 e-Doctors, enabling medical consultations for more than 175,000 COVID-19 patients during the pandemic. In addition, the e-Doctors provide a 24/7 helpline to women in fragile areas.

One e-Doctor, Dr Saima Shamim Ahmed, said: "I always prayed to Allah that I pursue my profession in some way. In 2019, my prayers were answered. I came to know about the e-Doctors through a WhatsApp group. My husband and children are very supportive and happy for me. I am very proud to be part of the Educast project to serve my country."

Educast has partnered with Dow University of Health Sciences in Pakistan to provide orientation for the doctors and ensure their readiness to provide medical assistance immediately. Moreover, Educast has recently



**THE PROJECT HAS SUPPORTED THE TRAINING AND CERTIFICATION OF 450 E-DOCTORS, ENABLING MEDICAL CONSULTATIONS FOR MORE THAN 175,000 COVID-19 PATIENTS DURING THE PANDEMIC.**

partnered with the Pakistan Medical Commission, Stanford University and the UK-based Medical City to launch an online telemedicine certification programme. The Digital Health platform and e-Doctors network can be scaled up to expand its counselling and treatment services in Maternal, Child and Mental Health across several provinces in other member countries of the Bank including Palestine, Yemen, Syria, Oman and Afghanistan.



## 3.1.2 | INFRASTRUCTURE DEVELOPMENT

### ENERGY

Energy is one of IsDB's main development sectors, and it's an area that the Bank continues to contribute to. IsDB's interventions in 2022 were based on the four main pillars of the Bank's Energy Sector Policy: to increase the rate of access to energy in member countries, to increase the renewables energy portion in the energy mix of member countries, to contribute to energy efficiency programs, and to contribute to knowledge sharing among member countries.

During 2022, the bank approved about US\$354 million which includes US\$90 million to improve the Energy Access Project in Guinea, US\$26 million for the expansion of the Conakry Electricity Distribution Network (Phase II), US\$100 million for the East African Crude Oil Project in Uganda, US\$9 million to support people's livelihoods in the fishery sector through sustainable energy, US\$104 million for the Sukhandarya Power Plant project in Uzbekistan, and US\$25 million for the 800 MW Mohmand Hydropower Project (MHPP) in Pakistan.

The projects are aligned with the individual countries' sector strategies, IsDB sector priorities and SDG targets.

### TRANSPORT

In 2022, the approved financing for increasing universal, affordable access and regional connectivity, transport system efficiency, and promoting the development of green transport, stood at US\$1.30 billion. The approved interventions envisage the development of sustainable, reliable and cost-effective transportation infrastructure to help accelerate socioeconomic activities, growth, and poverty reduction in member countries.

The approvals include nine road projects in Cote d'Ivoire, Guinea, Guinea-Bissau, Senegal, Uganda, Kyrgyz Republic, Uzbekistan, and Guyana totaling US\$1.2 billion; five road projects in Africa totaling US\$40.29 million; three road projects in Central Asia totaling US\$156.7 million; a road project in South America at a cost of US\$200 million; and a fishing port project in Indonesia costing US\$100 million to improve access, safety, efficiency and reliability throughout the year.

Increased regional and sub-regional connectivity will facilitate access to social amenities, markets, farms, economic zones and trade centers. The projects will generate new business, employment, trade, tourism and collaboration, resulting in enhanced economic, social, and cultural interaction among communities and with neighboring countries. They will also: (a) serve millions of people; (b) increase the capacity and serviceability of transport infrastructure; (c) increase average daily traffic; (d) reduce travel time; (e) reduce road accidents and deaths; (f) save vehicle operating costs; (g) increase employment opportunities for women and young people

### INCREASED REGIONAL AND SUB-REGIONAL CONNECTIVITY WILL FACILITATE ACCESS TO SOCIAL AMENITIES, MARKETS, FARMS, ECONOMIC ZONES AND TRADE CENTERS.

and (h) have a positive impact on the environment and climate.

The 'Upgrading of National Roads Project' in Uganda (US\$295 million) and 'Rehabilitation of Linden-Soesdyke Highway project' in Guyana (US\$200 million) will help member countries to meet current and future transportation demands; serve more than 2.5 million people; reduce travel time by up to 50%; save over US\$825 million in vehicle operating costs; and contribute towards a number of the SDGs, including SDG1 (no poverty), SDG2 (zero hunger), SDG8 (decent work and economic growth) and SDG9 (industry, innovation and infrastructure).

### WATER, SANITATION, AND URBAN DEVELOPMENT

IsDB endeavors to contribute to inclusive and sustainable urbanization and the provision of safely managed water and sanitation services. In 2022, a total of US\$17 million was approved for an urban development project and US\$14.9 million for water and sanitation projects. In addition, a US\$7.8 million grant has been secured as part of resource mobilization.

IsDB approved financing of US\$15 million for the Slums Upgrading and Integrated Urban Development Project in Djaga Bouldhouq, Djibouti. This project aims to improve the living conditions of 8,000 people living in urban poverty by providing basic urban infrastructure and services. The project is aligned with the national zero-slum program and housing strategy to improve human development and economic empowerment through improved access to services.

A Technical Assistance grant of US\$2 million has been approved for the identification of Priority Urban Development Interventions to promote investment and smart applications in Dahab City, Egypt. The specific objective is to improve the capacities and tools of the key stakeholders, including local government, in identifying feasible and impactful development projects.

The Kiffa Water Supply project in Mauritania is a continuum of a long engagement spanning over 25 years in the water sector. During that period, the Bank has been involved in the water sector in various regions and particularly in the capital city Nouakchott. The project, which was approved in 2022, aims to increase access to improved water services in selected rural areas and small towns. The beneficiary population is expected to reach 550,000 people by 2035. In addition, the project will help create over 3,000 jobs and thereby contribute to enhancing living conditions in the project area. Similar to previous IsDB interventions in Mauritania, this landmark project, for which the total cost is estimated at

PARTNERSHIPS TO FEND OFF CRISES

US\$317 million, will be financed by IsDB and other partners of the Arab Coordination Group. The approved amount by the Bank is US\$40 million.

A total of US\$14.9 million was approved for a water supply and sanitation project in four prefectures of Togo. The project aims to enhance access to a safe and sustainable water supply, sanitation and hygiene services as well as to promote positive hygiene practices to at least 49,000 people living in the four urban and peri-urban areas by 2027. This project is aligned with the National Comprehensive Human Development & Poverty Reduction Strategy as well as IsDB’s Water Sector and Urban Sector policies and operational strategies.

The Women Entrepreneurs Finance Initiative (We-Fi) has awarded IsDB a grant of US\$6.1 million to implement the ‘Women in Sanitation Enterprises’ (WISE) project in Bangladesh. The project has been prepared by the Urban Development, and the Dhaka Regional Hub team in collaboration with the Department of Public Health Engineering (DPHE), Bangladesh. The project aims to support the development of women entrepreneurship in the sanitation value chain by complementing and adding value to three ongoing IsDB-financed projects.

The Bill and Melinda Gates Foundation (BMGF), through IsDB’s Lives and Livelihoods Fund, has approved a US\$1.7 million Water and Sanitation Hygiene (WASH) Grant to advance Citywide Inclusive Sanitation (CWIS) initiatives in IsDB member countries. The grant will be mobilized in urban inclusive sanitation and the development and implementation of high-quality bankable urban sanitation projects.

**3.1.3 | REGIONAL INTEGRATION**

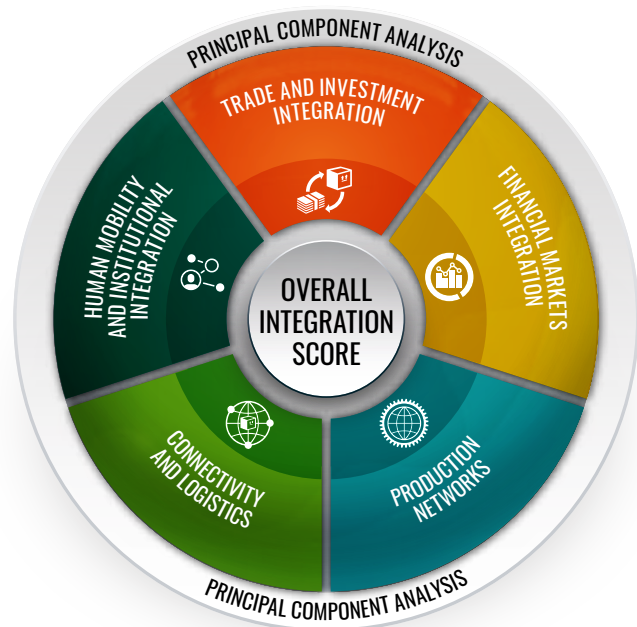
To address emerging challenges of IsDB member countries amid global uncertainties in 2022, the IsDB continued its efforts to promote regional integration as a tool for boosting trade and investments, promoting growth, and improving livelihoods based on the principles of solidarity and mutual benefits.

The Bank adopts a multilayer approach, including both project financing and knowledge generation, to increase the effectiveness of IsDB’s regional integration interventions within the framework of its Regional Cooperation and Integration (RCI) Policy and RCI Operational Strategy. The IsDB promoted regional connectivity, particularly through the development of regional economic corridors, global trade integration, regional and cross-border trade, and the promotion of cross-border investments among IsDB member countries.

The IsDB launched the International Transport Infrastructure Observatory (ITIO) in September 2022. Developed by the IsDB and the United Nation Economic Commission for Europe (UNECE), the observatory was

established in cooperation with the Economic Cooperation Organization (ECO), the United Nations Economic and Social Commission for West Asia (ESCWA), and the Centre for Transportation Studies for the Western Mediterranean (CETMO). ITIO utilizes advanced geographic information system (GIS) technology for the mapping of regional infrastructure networks. It is a handy tool to identify missing connectivity links for data-driven regional transportation planning. By using ITIO, organizations can better coordinate on cross-border projects, from roads and railways to waterways and airports. Government users can propose new projects, update existing transport networks and apply for financing. Financial institutions can use ITIO to evaluate project feasibility, using interactive GIS tools and reliable data.

At the 38<sup>th</sup> Session of the COMCEC on 28 November 2022 in Istanbul, IsDB launched the first IsDB Group Integration Report which analyzes the status and progress of economic integration among IsDB member countries. The report was based on results from the IsDB Integration Index which was developed fully in-house. The index is built on a set of 21 indicators that are clustered under five dimensions: (i) trade and investment, (ii) financial markets, (iii) production networks, (iv) connectivity and logistics, and (v) human mobility and institutional integration.



**ISDB LAUNCHED THE FIRST ISDB GROUP INTEGRATION REPORT WHICH ANALYZES THE STATUS AND PROGRESS OF ECONOMIC INTEGRATION AMONG ISDB MEMBER COUNTRIES.**







## 3.2 | ALLEVIATING FRAGILITY AND ENHANCING RESILIENCE

### 3.2.1 | FRAGILITY AND RESILIENCE

During 2022, the Bank continued to implement its Fragility and Resilience Policy, which focuses on investing in prevention, transitioning relief to development and supporting the recovery and resilience of member countries affected by man-made and natural disasters.

In April 2022, the Bank approved a Skills, Training and Education Program (STEP) to reduce poverty through increasing access to physical and smart education, skills, and entrepreneurship development for young refugees in 15 member countries that host over one million refugees and Internally Displaced Persons (IDPs). STEP benefits over 600,000 young refugees, IDPs and host communities. It also brings together strategic partners including ISFD, UN agencies, foundations and CSOs including Spark, Abdallah Al- Nouri Charity Society and the International Islamic Charity Organization of Kuwait. Together, they have mobilized a US\$100 million grant to support the most vulnerable communities. The first STEP projects for Jordan and Lebanon have officially been launched by the Bank, Spark, and the Abdelaziz Al-Ghurair Education Trusts.

The Bank has also finalized Fragility and Resilience Assessments (FRAs) for Bangladesh, Lebanon, Niger and Guinea, to highlight risks and guide development strategies and interventions to address the potential sources and drivers of fragility and identify opportunities to strengthen institutions and build resilience. The Bank continues to focus on MCPSPs including Niger, Turkmenistan, Bangladesh and Senegal, in addition to more than 17 projects in fragile and conflict-affected member countries.

In June 2022, the Bank also released its second edition of the Resilience Report, which assesses the interconnection between resilience and interdimensional preparedness for future shocks across various dimensions of health, economics and livelihoods, environment, human security and forced displacement. The report provides policy direction and recommendations for recovery, preparedness and recommends interventions to avoid future crises. The report uses nine specific case studies including Côte d'Ivoire, Togo, Mozambique, Tajikistan, Kazakhstan, Iraq, Pakistan, Mauritania and Yemen.

During 2022, the Bank also supported member countries in responding to the negative impact of natural disasters driven by climate shocks. The IsDB has approved various emergency response grant projects for Afghanistan, Pakistan, Chad and Sudan, all of which have been affected by recurrent floods and droughts. These interventions are expected to benefit around 1.2 million people.

AS OF 2022, THE FLAGSHIP ISDB-ISFD SERVE PROGRAM CONTINUED TO WEATHER THE IMPACTS OF THE COVID-19 PANDEMIC IN MEMBER COUNTRIES, WITH TOTAL APPROVED PROJECTS OF

**US\$121.40 MILLION**  
WITHIN THREE YEARS.

### 3.2.2 | ECONOMIC EMPOWERMENT

As of 2022, the flagship IsDB-ISFD Strengthening the Economic Resilience of Vulnerable Enterprises (SERVE) program continued to weather the impacts of the COVID-19 pandemic in member countries, with total approved projects of US\$121.40 million within three years. The new approvals to adopt the Economic Empowerment Approach (EEA) in Chad and Uganda this year took the total up to seven approvals including those already in place for Djibouti, Jordan, Palestine and Uzbekistan, with four countries being in the LDMC category. Building on the other pillar of EEA (easy market access), the Market Access Readiness in Key Economic Trade Sectors (MARKETS) program for Yemen was approved this year. This is testament to the Bank's further involvement in mainstreaming the IsDB's EEA into the agribusiness sector in LDMCs.

Since 2020, a total of US\$566 million has been successfully mobilized from public and private partners alike (i.e. programs and funds). These impact-investing funds brought in further interest from the private sector. The additional resource for the guarantee facility will further enhance the attractiveness of the IsDB financing package for its member countries.

In-house knowledge products such as the Economic Empowerment Design Toolkit, Monitoring & Evaluation Toolkit and Islamic Financial Product Implementation Toolkit are the internal advocacy tools to promote the implementation of the EEA in member countries. The internal training held in the Regional Hubs of Cairo, Kampala and Rabat was a continuation of those held in Abuja and Dakar in 2021.

In 2022, the IsDB advocated EEA with the Global Partnership for Financial Inclusion (GPII) under the G20 Presidency of Indonesia. As an affiliate partner of the GPII, IsDB was instrumental in a peer review of partners' MSME reports and for the first time co-led the second deliverable of developing a database of digital and financial products and services. Four of the Bank's case studies were included in the database. IsDB also participated in the GPII's international seminar on Digital Transformation for Financial inclusion of Women, Youth & MSMEs, which included panel discussions during the G20's Annual Islamic Finance Conference.

### 3.3 | PARTNERING FOR SUSTAINABLE DEVELOPMENT

#### 3.3.1 | MOBILIZING RESOURCES

The developmental objective of the Skills, Training & Education Program (STEP) is to reduce poverty in 15 member countries by supporting young refugees, Internally Displaced People (IDPs) and vulnerable hosting communities. STEP will continue to (i) increase access to education and focus on smart education; (ii) provide skills development and entrepreneurship incubators; and (iii) create green jobs for the beneficiaries. By the end of 2027, the program is expected to benefit 650,000 refugee children and young people, IDPs and host communities. The program will also contribute to the achievement of the targets of SDGs 1, 4, 5, 8, 16 and 17. STEP is derived from the approved holistic operational strategy and five-year action plan to reduce poverty, improve livelihoods, and provide better access to skills development and economic and social opportunities by supporting refugees, IDPs and host communities in member countries.

The total cost of the program is estimated to be US\$100 million, out of which the Bank and ISFD have contributed US\$6 million. The remaining amount is expected to be derived from the key development partners, foundations, philanthropists and the private sector. To date, the program has mobilized over US\$45 million from the Abdelaziz Al Ghurair Education Trusts through the Global

Muslim Philanthropist Fund for Children, Spark, Abdallah Al-Nouri Charity Society and the International Islamic Charity Organization (IICO) of Kuwait.

In addition, financing partners contributed a total amount of US\$2.29 billion to IsDB-financed projects worth over US\$3.6 billion in 19 member countries in Africa and Asia mainly in the infrastructure sector, where IsDB’s financing reached US\$1.14 billion.

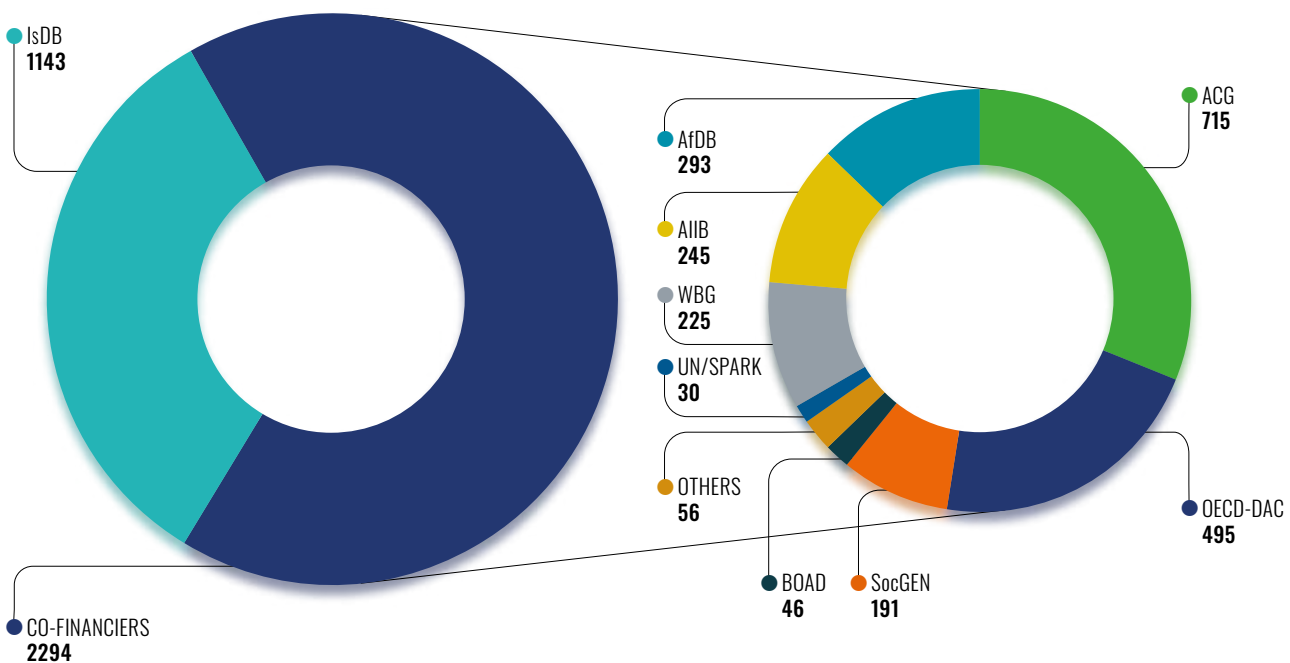
#### 3.3.2 | SUSTAINABLE FINANCE FRAMEWORK

The Bank’s Sustainable Finance Framework (SFF) enables it to issue green and sustainable Sukuk to mobilize resources from the global capital markets for financing or refinancing projects that are green, social and based on sustainability and resilience.

The SFF was created in line with globally accepted standards as set out by the International Capital Market Association (ICMA). It was also reviewed by CICERO from Norway, which awarded it a Medium-Green Shading. This rating is in line with global MDB peers such as the IFC and AfDB. At the same time, IsDB also secured a strong (low) ESG risk rating from another external rating provider, which evaluated its Environment, Social and Governance (ESG) policies.

To date, under the umbrella of the SFF, the Bank has pioneered both green and sustainable Sukuk to mobilize more than US\$5 billion for climate-friendly and social development projects (particularly in the health sector).

FIGURE 3.1 | CO-FINANCING IN 2022 (US\$ MILLION)





### BOX 11 | ISDB AND IMF SIGN AGREEMENT TO SCALE-UP PARTNERSHIP

IsDB and the IMF have committed to enhancing cooperation to collectively respond more effectively to the needs of their mutual membership in a Memorandum of Understanding (MoU) signed in October 2022 by the leadership of both institutions. The MoU, which is the first institutional cooperation MoU between the two institutions, aims, inter alia, to scale up joint work on fragility, climate & green transition, Islamic finance, fintech & digital money, and debt sustainability. Furthermore, IsDB and the IMF have agreed to intensify their joint work on macroeconomic and financial stability through analytical and capacity development work in mutual member countries to ultimately support economic development and promote broad-based and inclusive economic growth and job creation.

As the latest edition of the standards has been published recently by ICMA, the Bank is currently working to upgrade its SFF to ensure full alignment. The upgrade exercise will conclude in Q1 2023 and strengthen the Bank's credentials, reaffirming its commitment towards mainstreaming SDG financing and attracting new investors from around the world towards innovative capital market instruments such as green and sustainability Sukuk.

## 3.4 | SPECIAL DEVELOPMENT ACTIVITIES

### 3.4.1 | WOMEN AND YOUTH EMPOWERMENT

In 2022, IsDB continued to prioritize mainstreaming gender and youth needs in the Bank's programs and projects. The Bank's public finance operations will benefit women and young people in areas such as business finance, social protection, health, skills training and career advancement.

The Women and Youth Empowerment division (WYE) integrated women and youth empowerment perspectives in the Bank's Member Country Partnership Strategies (MCPSs), ensuring targeted skills development programs for women and young people and the creation of decent jobs with increased social protection systems. A key focus was on promoting and supporting women and young people's entrepreneurship and businesses, particularly post-COVID-19, by increasing access to productive, technical and financial resources, as well as to basic essential services and green, resilient, and sustainable infrastructure.

Additionally, WYE led the design of grant operations to benefit women and young people to the amount of US\$629,000.

### WOMEN ENTREPRENEURS FINANCE INITIATIVE

In 2022 the Bank was granted two additional rounds of funding by the Women Entrepreneurs Finance Initiative (We-Fi). The first, US\$5.5 million to implement the second phase of BRAVE Women 2.0, will build on the achievements of the first phase of the program and focus on increasing the incomes of women-owned SMEs (WSMEs) in Yemen by (a) improving business practices and management skills through capacity training, (b) increasing WSMEs' access to blended finance by engaging with financial institutions in the form of grant matching and a credit guarantee scheme, and (c) supporting more WSMEs to enter and thrive in new markets via e-commerce solutions.

The second grant of US\$6.1 million was received to support the Women in Sanitation Enterprises project which aims to support women entrepreneurs actively engaged in sanitation-related businesses in 15 municipalities across Bangladesh. It will focus on increasing finance and investment in WSMEs through a line of financing, helping WSMEs integrate digital finance in their businesses, developing their leadership abilities, and improving access to markets and networks to strengthen their engagement in the sanitation value chain. To help create an enabling environment, the project will also address policy reforms in the areas of business deregulation and data collection, and strengthen institutional capacity in both the public and private sectors.

The IsDB co-hosted the 2022 Global Gender Summit of the Multilateral Development Banks (MDB) Working Group on Gender (WGG) with the European Investment Bank. The theme of the event was 'Building Back Better: Advancing Gender Equality for a More Resilient Future'. The summit was held over three days and focused on employment and the care economy, climate change and digitization.

**IN 2022 THE BANK WAS GRANTED TWO ADDITIONAL ROUNDS OF FUNDING BY THE WOMEN ENTREPRENEURS FINANCE INITIATIVE (WE-FI).**

**US\$5.5  
MILLION  
TO IMPLEMENT THE  
SECOND PHASE OF BRAVE  
WOMEN 2.0.**

**US\$6.1  
MILLION  
TO SUPPORT THE  
WOMEN IN SANITATION  
ENTERPRISES PROJECT.**



**BOX 12 | ISDB SUPPORT TO DISADVANTAGED WOMEN IN BANGLADESH – MORIAM’S STORY**

A survey by the Centre for Mass Education & Science (CMES) in 2017 found that 15% of households in Bangladesh are female-headed and facing serious social problems. To address this, IsDB approved a grant operation known as ‘Women Empowerment Program through Livelihood Skills Training and Human Rights Awareness’. The program is partly built around a recognition that around 60% of the four million people working in Bangladesh’s readymade garments (RMG) factories are women – but due to a lack of skilled labor, only 30% of the capacity of the RMG sector is currently being utilized.

Moriam, a widow project beneficiary with two small children, lives in the Tangail district. Her late husband worked in the construction sector and died in a tragic accident. The family had no savings, putting pressure on food and education expenditure. After actively participating in the training program on fashion garments and human rights awareness, followed by an internship, Moriam purchased a sewing machine using microcredit and started her own business. She is now receiving orders to make dresses from her surrounding community and other tailors, earning around BDT 5000 (approx. US\$60) per month. She is also volunteering in the local support group to end child marriage and gender-based violence (GBV), and to support pregnant women in obtaining maternal

SO FAR, THE PROJECT HAS PROVIDED TECHNICAL TRAINING TO **700** VULNERABLE YOUNG WOMEN.

A TOTAL OF **226** HAVE GRADUATED, AND **64** TRAINEES/WOMEN ARE EMPLOYED WHILE **162** HAVE STARTED THEIR OWN BUSINESSES.

**“I was in the dark after the death of my husband. IsDB support has brought sunshine to my family and me.”**

health services. She now plays a vital role in her neighborhood, acting as a role model and a change agent for her community.

“I was in the dark after the death of my husband,” says Moriam. “IsDB support has brought sunshine to my family and me.”

So far, the project has provided technical training to 700 vulnerable young women. A total of 226 have graduated, and 64 trainees/women are employed while 162 have started their own businesses.



### 3.4.2 | CLIMATE CHANGE

In 2022, as part of the Bank’s commitment to climate mainstreaming, it continued to implement its Climate Action Plan (2020-2025) which sets out modalities and clear procedures towards climate action in member countries and towards actualizing a climate finance target of 35% by 2025. In 2022, IsDB climate finance stood at US\$1.05 billion, accounting for 33% of total approved investments by the Bank in 2022. Specifically, 65% of total climate finance were towards climate adaptation related activities, while 35% of total climate finance were for climate mitigation activities.

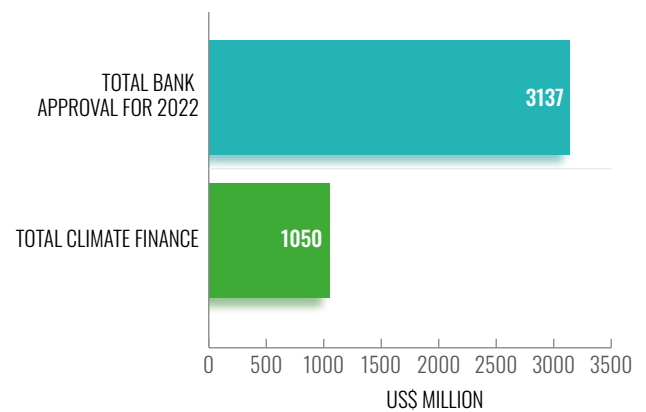
In June 2022, at the Bank’s Annual Meeting in Sharm El Sheikh, Egypt, the Bank announced its target of fully aligning its sovereign operations with the objectives of the Paris Agreement by the end of 2023. This will support the implementation of its member countries’ nationally determined contributions as well as the development and implementation of ambitious long-term climate strategies to enable economies to become climate-resilient while moving towards low-carbon and inclusive development. To this effect, in 2022, the Bank launched its Action Plan for Operationalization of the Paris Alignment (2022-2023) and commenced a series of Paris Alignment and Climate Mainstreaming workshops for its staff across all of the Bank’s Regional Hubs.

In 2022, the IsDB, alongside Arab Coordination Group (ACG) members at COP27, committed to providing a cumulative amount of US\$24 billion in financing by 2030 to address the global climate crisis. Within this commitment, IsDB pledged to approve at least US\$13 billion of adaptation and mitigation finance between 2023-2030.

In terms of climate mainstreaming, the Bank incorporated climate change and green growth elements in all Member Country Partnership Strategies (MCPSs) developed in 2022 including Indonesia, Niger, Uzbekistan, Bangladesh, Senegal and Turkmenistan. In addition, all projects and investments with physical assets approved in 2022 were screened against physical climate risks across all regions and sectors to harness opportunities and mitigate the impact of climate change.

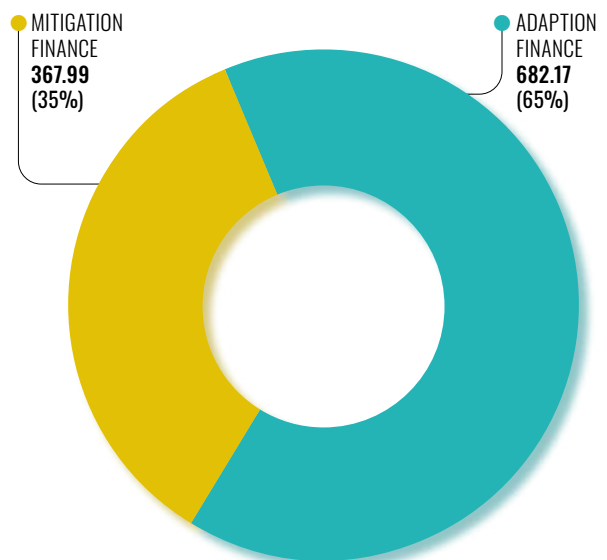
In 2022, the Bank actively engaged in major global and regional climate events alongside its member countries and partners including the United Nations Climate Change Conference (COP27) in Sharm El Sheik. This included over 35 side events and numerous engagements with partners and member countries’ stakeholders. Similarly, the Bank was a regional partner in the pioneering Middle East and North Africa (MENA) Climate Week held in Dubai, United Arab Emirates and organized several high-level and technical sessions. In terms of knowledge generation, the Bank produced several climate and sector-related publications, outreach materials, and organized and contributed to workshops and webinars.

FIGURE 3.2 | IsDB 2022 CLIMATE FINANCE SHARE OF TOTAL APPROVAL (US\$ MILLION)



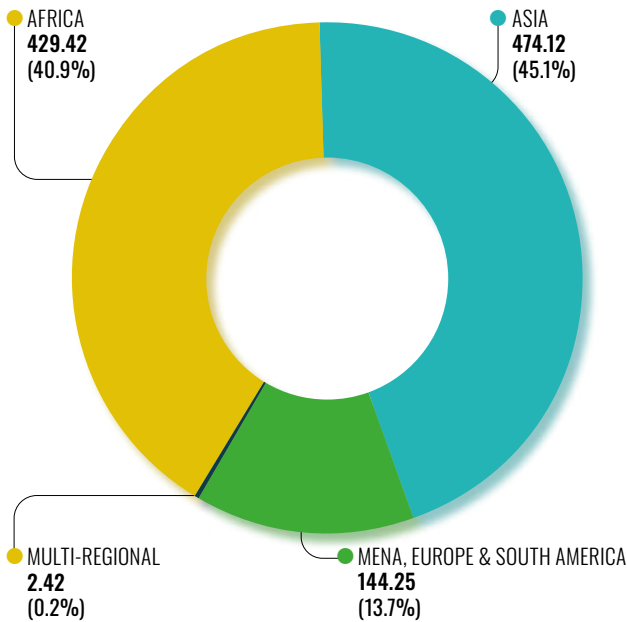
IN 2022, THE ISDB, ALONGSIDE ARAB COORDINATION GROUP (ACG) MEMBERS AT COP27, COMMITTED TO PROVIDING A CUMULATIVE AMOUNT OF **US\$24 BILLION** IN FINANCING BY 2030 TO ADDRESS THE GLOBAL CLIMATE CRISIS.

FIGURE 3.3 | IsDB 2022 CLIMATE FINANCE TYPE (US\$ MILLION)

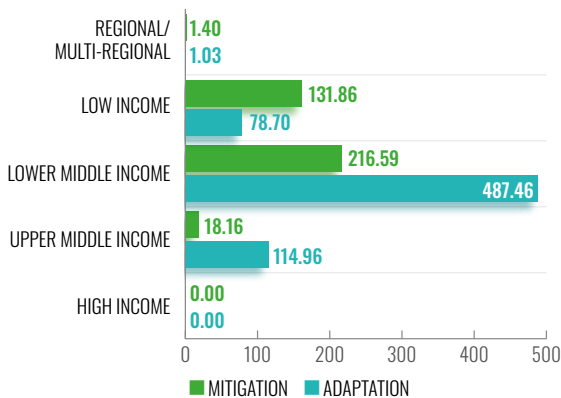


PARTNERSHIPS TO FEND OFF CRISES

**FIGURE 3.4** | 2022 CLIMATE FINANCE BY REGIONAL CLASSIFICATION (US\$ MILLION)



**FIGURE 3.5** | Climate Finance by Income Grouping (US\$ million)

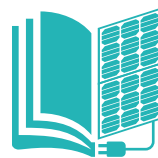


The Bank continues to engage and support member countries through grant financing mobilized from specialized climate funds and other climate facilities including the Green Climate Fund and the NDC Partnership. In 2022, the Bank continued to forge new partnerships and engagement with bilateral, national, research and multilateral institutions including numerous MDB-led climate change initiatives and working groups on topics such as Paris Alignment, adaptation and mitigation working groups and climate finance reporting.

### 3.4.3 | NGOs AND CIVIL SOCIETY ENGAGEMENT

IsDB has been supporting community projects through grant financing for NGOs in Pakistan, Chad, Yemen, and Somalia.

#### PAKISTAN



**‘ENHANCING COMMUNITIES’ RESILIENCE THROUGH YOUTH EMPOWERMENT AND ENERGY CONSERVATION FOR SUPPORTING STEM, NRM, AND RURAL DEVELOPMENT’.**

One particularly promising education project is the ‘Enhancing Communities’ Resilience through Youth Empowerment and Energy Conservation for Supporting STEM, natural resource management (NRM), and Rural Development’ with the Taaleem Foundation in Pakistan. The project aims to deliver (i) social mobilization for efficient management of indigenous resources, local heritage and biodiversity conservation; (ii) the upgrading of 10 Government schools as telecenters and skill development centers for youth inspiration, STEM education and women’s empowerment for livelihood support; (iii) the installation of solar power units to 10 schools/telecenters and 200 households; and (iv) capacity enhancement of women and youth in rural communities through STEM, NRM and income-generating skills. In 2022, the project carried out a baseline survey through focus group discussions, a household survey and key informant interviews, the formation of Village Conservation Committees (VCCs), and the selection of 10 government secondary schools in Azad Jammu and Kashmir. Four hundred community sessions were conducted and these identified the most deserving 200 households to receive domestic solar power units.



## YEMEN



### BUILDING CAPACITY FOR LOCAL NGOs (LNGOs) IN YEMEN.

The Bank has supported and completed a project to build capacity in local NGOs (LNGOs) in Yemen with the Humanitarian Academy for Development (HAD). The project strengthened the capacity of LNGOs to be more efficient and effective in designing and implementing humanitarian projects, ensuring their projects meet high humanitarian standards and represent good value for money. The project has focused on supporting LNGOs that serve marginalized and vulnerable groups to better respond to current humanitarian needs and prepare communities for the post-war transition and early recovery stage. The components and core outputs of the intervention include training needs assessments and the delivery of training supported by mentoring and coaching. The total budget of the project is US\$523,744 including co-financing.

## CHAD



### REDUCING SOCIAL PRECARIOUSNESS IN RURAL AREAS THROUGH THE PROMOTION OF INTEGRATED AGRICULTURAL SYSTEMS COMBINING AGRICULTURE AND LIVESTOCK.

The value chain promotion project for the processing and conservation of agricultural and pastoral products started in January 2022 with a budget of US\$183,543 and an implementation period of two years. The project aims to reduce social precariousness in rural areas through the promotion of integrated agricultural systems combining agriculture and livestock. It consists of developing farms and providing them with infrastructure that will enable young people and women to perform continuous farming and non-direct farming activities. This will be achieved by boosting the value of agro-pastoral products at all important stages of the value chain and increasing job opportunities in the agro-pastoral sector. The aim is to make beneficiaries autonomous and involved in the entire value chain including production, processing, distribution and consumption. There is scope to facilitate employment or self-employment at every stage of the value chain. The project has so far successfully created two slaughterhouses and two vaccination parks in Dibébé and Zarafa, identified and developed eight market gardening sites in Dibébé, and fenced eight market gardening sites in Dibébé. The project is on course to achieve its targets by 2023.

## SOMALIA



### STRENGTHENING THE FINANCIAL SUSTAINABILITY OF PRIMARY HEALTHCARE IN SOMALIA.

This project is aimed at strengthening the financial sustainability of primary healthcare in Somalia by introducing the cost sharing system, which is being piloted in the northwest of the country. The project will: establish an institutional environment allowing the implementation of an efficient cost recovery system (Cost Recovery Policy and Strategy) in three rural healthcare settings; strengthen the healthcare system by improving government stewardship and oversight of service provision; and build the technical capacity of frontline health workers in the piloted health facilities and the knowledge of Ministry of Health managers on health financing and the cost sharing system. The implementation period is 12 months, and it is expected to be completed by the end of 2023. IsDB's contribution to the project is US\$150,000, while the Somali International Patriotic Action (SIPA)'s contribution is US\$56,900, and Ministry of Health of Somalia contribution is US\$20,000.



IsDB'S CONTRIBUTION TO THE PROJECT IS  
**us\$150,000,**  
 WHILE THE SOMALI INTERNATIONAL PATRIOTIC  
 ACTION (SIPA)'S CONTRIBUTION IS  
**us\$56,900,**  
 AND MINISTRY OF HEALTH OF SOMALIA  
 CONTRIBUTION IS  
**us\$20,000.**

### 3.4.4 | COMMUNITIES OUTREACH PROGRAM

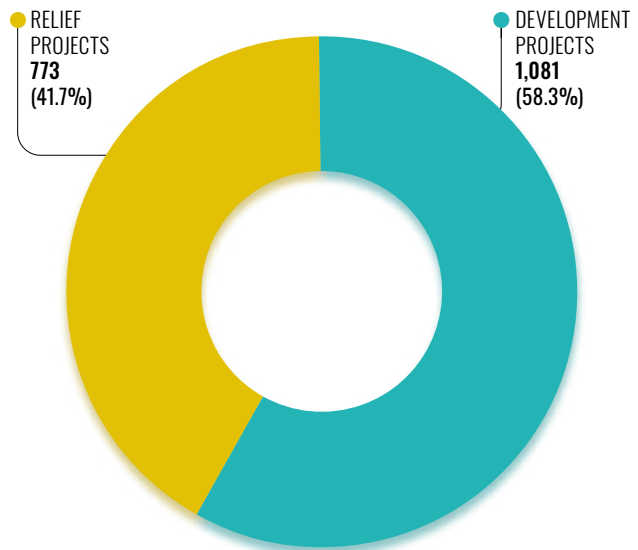
Since its inception in 1981, the Communities Outreach Program has approved a total of 1,854 projects to a total amount of US\$904 million. Out of the projects, 1,081 were developmental projects, while 773 were relief projects. In terms of cost, the developmental projects amounted to US\$282 million, while relief projects amounted to US\$622 million. These operations were delivered in 84 countries in eight geographical sub-regions in Non-Member Countries (NMCs). The following charts show the total number of approved projects (relief and development) and amounts for both approved sectors.

The Communities Outreach Program approved a total of seven projects in 2022, to a total value of US\$1.455 million. One of these was a relief project costing US\$200,000 to support communities suffering the impacts of drought in Ethiopia. The other six projects are development projects with a total value of US\$1.255 million to support the education sector in five countries. These are: (i) an infrastructure and equipment grant for Iqra Girls’ Academy in Lusaka (Zambia) to the value of US\$0.2 million; (ii) the expansion of a public second gymnasium school in Mostar (Bosnia and Herzegovina) to the value of US\$0.185 million; (iii) the expansion of a vocational training center for Hamidiya Islamiya School Society in Panwari (India) to the value of US\$0.2 million; (iv) the expansion of Markaz-E-Adab-O-Science Primary School in Ranchi (India) to the value of US\$0.2 million; (v) the construction of a primary school building within the Institute of Islamic & Secular Studies (IISS), Vallée des Prêtres, Port-Louis, Mauritius, to the value of US\$0.25 million; and (vi) the expansion of Rahma Pre School and Primary School, Dodoma City, Tanzania, to the value of US\$0.22 million.

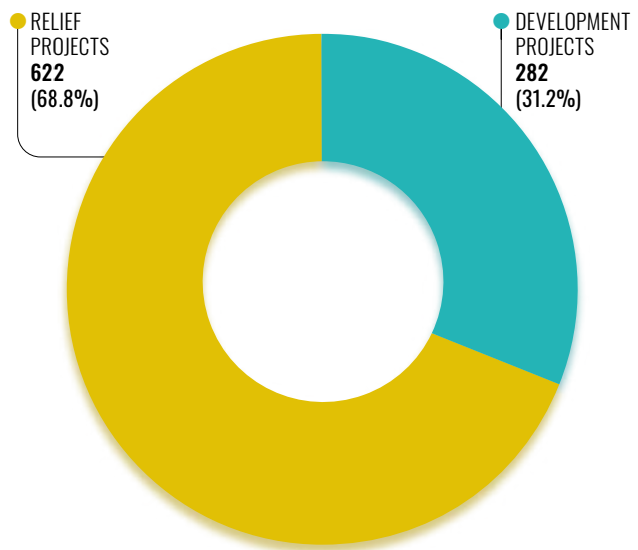
The implementation of 14 projects has been completed this year. There are 51 projects at various stages of implementation across several continents including 21 in Africa, 11 in Europe, 14 in Asia and 5 in America.

The program also developed a partnership with a philanthropist, which has committed to providing the equivalent of around US\$1.65 million to the development of minority Muslim communities in Thailand and Cambodia, with the construction of vocational training centers and a housing complex.

**FIGURE 3.6 | COMMUNITIES OUTREACH PROJECTS BY TYPE (BY NUMBER OF PROJECTS SINCE INCEPTION)**



**FIGURE 3.7 | COMMUNITIES OUTREACH PROJECTS BY TYPE (BY AMOUNT OF APPROVAL IN US\$ MILLION SINCE INCEPTION)**



**THE COMMUNITIES OUTREACH PROGRAM APPROVED A TOTAL OF SEVEN PROJECTS IN 2022, TO A TOTAL VALUE OF**

**US\$1.455 MILLION.**

**THE IMPLEMENTATION OF**

**14 PROJECTS**

**HAS BEEN COMPLETED THIS YEAR. THERE ARE 51 PROJECTS AT VARIOUS STAGES OF IMPLEMENTATION ACROSS SEVERAL CONTINENTS INCLUDING 21 IN AFRICA, 11 IN EUROPE, 14 IN ASIA AND 5 IN AMERICA.**





### **BOX 13 | SCIENCE AND TECHNOLOGY EQUIPMENT FOR IQRA GIRLS' ACADEMY IN LUSAKA (ZAMBIA)**

This project aims to enhance the learning quality and performance of Iqra Girls' Academy through the provision of science and technology laboratory infrastructure and equipment for the school. It will support the development of a state-of-the-art school and ultimately improve the school's developmental achievements, particularly in terms of opportunities for girls. The project will increase learners' access to science and technology education through increased school capacity, and will make the learning experience safe and enjoyable for the pupils by providing a qualitative and conducive learning environment. By end of 2025, the project is expected to have provided an effective, well-coordinated, and responsive Science and Technology (ST) Laboratory and an Information Communication and Technology (ICT) Laboratory, managed by experienced personnel at Iqra Girls' Academy. Eighty additional annual student intakes (all girls), will have access to improved, relevant, and modern ICT and ST laboratory facilities in the school, contributing to an increased number of girls achieving minimum proficiency in ICT/ST.

# 80

**ADDITIONAL ANNUAL STUDENT INTAKES (ALL GIRLS), WILL HAVE ACCESS TO IMPROVED, RELEVANT, AND MODERN ICT AND ST LABORATORY FACILITIES IN THE SCHOOL, CONTRIBUTING TO AN INCREASED NUMBER OF GIRLS ACHIEVING MINIMUM PROFICIENCY IN ICT/ST.**



### 3.4.5 | SCHOLARSHIP PROGRAM

The IsDB Scholarship Program was established in 1983 to promote human capital development in member countries and Muslim communities in non-member countries. The program plays a crucial role in human resource development and workforce mobility. It also facilitates capacity building with the innovation, knowledge and technology needed to compete in a rapidly changing world.

There are four scholarship programs offered by the IsDB: (i) an Undergraduate Program for Muslim communities in non-member countries (SPMC), (ii) a Merit Scholarship Program for High Technology (MSP), (iii) an M.Sc. Scholarship Program in Science and Technology for IsDB LDMCs, and (iv) an IsDB-ISFD Scholarship Program for LDMCs.

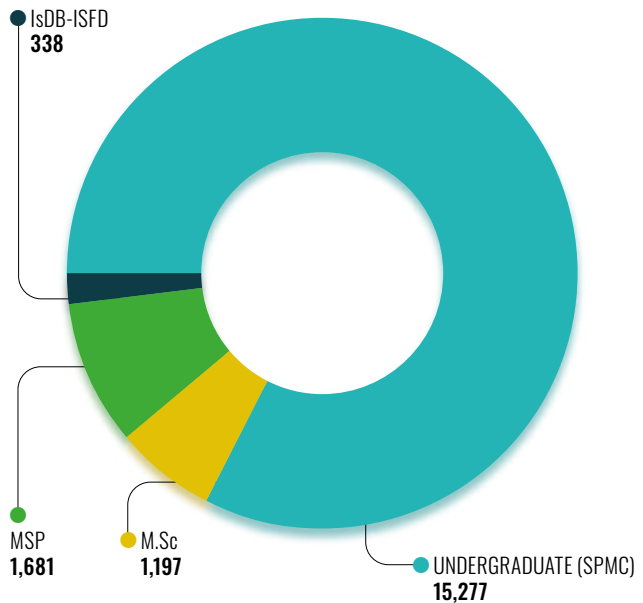
Over the past 39 years of operations, the Bank has offered scholarships to 18,493 students from 122 countries worldwide (56 member countries and 66 Muslim communities in non-member countries). These include 15,277 for the SPMC, 1197 for the M.Sc., 1,681 for the MSP and 338 for the IsDB-ISFD. Gender representation is 70% male and 30% female. As of December 2022, the total accumulated expenditure for the entire program has been US\$233.93 million.

Of the total awardees, 13,716 students have graduated from reputable universities in key areas of development. In terms of regional distribution, 52% of the total number of graduates are from Muslim communities in Asia, followed by member countries at 26%, while 16% are from Muslim communities in Africa. The remaining 6% are from Muslim communities in Europe, Oceania, and North & South America.. It is encouraging and gratifying to note that the Scholarship Program is achieving its mission: most graduates have gained employment in important positions, are advancing in their careers, and have made significant contributions to the development of their countries.

The scholarships provided under the Undergraduate Program for Muslim communities in non-member countries are in the form of loans to the students and grants to the respective Muslim community. Both are refundable to the IsDB Education Trusts (IETs) established by the Bank after the recipient has graduated and found gainful employment. The fund can then be used to offer additional scholarships to other students from the same community. As a result, IETs in 16 countries have so far offered 2,181 scholarships, bringing the total scholarships provided since inception to 20,674.

As of 31 December 2022, 1,433 students are currently pursuing their studies and 1,228 students have completed their studies and are awaiting the announcement of their graduation. Meanwhile, 988 scholars failed or dropped out of their programs, while 1,128 students either did not enrol or declined their scholarship offers.

FIGURE 3.8 | SCHOLARSHIP ALLOCATIONS



OVER THE PAST 39 YEARS OF OPERATIONS, THE BANK HAS OFFERED SCHOLARSHIPS TO

**18,493 STUDENTS**

FROM 122 COUNTRIES WORLDWIDE (56 MEMBER COUNTRIES AND 66 MUSLIM COMMUNITIES IN NON-MEMBER COUNTRIES).

**52%** OF THE TOTAL NUMBER OF GRADUATES ARE FROM MUSLIM COMMUNITIES IN ASIA, FOLLOWED BY MEMBER COUNTRIES AT 26%, WHILE 16% ARE FROM MUSLIM COMMUNITIES IN AFRICA. THE REMAINING 6% ARE FROM MUSLIM COMMUNITIES IN EUROPE, OCEANIA, AND NORTH & SOUTH AMERICA.

AS OF DECEMBER 2022, THE TOTAL ACCUMULATED EXPENDITURE FOR THE ENTIRE PROGRAM HAS BEEN

**US\$233.93 MILLION.**





### 3.4.6 | ADAHI

The government of the Kingdom of Saudi Arabia has entrusted the IsDB to implement the Kingdom of Saudi Arabia Project for Utilization of Hady and Adahi.

The project aims to make it easier for pilgrims, and Muslims in general, to purchase and perform the rituals of hady, udhiya, fidya, and sadaqa, and to distribute the meat to eligible beneficiaries throughout the Muslim world.

Having operated continuously over the past 40 years since its inception, the project came to serve more than 50% of the pilgrims during the Hajj season of 1443. The number of slaughtered animals during that season was 447,776 sheep. All the resulting meat was distributed to the target groups in the Kingdom of Saudi Arabia and beyond. The partnership between the project and more than 300 charitable associations accredited by the Ministry of Human Resources and Social Development facilitated distribution within the Kingdom. Externally, the project also distributed meat in more than 27 countries, in coordination with the Saudi embassies.

Meanwhile, the project runs the program for sadaqa and aqiqa throughout the year, slaughtering on a weekly basis in response to requests received through the website and authorized outlets. The sheep slaughtered under this category in 1443 numbered 20,000, and the meat is distributed to the target groups throughout the year.

### GELATIN AND CAPSULES

The Saudi Gelatin and Capsules Company was established to make use of hide and offal, which were causing great harm to the environment and pilgrims at the Holy sites, and to localize a vital industry. The company produces food gelatin and gelatin capsules. The actual sale of gelatin began in the second quarter of 2021.

All production lines have been tested and sample capsules have been produced and sent to many companies inside and outside the Kingdom. The sample results were excellent for most companies in terms of laboratory and microbiological analysis and in terms of testing on filling machines. Commercial-scale sales were made to major pharmaceutical factories inside and outside the Kingdom of Saudi Arabia including Egypt, Iraq, Jordan and Yemen.



# CHAPTER 4

## REINFORCING INSTITUTIONAL EFFECTIVENESS

The IsDB's impact as an organization relies on a foundation of sound governance structures and processes. In 2022 we continued to be meticulous in ensuring the integrity and effectiveness of our institutional systems.





## 4.1 | BOARD OF GOVERNORS

The Board of Governors (BOG) comprises the high-level representatives of the 57 IsDB member countries. The BOG normally meets once a year in an IsDB member country provided that the meeting is held at IsDB headquarters every three years, pursuant to a previous BOG resolution.

Each member country is represented by a governor on the BOG and has 500 basic votes plus one vote per subscribed share. In general, BOG resolutions are taken based on a majority of the voting power represented at the respective meeting.

In its annual meetings, the BOG reviews the performance of IsDB over the previous year and deliberates on future strategies and policies. It also elects a chairperson and two vice-chairpersons for the following year until the next BOG meeting.

As the highest governing body of IsDB, the BOG delegates to the Board of Executive Directors (BED) certain powers and authorities relevant to the general operations of IsDB. However, those never include matters relating to membership, changes in IsDB's authorized capital, admission or suspension of member countries, variation of the authorized capital stock, election of the president and the executive directors or determining their terms of service, approving audited financial statements and external auditors' reports, and determining the reserve or distribution of net income. Pursuant to IsDB's Articles of Agreement, the BOG may also adopt such rules and regulations and establish such subsidiary institutions as may be necessary to conduct the business of IsDB.

**THE BOARD OF GOVERNORS (BOG) COMPRISES THE HIGH-LEVEL REPRESENTATIVES OF THE 57 ISDB MEMBER COUNTRIES. THE BOG NORMALLY MEETS ONCE A YEAR IN AN ISDB MEMBER COUNTRY PROVIDED THAT THE MEETING IS HELD AT ISDB HEADQUARTERS EVERY THREE YEARS, PURSUANT TO A PREVIOUS BOG RESOLUTION.**

## 47<sup>TH</sup> ANNUAL MEETING OF THE ISDB BOARD OF GOVERNORS

The 47<sup>th</sup> Annual Meeting of the BOG was held on 3-4 June 2022 in the city of Sharm El Sheikh, Egypt, under the patronage of the President of the Arab Republic of Egypt, President Abdel Fattah El-Sisi, and under the theme 'Beyond Recovery: Resilience and Sustainability'.

The adopted agenda comprised several items including consideration of the 47<sup>th</sup> IsDB Annual Report, approval of the IsDB financial statements and affiliated funds, and the election of the BOG chairperson and two vice-chairpersons for the year 2023. The BOG also endorsed the IsDB Realigned Strategy 2023-2025.

Additionally, the BOG appointed external auditors for IsDB, the Waqf Fund, the Awqaf Properties Investment Fund, the World Waqf Foundation, and the IsDB Fund for Science, Technology and Innovation for the financial year 2023, and for the Economic Empowerment Fund for the Palestinian People for financial years 2022 and 2023.

The knowledge-sharing events held on the margins of the Annual Meeting represented an opportunity for participants to touch upon various topics of relevance to IsDB member countries, such as exploring the means to bolster economic relations among member countries in the context of continuous and rapid changes in the international arena.

The Governors Roundtable took place on 4 June 2022, where views were expressed on the economic outlook and the Realigned Strategy.

The insights and perspectives provided by the governors during the Roundtable have been assimilated by IsDB as strategic imperatives that will be pursued by the various IsDB departments over the coming years.



**THE 47<sup>TH</sup> ANNUAL MEETING OF THE BOG WAS HELD ON 3-4 JUNE 2022 IN THE CITY OF SHARM EL SHEIKH, EGYPT, UNDER THE THEME 'BEYOND RECOVERY: RESILIENCE AND SUSTAINABILITY'.**

## 4.2 | BOARD OF EXECUTIVE DIRECTORS

The Board of Executive Directors (BED) is composed of 18 members: nine appointed members, representing each of the nine major shareholders and nine elected members, each representing a group of four to seven countries. The BED, which is currently serving its 16th term, usually holds five meetings per year.

The BED is responsible for the overall direction of IsDB operations and exercises all powers delegated to it by the BOG, such as preparing the work of the BOG, making decisions about the business and operations of IsDB, approving the budget and submitting the accounts of each financial year for the approval of the BOG at the respective annual meeting.

The Executive Directors also serve on four BED committees:

- Audit
- Finance and Risk Management
- Governance and Administrative
- Operations and Development Effectiveness

The table below outlines data on resolutions adopted in the 2022 BED meetings regarding projects, financing, policy and administrative matters.

**TABLE 4.1 | BED MEETINGS IN 2022 (1443-1444)**

DATE OF MEETING	MEETING	PROJECTS & TAS*	SPECIAL ASSISTANCE	STRATEGIC & POLICY	OTHER	APPROVED BY THE PRESIDENT AND SUBMITTED FOR INFORMATION**	AGENDA ITEMS, TOTAL	RESOLUTIONS ADOPTED
13 February 2022 (virtual)	344	9	-	17	8	-	34	13
17 April 2022	345	3	-	6	27	-	36	22
26 May 2022	345 (Extraordinary Meeting)	-	-	-	-	-	-	-
1 June 2022 In-person (along with 47 <sup>th</sup> Annual Meeting)	346	4	-	3	8	-	15	9
28 July 2022	Extraordinary Special BED Meeting	-	-	-	-	-	-	-
10 September 2022	347	18	-	6	22	-	46	28
10 December 2022	348	5	2	1	27	5	40	18
<b>Total</b>	<b>7</b>	<b>39</b>	<b>2</b>	<b>33</b>	<b>92</b>	<b>5</b>	<b>171</b>	<b>90</b>

(\*) Projects and technical assistance.

(\*\*) Including technical assistance projects approved by the President.

**NOTE:** Out of 171 items considered, resolutions were adopted on 95 items, while 5 items were approved by the President. The remaining 76 items considered by BED pertained to reports of BED committees, executive sessions and standing items, such as adoption of agenda and minutes, President's oral reports, investment operations, follow-up matters, and other items submitted for information.



### 4.3 | SHARI'AH GOVERNANCE

Shari'ah Governance is the backbone and distinguishing feature of IsDB as an Islamic Multilateral Development Financial Institution when compared with conventional counterparts. As such, IsDB takes Shari'ah Governance seriously in all its operations and activities. In 2022, the IsDB President approved the procurement of a new combined Shari'ah Audit Manual and Shari'ah Audit Software Package in an effort to improve Shari'ah Governance in the IsDB Group. The IsDB Group Shari'ah Board and its sub-committee held a record number of over 30 meetings to promptly provide Shari'ah guidance and opinions on various matters to facilitate the IsDB Group's developmental initiatives in its diverse member countries. Notably, the IsDB Group Shari'ah Board passed a resolution (Fatwa) permitting carbon trading to facilitate the global drive towards carbon footprint reduction in light of climate change risks affecting various member countries.

SDiv conducted its annual Shari'ah Audit of IsDB Group Financial Statements which included for the first time the Shari'ah Audit of the newly established Economic Empowerment Fund for Palestinian Peoples (EEFP) and the Retirees Medical Solidarity Fund (RMSF). SDiv also developed the new Shari'ah Compliant Financial Statements Reporting Template for the Global Muslim Philanthropy Fund for Children (GMPF) to adequately disclose the segregation of Zakat Funding Sources and uses from other Philanthropic Funds. As part of efforts to promote a culture of Shari'ah compliance within IsDB Group, SDiv conducted a workshop on Shari'ah Foundations of Takaful (Islamic insurance) operations to Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) staff, as the first line of defense in ensuring Shari'ah compliance.

Sound Shari'ah Governance in IsDB operations is integral to facilitating IsDB developmental interventions in its member countries and safeguarding IsDB from the negative financial and non-financial consequences of the crystallization of any Shari'ah non-compliance risks.

### 4.4 | RISK MANAGEMENT

The nature of financing activities to fulfill the development mandate exposes IsDB to various kinds of financial and non-financial risks. To mitigate such risks, the Bank uses various risk management approaches and maintains a strong risk management architecture that includes capital adequacy, an exposure limit management framework, an asset and liability management framework, an operational risk management framework and an end-to-end credit process for conducting its business operations.

Risk oversight is performed by the Board of Executive Directors, and its Finance and Risk Management Committee (RMC) approves the risk strategy, policies and guidelines. The IsDB Management, supported by the Risk Management Committee and Asset and Liability Management Committee (ALCO), ensures that activities are executed in accordance with an approved risk governance framework.

The Bank's Risk function is advancing over time, adopting a holistic approach towards managing various financial and non-financial risks including credit, market, liquidity and operational risks. In 2022, the implementation of a Bank-wide Enterprise Risk Management project with advanced risk and finance analytics, including an integrated DataMart, gained momentum and continued to progress well. The Risk Appetite Framework, articulating a comprehensive set of risk metrics and tolerances in defining the Institution's capacity and willingness to bear risk exposures to ensure the Bank's long-term sustainability, has been approved by the Board and is being made operational.

Among other initiatives, the Bank has developed a Model Risk Management and Governance Framework to proactively mitigate its risk exposure. Implementation of the LIBOR transition project to minimize the impact and ensure a smooth transition to alternate benchmark rates is in an advanced stage. Implementation of an Operational Risk System for automating operational risk measurement, monitoring, and management to the operation of Risk Control and Self-Assessment (RCSA), loss data and Key Risk Indicators (KRI) is in an advanced stage. Significant progress has been achieved in the implementation of a cybersecurity framework to improve organizational resilience and manage cybersecurity risks effectively.

## 4.5 | AUDIT ACTIVITIES

The Internal Audit Department (IAD) plays an important role within the IsDB's risk management framework by providing the Board of Executive Directors and management with objective, independent assurance, as well as advice on the effectiveness and efficiency of corporate governance, risk management, and internal control processes and systems.

In 2022, the IAD completed planned audit assignments and other requested ad-hoc assignments while continuing to build the core competencies of its human capital. IAD staff attended relevant training conferences and continued to invest more in the process mining technology tool. In addition, IAD rigorously followed up on the implementation of the Management Action Plans (MAPs).

As part of building partnerships and collaborating internationally, the IAD participated in the Annual Meeting of the Group of Representatives of Internal Audit Services of the Multilateral Financial Institutions Chief Audit Executive Group (MFI-CAEG), and the United Nations Organizations, Multilateral Financial Institutions & Associated Internal Organizations (RIAS), where valuable experiences and best practices in internal auditing were shared among the participants.

In line with the internal auditing standards, IAD commissioned the Institute of Internal Auditors (IIA) to undertake an independent External Quality Assessment (EQA) of its internal audit activities and practices. The IIA's report, issued during the fourth quarter of 2022, concluded that IAD "generally conforms" to the IIA standards, the Definition of Internal Auditing and the IIA Code of Ethics. This means that the structure, policies, procedures and operating practices of IAD comply with the requirements of the Standards and Code of Ethics in all material respects.

**THE STRUCTURE, POLICIES, PROCEDURES AND OPERATING PRACTICES OF IAD COMPLY WITH THE REQUIREMENTS OF THE STANDARDS AND CODE OF ETHICS IN ALL MATERIAL RESPECTS.**

## 4.6 | COMPLIANCE

During 2022, the Compliance Division was involved in IsDB's day-to-day business, ensuring that IsDB operations, investments and activities comply with its AML/CFT/KYC systems, regulations and processes. It endeavored to translate its policy into action by embedding compliance culture internally through training and awareness among staff and information on regulatory risks about compliance issues. The Compliance Division was actively involved in several ad-hoc activities and committees as an active participant, addressing compliance matters. The Compliance Team has also contributed to a Standard Request for Proposals (RfP) for Works Design and Build for the rolling out of IsDB's New Procurement Framework. To facilitate 'know your customer' (KYC) issues relating to processing payments and customer identification with several correspondent banks, IsDB Compliance held several working sessions with some correspondent banks to enhance cooperation and build trust.

IsDB Compliance helped business units navigate sanctions and other regulatory risks by educating them through advisory reports and notes on recent developments. Externally, IsDB Compliance enhanced compliance culture by cooperating with partners to update them on IsDB's due diligence processes and procedures and exchanging information on beneficial ownership, financial crimes and other compliance risks.

In October 2022, IsDB was granted Observer Status with the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL). MONEYVAL is a permanent monitoring body of the European Council, entrusted with assessing anti-money laundering and countering the financing of terrorism (AML/CFT) compliance risks. This adds to the number of observer statuses with other FATF-style bodies such as the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), Inter-Governmental Action Group against Money Laundering in Central Africa (GABAC) and Asia Pacific Group on Combating Money Laundering and Financing of Terrorism (APG).

In enhancing its contribution to member countries and assessing its capacity to combat financial crimes, the Compliance Division has participated in meetings of the previously mentioned regional groupings and contributed to reporting on money laundering and financial crime situations in Indonesia, Malaysia, Morocco, Mozambique, Nigeria and Oman.





## 4.7 | CORPORATE GOVERNANCE

Corporate Governance is essential to the proper functioning of the IsDB. It is a key element in improving efficiency and growth, and it is crucial to enhancing the confidence of stakeholders. Principles of good governance are embedded in the IsDB's core values.

IsDB's corporate governance framework ensures accountability and clear allocation of responsibilities. It fosters transparency and facilitates the assessment of the quality of IsDB's organization and business.

Major achievements in Corporate Governance in 2022 were as follows:

- The IsDBG Administrative Tribunal became fully operational, with its first in-person hearings held in Jeddah, KSA, between 18-22 December 2022. The Tribunal is a five-member independent judicial body that hears applications alleging non-observance, in form or substance, of the Contract of Employment or the Terms of Appointment of IsDBG staff members and such provisions of the staff regulations, staff rules or administrative instructions/decisions. The decisions of the Tribunal are final and binding.
- Internal Mechanisms for the Settlement of Grievances have come into effect. The Chairman of the IsDB Group approved the Rules of Internal Mechanisms for Settlement of Grievances of the Staff of the Islamic Development Bank Group on 5 August 2021. This mechanism includes steps for the settlement of grievances such as the administrative review process, the Ombudsman mediation process and the IsDBG Staff Appeals Committee process.
- The IsDBG Staff Appeals Committee was constituted, and its members were appointed. The Committee is now conducting its regular activities.
- The latest update of the IsDB Organizational Manual was approved and published on August 31, 2022.
- The revised Delegation of Authorities Matrix was approved and published on August 31, 2022.
- On 31 August 2022, the President of IsDB approved the establishment of the following seven IsDB Management Committees: Executive Management Committee (Revised Charter), Assets and Liabilities Management Committee (Revised Charter), Investments Management Committee (Revised Charter), Risk Management Committee (Revised Charter), Budget and Corporate Performance Management Committee (New Committee), Operations Management Committee (Revised Charter), and Special Operations Management Committee (New Committee).

## 4.8 | CREDIT RATING

IsDB's Triple-A ratings were affirmed with a stable outlook in 2022 by Fitch Ratings (24 May), Moody's Investors Service (28 July), Malaysian Rating Corporation (4 August) and Standard & Poor's Global (15 December). These excellent ratings are underpinned by the Bank's extremely strong capitalization, low leverage, very robust liquidity profile and buffers, strong access to market funding, conservative risk management supported by strong risk management policies, low solvency risks and strong member support. This is the 20<sup>th</sup> consecutive year IsDB has been rated Triple-A by Standard & Poor's, the 16<sup>th</sup> consecutive year by Moody's Investors Service, and the 15<sup>th</sup> consecutive year by Fitch Ratings. IsDB is designated as a Zero-Risk Weighted Multilateral Development Bank by the Basel Committee on Banking Supervision and the European Commission, further demonstrating the Bank's excellent business and financial profile.

**THIS IS THE  
20<sup>TH</sup> CONSECUTIVE YEAR  
ISDB HAS BEEN RATED TRIPLE-A  
BY STANDARD & POOR'S, THE 16<sup>TH</sup> CONSECUTIVE  
YEAR BY MOODY'S INVESTORS SERVICE, AND THE  
15<sup>TH</sup> CONSECUTIVE YEAR BY FITCH RATINGS.**

**ISDB IS DESIGNATED AS  
A ZERO-RISK WEIGHTED  
MULTILATERAL  
DEVELOPMENT BANK  
BY THE BASEL COMMITTEE ON BANKING  
SUPERVISION AND THE EUROPEAN  
COMMISSION, FURTHER DEMONSTRATING  
THE BANK'S EXCELLENT BUSINESS AND  
FINANCIAL PROFILE.**

## 4.9 | SHAREHOLDER SUPPORT

IsDB capital is divided into several components, namely Initial Capital, General Capital Increase (GCI) and Special Capital Increase (SCI). Since its inception in 1974, the IsDB has undertaken several GCIs and SCIs that were offered and subscribed to by most member countries as a manifestation of the support, solidarity, and cooperation amongst them. IsDB envisages this strong level of shareholder support will continue in the coming years, as and when offered and called up for payment, to enable the Bank to implement its Realigned Strategy to fulfil its mandate of sustainable development.

As the COVID-19 pandemic paralyzed the global economy, multilateral development financial institutions including IsDB and its peers were called upon to increase their interventions to assist member countries with immediate recovery as well as restoring economic development through affordable financing. For this purpose, IsDB mobilized resources from the capital markets mainly through Sukuk issuances at optimal costs by leveraging its top-tier Triple-A rating.

One of the most important criteria for maintaining its Triple-A rating is a strong capitalization level that will enable IsDB to withstand any financial crises. To ensure sound and prudent financial sustainability, IsDB's Board of Governors approved its sixth GCI in December 2020 (via circulation). This additional equity injection further strengthens its capitalization level in tandem with the projected operational growth in the upcoming years. The 6<sup>th</sup> GCI amounts to ID5.5 billion (fully cash callable) with a 14-year semi-annual instalment schedule starting from 1 January 2023 up until 30 June 2036. As of 31 December 2022, 90.5% of the total amount has been subscribed by member countries. Such a high level of subscription reaffirms the spirit of solidarity and cooperation amongst the member countries despite a very challenging global economic environment.

**ONE OF THE MOST IMPORTANT CRITERIA FOR MAINTAINING ITS TRIPLE-A RATING IS A STRONG CAPITALIZATION LEVEL THAT WILL ENABLE ISDB TO WITHSTAND ANY FINANCIAL CRISES.**

## 4.10 | MEMBER COUNTRY PARTNERSHIP STRATEGY

The MCPS is the central strategic programming tool to ensure that the Bank's programming is not only driven by national priorities but also empirically grounded in rigorous analysis. In addition, the formulated MCPSs are fully aligned with the Bank's Realigned Strategy 2023-2025.

This is assured by means of the following:

- MCPSs are initiated based on official member requests.
- **Stage 1:** MCPS Concept Notes and IsDB's empirical analyses are thoroughly vetted and validated by line ministries in member countries and finally by the Ministry of Finance for each member country, through thorough consultations and reviews by all relevant ministries of the member countries.
- **Stage 2:** MCPS proposed areas of cooperation are thoroughly consulted, agreed upon and validated by member countries through a Concurrence Mission, the outcome of which is the signing of MoMs that signify mutual concurrence between the IsDB and member countries on the areas of intervention.
- At both stages, the MCPS documents include alignment matrices: the Development Challenges Alignment Matrix (in the Concept Note) and the MCPS Pillars Table (in the full MCPS Document) that illustrate the alignment between development challenges, areas of cooperation, the member country's National Development Plan, pillars of the Bank's strategy and the SDGs.

The Country Strategy & Engagement Division (CSED), in coordination with the management of the Country Program (CP) Directorate, targeted the completion of six MCPSs in 2022, and seven were completed, namely the Maldives, Indonesia, Senegal, Niger, Uzbekistan, Turkmenistan, and Guinea.

Launches were held for the Maldives, Indonesia and Senegal, and the others are awaiting launch and other finalizations.

For 2023, the DG-CP Directorate has planned the delivery of six additional MCPSs. Work has already begun on five of these: Malaysia, Iraq, Morocco, Kyrgyz Republic and Bangladesh. Meanwhile, work on MCPSs for Tajikistan, Qatar and Nigeria will start in early 2023.

Overall, the delivery of 13 MCPSs by the end of 2023 will ensure a strong and positive impact on the Bank's programming and engagement with member countries, which have been significantly hampered in the last four years in the absence of MCPS documents.



## 4.11 | OPERATIONS EVALUATION

In 2022, the IsDB Independent Evaluation Department (IEvD) was officially awarded Observer Member Institution Status by the OECD Council, through its subsidiary, the Development Assistance Committee (DAC) Network on Development Evaluation (EvalNet).

The mandate of IEvD is fundamental to good corporate governance. The function independently assesses the development effectiveness of IsDB projects and programs as well as the performance of the Bank's country, thematic and corporate policies and strategies. In 2022, 10 project evaluations were conducted in 10 member countries (Bahrain, Bangladesh, Indonesia, Morocco, Senegal, Tajikistan, Togo, Tunisia, Türkiye and Uganda) tackling agriculture, water and sanitation, information, communications and technology (ICT), education, transportation, energy and health.

In addition, four macro evaluations were completed including the IsDB Group's Food Security Program, IsDB's Equity Investments in Islamic Banks, the Synthesis of Learnings from Past Evaluations of Grant-Based Operations and the Synthesis Report on Evaluations of IsDBG Interventions Contributing to Regional Integration in Member Countries. Furthermore, IEvD undertook a Country Assistance Evaluation (CAE) to assess the performance of the IsDB Group development assistance to Côte d'Ivoire from 2012 to 2021. Additionally, the 2021 Annual Evaluation Report (AER) was duly endorsed by the Operations and Development Effectiveness Committee (ODEC) and approved by the Board in June 2022.

IEvD generated 47 knowledge-based products: nine Knowledge-Series, three e-newsletters, two insight papers, four brochures, five Executive Dissemination Notes, 12 news articles and 12 videos from the various Evaluation Capacity Development (ECD) events. IEvD maintained its LEARN and the Systematic Tracking of the Execution of Evaluation Recommendations (STEER) platforms to promote the use of evaluative knowledge.

### THE ISDB INDEPENDENT EVALUATION DEPARTMENT GENERATED

**47 KNOWLEDGE-BASED PRODUCTS: NINE KNOWLEDGE-SERIES, THREE E-NEWSLETTERS, TWO INSIGHT PAPERS, FOUR BROCHURES, FIVE EXECUTIVE DISSEMINATION NOTES, 12 NEWS ARTICLES AND 12 VIDEOS FROM THE VARIOUS EVALUATION CAPACITY DEVELOPMENT (ECD) EVENTS.**

In terms of outreach efforts, IEvD organized, in collaboration with the Global Evaluation Initiative, the first 'Monitoring and Evaluation Systems in the MENA Region' conference. It also consolidated its successful partnerships with Saudi-based development partners and peer evaluation-focused institutions including the Evaluation Directorate of the Saudi Fund for Development (SFD), the newly mandated Directorate for Economic Policies & Programs at the Ministry of Economy and Planning, King Saud University Deanship for Quality and Development, and the Impact Center Al Athar. Moreover, IEvD organized the 2022 IsDB Group Evaluation Symposium, under the theme 'Evaluation Through the Lens of Recovery', in collaboration with ICD, IsDBI, ISFD, ITFC, King Salman Humanitarian and Relief Center (KSRelief), SFD, National Center for Non-Profit Sector, and Jeddah's University of Business & Technology (UBT).

## 4.12 | DEVELOPMENT EFFECTIVENESS

The Bank is continuously striving to improve the effectiveness of its operations and contribute towards the achievement of developmental goals in its member countries. In this regard, the Bank has developed various tools: (i) aligning project results with the Sustainable Development Goals (SDGs) in order to deepen our understanding of development effectiveness; (ii) the development of a Results-based Management Framework (RBMF) for effective monitoring and reporting to deliver developmental results that are inclusive, sustainable, and strategically aligned; (iii) the publication of an Annual Development Effectiveness Report (ADER) that consolidates the results from all the interventions of the Bank in an integrated manner; and (iv) the development of online dashboards to improve the monitoring of projects' lifecycles for efficient delivery.

The Annual Development Effectiveness Report (ADER) is the Bank's flagship publication that reports on progress made in achieving developmental objectives from the implementation of projects, grants, and programs. The ADER reports on progress against established objectives and indicators that encompass all levels of the Results Framework. A set of Core Results

Indicators (CRIs) were adopted to report on the Bank's contribution towards achieving results mapped to the SDGs. The projects and grants approved in 2022 are expected to yield promising results once completed and will contribute to sustainable development.

### 4.13 | IT BUSINESS ENABLEMENT

The Information Management and Disruptive Technologies (IMDT) department is expanding its functional capabilities to strengthen its position in business enabling, which covers issues such as infrastructure and application modernization, IT security, risk and compliance management and service management.

As part of the infrastructure modernization, IMDT has designed and completed the implementation of the IsDB cloud infrastructure adopting best practices and industry standards in line with IsDB's cloud strategy. The multi-year cloud migration strategy to migrate on-premise applications and services to the cloud is progressing as per the roadmap. New business solutions have been provisioned in the cloud in line with the cloud-first strategy. This has expedited solution deployment as IT environment provisioning is no longer dependent on elements such as hardware delivery.

To address the continuously evolving challenges of cybersecurity threats, IMDT has implemented a program of cybersecurity operational enhancements covering endpoint security, next-generation firewalls, vulnerability management and building up security monitoring and incident response capabilities. The figure below represents a sample of monthly exercises in managing security operations, with continuous expansion as the risks and threats evolve.

IMDT has also facilitated the return to the office for staff by upgrading the network infrastructure and internet bandwidth at IsDB HQ and implementing proactive measures to minimize IT technical issues faced by staff upon their return to the office premises. This will be further continued with the expansion of bandwidth in 2023 based on a projection of more online work. IMDT embarked on the certification exercise for ISO 20000 which was completed in August 2022 and concluded with IMDT receiving a standards compliance confirmation certificate. Similar certification has been issued across 33,290 organizations worldwide. As part of efforts to increase operational efficiency, IMDT in close collaboration with the Financial Control Department (FCD) implemented a new solution for electronic disbursement. The electronic disbursement platform has been designed to strengthen efficiency and security in the project disbursement process, using the latest technology. The whole platform is also available in all three of IsDB's official languages with a real-time update and the instant messaging feature.

FIGURE 4.1 | CYBERSECURITY MONITORING



### 4.14 | HUMAN RESOURCES MANAGEMENT

In 2022, total job openings were 74 against the target of 68. However, the Human Resources Management Department (HRMD) has also overseen several achievements which include the recruitment Crash Program for Managerial positions which took 51 days to complete.

The Remote Working Contract (RWC) for candidates under the onboarding stage was introduced which allows the candidate to proceed with working while completing the onboarding requirements. In addition, a collaboration with the Group General Secretariat Department, Language Services Division was initiated where three levels of preliminary assessments were conducted to ensure the best fit for the positions of Senior Interpreter and Translator.

Several new policies have been approved such as the new salary scale for local staff in the Regional Hubs. Job evaluation training sessions have been conducted among HRMD staff members using the KFHG methodology which resulted in approving 385 job descriptions posted on MyHR.

The approval of the People Strategy represented a milestone at IsDB. It was presented to the BED and a high-level roadmap for implementation has been set. HRMD has also equipped HR staff with data analytics training.



The implementation of the Human Resources (HR) dashboard, which provided real-time access, was a success. The HR dashboard has also initiated the development of interviewing guidelines which will follow the CBI technique. Performance will be monitored and managed through weekly meetings with business units.

Finally, 2022 saw the approval of the Updated Talent Strategy, the development of talent frameworks and guidelines, the development of three customized e-learning modules and the graduation of the 2017 cohort. In addition, international staff members can now be rotated to regional hubs through a service level agreement (signed with ISFD).

## 4.15 | OTHER ADMINISTRATIVE ACTIVITIES

### 4.15.1 | SAFETY AND SECURITY

The Safety and Security Section (SSS) within the Administrative Services Department (ASD) continuously endeavors to pursue its mandated objectives based on its mission and vision as guiding principles. In 2022, the SSS successfully achieved many of its planned programs and projects.

#### INTEGRATION OF E-GATES ACCESS WITH HRMD ATTENDANCE SYSTEM

During the first quarter of the year, SSS completed the next phase of the Integration of E-gates Access with HRMD Attendance System and Visitor Access System. In addition to managing the new regular IsDB staff ID cards, it issued over 3,000 ID cards and access permits.

As part of work to carry out a Safety and Security Assessment for all IsDB Regional Hubs (RHs), the ASD safety specialists started an assessment tour by visiting Almaty, Dhaka, Dakar, Abuja, Kuala Lumpur, Jakarta, and Cairo. The assessment tour included discussing all aspects of safety and security concerns with RH management. Meetings were also held with the UN, other MDBs and NGO security officers to exchange experiences and insights on safety and security. Several e-learning courses (Aman) were implemented during the year to raise staff awareness of important safety, health and security aspects related to home, the workplace, travel, road, fire prevention and protection, along with natural disasters and unforeseen incidents. A fire drill was successfully conducted at the Headquarters, and a business continuity management system (BCMS) was implemented in compliance with ISO 22301.

### 4.15.2 | FACILITY MANAGEMENT SERVICES

The Facility Management & Service Delivery Center (FMSSDC) will remain focused on enhancing workspaces by renovating building facilities, reducing costs, supporting Regional Hubs and entities, introducing innovations to daily operations, and becoming responsive to staff needs. As IsDB operates in regions with significant challenges, facility-related services such as staff safety and security in offices, ergonomics and the ambiance of office spaces will be enhanced through the development of internal capacity, awareness, policies and partnerships. A state-of-the-art, efficient, healthy, green, socially pleasant workspace is key. To this end, several projects have been completed at HQ and Regional Hubs such as renting and fitting-out the new office in Riyadh and renting and initiating the fitting-out of the Kampala Office.

FMSSDC continues to make progress in reducing costs, increasing efficiency, introducing innovations to the daily operations and becoming more responsive to staff needs. In 2022, this included an upgrade of the PBX billing system to an electronic system, and the introduction of an innovative electronic fueling system to render a secure, convenient and cash-free service for IsDB's Transportation Unit.

### 4.15.3 | STAFF HEALTH SERVICES

Provision of worldwide medical coverage for IsDBG retirees was delayed for several years. Work on this started in 2015 with actuarial studies, study reports, the establishment of staff representatives for the Retirement Medical Solidarity Fund (RMSF), and the establishment of a task force to study medical policy, a table of benefits and the selection of a third-party administrator (TPA). Following IsDBG management and BED approval, implementation started from January 2019 and the operation of the project started on April 2022. Currently, IsDBG retirees are covered worldwide.

# ANNEXES





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## ANNEX 1 | SHARI'AH AUDIT REPORT

### ISDB GROUP SHARIA BOARD ANNUAL SHARIA REPORT FOR 1443H/1444H

**All praise is due to Allah, the Lord of the universe.  
May Allah blessings and peace be upon Prophet Muhammad  
and upon his household and companions**

H.E. Chairman of the Board of Governors,  
Honorable Members of the Board of Governors,

***Assalamu alaikum warahmatullahi wabarakatuh***

Pursuant to the regulations of the Islamic Development Bank Group (IsDB Group) Sharia Board, and based on the mandate of the Board, specifically submitting to you an annual Sharia report on the activities undertaken by the IsDB Group during the year 1443H/1444H, we would like to inform you that we, as represented by the Board Subcommittee in accordance with the practice followed by the Board, have carried out an overall audit of the applied principles as well as the contracts pertaining to the transactions and applications that have been presented to us on IsDB Ordinary Capital Resources, the Special Account Resources Waqf Fund (Waqf Fund), the Islamic Corporation for the Insurance of Investment and Export Credit, the Islamic Corporation for the Development of the Private Sector, the International Islamic Trade Finance Corporation, the Islamic Solidarity Fund for Development, the Awqaf Properties Investment Fund, the World Waqf Foundation, and all funds administered by IsDB during the year ending on 7 Jumada II 1444H (31 December 2022G).

We have conducted, with help from Allah first and foremost and then with assistance from the Sharia Compliance Division, the control and audit required to give an opinion on whether the IsDB Group has complied with the rules and principles of the Sharia as well as the fatwas, decisions, rulings and specific guidelines issued by the Board.<sup>1</sup>

The responsibility of verifying the IsDB Group's compliance with the Sharia rules and principles lies with the management of the IsDB Group. In contrast, our responsibility is limited to expressing the independent Sharia opinion based on our audit of the IsDB Group's operations.

The audit we carried out involved inspecting and verifying the procedures followed by the IsDB Group by examining each type of operations. We based our audit on the information and explanations that we deemed necessary to establish that the IsDB Group has not contravened any of the Sharia rules and principles.

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<sup>1</sup> Members of the Islamic Development Bank Group Sharia Board are: His Eminence Sheikh Muhammad Taqi Usmani (Chairman), His Eminence Sheikh Abdullah S. Al Meneea (Deputy Chairman), His Eminence Dr Usaid Al-Kilani, His Eminence Dr. Basheer Ali Omar, His Eminence Dr. Koutoub Moustapha Sano, His Eminence Dr. Mohamed Raougui, and His Eminence Dr. Muhammad Syafii Antonio.





**BASED ON THE ABOVE, THE FOLLOWING REPRESENTS OUR OPINION:**

1. We believe that the IsDB Group has in general taken necessary measures to apply the contracts we had prepared and revised.
2. The dividends paid and the losses incurred are in conformity with the basis that we adopted in line with the Sharia rules and principles.
3. All gains made from transactions or methods forbidden under the Sharia have been set aside in accordance with our relevant resolutions in preparation for the disposal thereof in philanthropic causes with our knowledge.
4. The IsDB Group is not required to pay *zakat* because the sources of its assets are either from public or *waqf* funds. On the other hand, IsDB pays *zakat* on other institutions only with their permission. As such, the payment of *zakat* is the sole responsibility of the owners.

We pray that Allah the Almighty enable the IsDB Group to follow the right path in the interest of the *Ummah*.

***Wassalamu alaikum warahmatullahi wabarakatuh***

**His Eminence Sheikh Muhammad Taqi Usmani**  
Chairman of the Sharia Board

**Aboubacar Salihou KANTE**  
Manager, Sharia Internal Audit Division



Jeddah, 7 Ramadan 1444H (29 March 2023)

## ANNEX 2A | COSO MANAGEMENT REPORT

### MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Management of the Islamic Development Bank – Ordinary Capital Resources (“the Bank” or “IsDB”) is responsible for establishing and maintaining adequate internal controls over financial reporting (“ICFR”). The Bank’s internal controls over financial reporting assessment, is a process designed to provide reasonable assurance regarding the reliability of financial reporting; and the preparation of the Bank’s financial statements for external reporting purposes, in accordance with the financial reporting framework. ICFR also includes our disclosure controls and procedures designed to prevent misstatements.

Those Charged with Governance i.e. the Board of Executive Directors (“BED”) are responsible for overseeing the process of implementing and maintaining effective internal control over financial reporting.

- The Bank has conducted an evaluation of the design, implementation and operating effectiveness of the internal controls over financial reporting as of December 31, 2022, based on the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

The Bank’s auditor, Deloitte and Touche & Co. - Chartered Accountants, an independent accounting firm, is issuing a reasonable assurance report on our assessment of ICFR.

#### RISKS IN FINANCIAL REPORTING

The main risks in financial reporting are that either the financial statements are not presented fairly due to inadvertent or intentional errors or the publication of financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users’ make on the basis of the financial statements.

To respond to those risks of financial reporting, the Bank has established ICFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Bank’s ICFR based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluation of the adequacy of a system of internal control. As a result, in establishing ICFR, the Management has responded to the following financial statement assertions:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded, account balances are included in the financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact of reasonable resources, and the benefits of controls must be considered relative to their costs.



## **ORGANIZATION OF THE BANK'S INTERNAL CONTROL SYSTEM**

### **Functions involved in the System of Internal Control over Financial Reporting:**

The BED of the Bank has established the Audit Committee to assist the BED, among other things, in its oversight responsibility for the soundness of the accounting policies and practices and the effectiveness of internal controls of the Bank which comprised of selected members of the BED, assist the BED in fulfilling its oversight responsibilities regarding the financial statements and reporting process at IsDB OCR, the internal and external audit procedures and key findings. Audit Committee of the BED meets periodically with management to review and monitor matters of financial, accounting or auditing significance. The external auditors and the internal auditors regularly meet with the Audit committee of the BED to discuss the adequacy of the internal controls over financial reporting and any other matter that may require Audit Committee of the BED's attention.

Controls within the system of ICFR are performed by all business and support functions with an in-volement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of ICFR involves staff based in various functions across the organization.

### **Controls to minimize the Risks of Financial Reporting Misstatement:**

The system of ICFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process;
- are preventative or detective in nature;
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

## ANNEX 2A | COSO MANAGEMENT REPORT

(CONTINUED)

### MEASURING DESIGN, IMPLEMENTATION AND OPERATING EFFECTIVENESS OF INTERNAL CONTROL

For the financial year 2022, the Bank has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICFR considering:

- The risk of misstatement of the financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that the management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICFR is effective. The evidence itself is generated from pro-cedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of the Management or may corroborate findings.

### CONCLUSION

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including, Treasury assets, Project assets, Investments and related incomes as well as Liabilities including external sources of funding and related financing costs, impairment and credit losses and operating expenses and payroll and related employee benefits. The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General and Application Controls, and Disclosure Controls. As a result of the assessment of the design, implementation, and operating effectiveness of ICFR, the management did not identify any material weaknesses, and concluded that ICFR is appropriately designed, implemented, and operated effectively as of December 31, 2022.



**Dr. Muhammad Al Jasser**  
President, Islamic Development Bank



**Dr. Zamir Iqbal**  
Vice President Finance & CFO



## ANNEX 2B | COSO AUDITORS REPORT

# INDEPENDENT REASONABLE ASSURANCE REPORT ON THE MANAGEMENT'S REPORT ON THE DESIGN, IMPLEMENTATION AND OPERATING EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING.

**To:** Your Excellencies the Chairman and the Members of the Board of Governors  
Islamic Development Bank – Ordinary Capital Resources  
Jeddah  
Kingdom of Saudi Arabia

### SCOPE

We have been engaged by the Islamic Development Bank – Ordinary Capital Resources (“the Bank” or “IsDB”) to carry out a reasonable assurance engagement over The Management’s Report on the evaluation of Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting (the ‘Management’s’ ICFR Report’ or the ‘Report’) as of December 31, 2022.

### RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

The Management of IsDB is responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates and judgements that are reasonable in the circumstances.

Those Charged with Governance i.e., the Board of Executive Directors are responsible for overseeing the process of implementing and maintaining effective internal control over financial reporting.

The Bank has assessed the design, implementation, and operating effectiveness of its internal control system as of December 31, 2022, based on the criteria established in the Internal Control - Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the “COSO Framework”).

The Bank’s assessment of its internal control system as presented by Management to the Board of Executive Directors and Board of Governors in the form of the Management’s ICFR Report, which includes:

- A description of the controls in place within the Components of Internal Control as defined by the COSO Framework.
- A description of the scope covering material business processes and entities in the assessment of Internal Control over Financial Reporting.
- A description of control objectives.
- Identification of the risks that threaten the achievement of the control objectives.
- An assessment of the design, implementation, and operating effectiveness of Internal Control over Financial Reporting; and
- An assessment of the severity of design, implementation, and operating effectiveness of control deficiencies, if any noted, and not remediated as of December 31, 2022.

### OUR RESPONSIBILITIES

Our responsibility is to express a reasonable assurance opinion on the fairness of the presentation of the “Management’s ICFR Report” presented in **Annex 2a** of the Annual Report, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation, and operating effectiveness of Internal Control over Financial Reporting as of December 31, 2022.

## ANNEX 2B | COSO AUDITORS REPORT

(CONTINUED)

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). "This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Management's ICFR Report is fairly presented. The COSO Framework comprises the criteria by which the Bank Internal Control over Financial Reporting is to be evaluated for purposes of our reasonable assurance opinion.

An assurance engagement to issue a reasonable assurance opinion on the Management's ICFR Report involves performing procedures to obtain evidence about the fairness of the presentation of the Report. Our procedures on the Management's ICFR Report included:

- Obtaining an understanding of the Bank's components of internal control as defined by the COSO Framework and comparing this to the Report;
- Obtaining an understanding of the Bank's scoping of significant processes, and comparing this to the Report;
- Performing a risk assessment for all material Account Balances, Classes of Transactions and Disclosures within the Bank for significant processes and material entities and comparing this to the Report.
- Obtaining management's testing of the design, implementation, and operating effectiveness of internal control over financial reporting and evaluating the sufficiency of the test procedures performed by management and the accuracy of management's conclusions reached for each internal control tested.
- Independently testing the design, implementation and operating effectiveness of internal controls that address significant risks of material misstatement and reperforming a proportion of management's testing for normal risks of material misstatement.
- Assessing of the severity of deficiencies in internal control which are not remediated as of December 31, 2022, and comparing this to the assessment included in the Report, as applicable.

The components of internal control as defined by the COSO Framework are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

We performed procedures to conclude on the risk of material misstatement within significant processes considering the nature and value of the relevant account balance, class of transaction or disclosure.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: Entity level controls, Treasury assets, Project assets, Investments and Related incomes as well as Treasury Liabilities and Financing costs, Operating expenses and Payroll and related employee benefits, financial reporting and disclosures and Information Technology Controls.

The procedures to test the design, implementation and operating effectiveness of internal control depend on our judgement including the assessment of the risks of material misstatement identified and involve a combination of inquiry, observation, reperformance and inspection of evidence.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the fairness of the presentation of the Management's ICFR Report.

### MEANING OF INTERNAL CONTROL OVER FINANCIAL REPORTING

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with financial reporting framework. An entity's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity.



2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements, which would reasonably be expected to impact the decisions of the users of financial statements.

### INHERENT LIMITATIONS

Because of the inherent limitations of Internal Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, Internal Control over Financial Reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

In addition, projections of any evaluation of the Internal Control over Financial Reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OUR INDEPENDENCE AND QUALITY CONTROL

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

The firm applies international standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### OPINION

In our opinion the Management's ICFR Report in **Annex 2a** of the Annual Report, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as of December 31, 2022.

# Deloitte.

Deloitte and Touche & Co.

Certified Public Accountants

**Waleed Bin Moha'd. Sobahi**

Certified Public Accountant

License No. 378

OS, 1444 AH

OS, 2023



## **ANNEX 3** | ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

### INDEPENDENT AUDITOR'S REPORT

**To:** Your Excellencies the Chairman and Members of the Board of Governors  
Islamic Development Bank – Ordinary Capital Resources  
Jeddah  
Kingdom of Saudi Arabia

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### OPINION

We have audited the accompanying financial statements of Islamic Development Bank – Ordinary Capital Resources (the "Bank"), which comprise the statement of financial position as at 31 December 2022, and the related income statement, statement of changes in members' equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2022, and the results of the operations, its cash flows and changes in members' equity for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

In our opinion, the Bank has also complied with the Shari'ah Rules and Principles as determined by the Group Shari'ah Board of the Bank during the year under audit.

##### BASIS FOR OPINION

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *'Auditor's Responsibilities for the Audit of the Financial Statements'* section of our report. We are independent of the Bank in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions (AAOIFI Code), International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements as prevailing in the local jurisdiction, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the AAOIFI and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.





KEY AUDIT MATTE	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>EXPECTED CREDIT LOSS ALLOWANCE AGAINST PROJECT ASSETS</b></p> <p>As at 31 December 2022, the Bank's project assets amounted to ID 17.02 billion (2021: ID 16.28 billion) representing 62.54% of total assets. The Expected Credit Loss (ECL) allowance was ID 446 million as of this date.</p> <p>The audit of impairment allowances for project assets is a key area of focus because of its size and due to the significance of the estimates and judgments used in classifying project assets into various stages, determining related allowance requirements, and the complexity of the judgements, assumptions and estimates used in the ECL models.</p> <p>The Bank recognizes allowances for ECL at an amount equal to 12-month ECL (Stage 1) or full lifetime ECL (Stage 2). A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.</p> <p>ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective profit rate. The Bank employs statistical models for ECL calculations and the key variables used in these calculations are probability of default (PD), loss given default (LGD); and exposure at default (EAD), which are defined in note 3 to the financial statements.</p> <p>The material portion of the project assets is assessed individually for the significant increase in credit risk (SICR) and measurement of ECL. This requires management to capture all qualitative and quantitative reasonable and supportable forward-looking information while assessing SICR, or while assessing credit-impaired criteria for the exposure. Management judgement may also be involved in manual staging override as per the Bank's policies, if required.</p>	<ol style="list-style-type: none"> <li>1. We obtained an understanding of the project assets business process, the credit risk management process, the policy for impairment and credit losses and the estimation process of determining impairment allowances for project assets and the ECL methodology.</li> <li>2. We assessed and evaluated the design and implementation of automated and / or manual controls over: <ul style="list-style-type: none"> <li>● approval, accuracy and completeness of impairment allowances and governance controls over the monitoring of the model, through key management and committee meetings that form part of the approval process for project assets impairment allowances.</li> <li>● model outputs; and</li> <li>● the recognition and measurement of impairment allowances</li> </ul> </li> <li>3. On a sample basis, we selected project assets and assessed and evaluated: <ul style="list-style-type: none"> <li>● the Banks's identification of SICR (Stage 2), the assessment of credit-impaired classification (Stage 3) and whether relevant impairment events had been identified in a timely manner and classification of project assets into various stages and the determination of defaults / individually impaired exposures.</li> <li>● the forward-looking information incorporated into the impairment calculations by involving our specialists to challenge the multiple economic scenarios chosen and related weightings applied.</li> <li>● the assumptions underlying the impairment allowance calculation, such as estimated future cash flows and estimates of recovery period.</li> <li>● the calculation methodology and its alignment with the requirement of FAS 30.</li> </ul> </li> </ol>

## ANNEX 3 | ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

(CONTINUED)

KEY AUDIT MATTE	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The measurement of ECL amounts for project assets classified as Stage 1 and Stage 2 are carried out by the ECL models with limited manual intervention, however, it is important that models (PD, LGD, EAD and macroeconomic adjustments) are valid throughout the reporting period and are subject to a review process by an independent third party expert. For the impaired project assets Bank maintains estimates on the resumption of repayments from the counterparties and bases its ECL impairment allowance on the difference between net present value of the original repayment cashflows and net present value of the managements estimates of the revised cashflows.</p> <p>This was considered as a key audit matter and the audit was focused on this matter due to the materiality of the project assets and the complexity of the judgements, assumptions and estimates used in the ECL models.</p> <p>Refer to Note 3 to the financial statements for the accounting policy for the impairment of financial assets, Note 14 for the disclosure of impairment and Note 30 for credit risk disclosure and the key assumptions and factors considered in determination of ECL.</p>	<ul style="list-style-type: none"> <li>● the post model adjustments and management overlays (if any) in order to assess the reasonableness of these adjustments and assessed the qualitative factors which were considered by the Bank to recognize any post model adjustments, in case of data or model limitations. Where such post model adjustments were applied, we assessed those post model adjustments and the governance process around them.</li> <li>4. We tested models used in the credit impairment process and verified the integrity of data used as input to the impairment models.</li> <li>5. The bank performed an external validation of the ECL model and LGD models including macro-economic model during prior period. We considered the process of this external validation of the models and its impact on the results of the impairment estimate. Finally, we updated our assessment of the methodology and framework designed and implemented by the Bank as to whether the impairment models outcomes and stage allocations appear reasonable and reflective of the forecasts used by the Bank to determine future economic conditions at the reporting date.</li> <li>6. Where relevant, we involved our specialists to assist us in reviewing model calculations, evaluating related inputs and assessing the assumptions used in the ECL model particularly around probability of default, loss given default, exposure at default and macroeconomic variables, forecasted macroeconomic scenarios and probability weights and assumptions used in post model adjustments (if any) as mentioned above.</li> <li>7. We assessed the adequacy of disclosures in the financial statements against the requirements of the Financial Accounting Standards issued by AAOIFI.</li> </ul>



### **OTHER INFORMATION INCLUDED IN THE BANK'S 2022 ANNUAL REPORT**

Other information consists of the information included in the Bank's 2022 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2022 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

These financial statements and the Bank's undertaking to operate in accordance with Shari'ah Rules and Principles are the responsibility of the Bank's management and those charged with governance.

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Financial Accounting Standards issued by AAOIFI and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

## **ANNEX 3 | ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

(CONTINUED)

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and those are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Deloitte.

Deloitte and Touche & Co.

Certified Public Accountants

**Waleed Bin Moha'd. Sobahi**

Certified Public Accountant

License No. 378

14 Shawwal, 1444

April 15, 2023



## ANNEX 3 | ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	NOTES	31 DECEMBER 2022	31 DECEMBER 2021
Cash and cash equivalents	4	1,603,817	236,583
Commodity murabaha placements	5	3,980,955	5,528,102
Sukuk investments	6	2,638,856	2,219,216
Murabaha financing	7	318,938	253,421
<b>Treasury assets</b>		<b>8,542,566</b>	<b>8,237,322</b>
Istisna'a assets	9	8,738,938	8,388,859
Restricted mudaraba	10	580,101	656,238
Instalment sale	11	3,058,916	2,454,022
Ijarah assets	12	2,881,205	2,985,534
Loans (Qard)	13	1,757,086	1,794,183
<b>Project assets</b>		<b>17,016,246</b>	<b>16,278,836</b>
Equity investments	15	479,356	542,798
Investment in associates	16	795,322	742,856
Other investments		84,437	73,090
<b>Investment assets</b>		<b>1,359,115</b>	<b>1,358,744</b>
Property, equipment and intangibles		60,416	57,082
Other assets	17	79,258	94,690
<b>Total Assets</b>		<b>27,057,601</b>	<b>26,026,674</b>
<b>Liabilities</b>			
Sukuk issued	18	16,362,665	15,564,787
Commodity murabaha liabilities	19	392,105	277,176
Other liabilities	20	230,301	640,257
<b>Total Liabilities</b>		<b>16,985,071</b>	<b>16,482,220</b>
<b>Members' Equity</b>			
Paid-up capital	22	6,411,996	6,177,086
Reserves	23	3,487,426	3,260,435
Net income for the year		173,108	106,933
<b>Total Members' Equity</b>		<b>10,072,530</b>	<b>9,544,454</b>
<b>Total Liabilities and Members' Equity</b>		<b>27,057,601</b>	<b>26,026,674</b>
<b>Restricted Investment Accounts</b>	28	82,576	78,502

Notes 1 to 33 form an integral part of these financial statements.

Please, see the 2022 Financial Statements for full detail of the notes.



## ANNEX 3 | ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	NOTES	FOR THE YEAR ENDED 31 DEC 2022	FOR THE YEAR ENDED 31 DEC 2021
Income/(loss) from:			
Commodity Murabaha placements		95,847	43,022
Sukuk investments	6	56,675	50,539
Murabaha financing		9,865	8,883
<b>Treasury assets</b>		<b>162,387</b>	<b>102,444</b>
Istisna'a assets		251,099	253,629
Restricted Mudaraba		21,016	17,827
Instalment sale		87,931	73,402
Ijarah assets, net of depreciation of assets under Ijarah	12.4	90,324	63,026
Loans (Qard)		8,836	9,370
<b>Project assets</b>		<b>459,206</b>	<b>417,254</b>
Equity investments		26,624	20,396
Share of income from investment in associates	16	27,811	15,700
Other investments		2,358	1,229
<b>Investment assets</b>		<b>56,793</b>	<b>37,325</b>
Foreign exchange gains		11,161	3,152
Swap hedging losses	17(a)	(2,165)	(688)
Other		6,539	4,034
<b>Other income</b>		<b>15,535</b>	<b>6,498</b>
<b>Total Income</b>		<b>693,921</b>	<b>563,521</b>
Financing costs	18, 19, 20	(289,906)	(265,574)
Impairment charge	14	(66,676)	(29,197)
<b>Net income before operating expenses</b>		<b>337,339</b>	<b>268,750</b>
Administrative expenses	24	(159,236)	(156,814)
Depreciation / amortization on property, equipment and intangibles		(4,995)	(5,003)
<b>Total operating expenses</b>		<b>(164,231)</b>	<b>(161,817)</b>
<b>Net income for the year</b>		<b>173,108</b>	<b>106,933</b>

Notes 1 to 33 form an integral part of these financial statements.

Please, see the 2022 Financial Statements for full detail of the notes.

## ANNEX 3 | ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES

### STATEMENT OF CHANGES IN MEMBERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	NOTES	PAID-UP CAPITAL	RESERVES				TOTAL RESERVES	NET INCOME	TOTAL MEMBERS' EQUITY
			GENERAL RESERVE	FAIR VALUE RESERVE	PENSION AND MEDICAL OBLIGATIONS	OTHER RESERVES			
<b>Balance at 1 January 2021</b>		<b>5,940,601</b>	<b>2,994,490</b>	<b>279,004</b>	<b>(153,365)</b>	<b>(62,385)</b>	<b>3,057,744</b>	<b>116,216</b>	<b>9,114,561</b>
Increase in paid-up capital	22	236,485	-	-	-	-	-	-	236,485
Net changes in fair value of investments		-	-	103,337	-	-	103,337	-	103,337
Actuarial losses relating to retirement pension and medical plans	21	-	-	-	(6,983)	-	(6,983)	-	(6,983)
Hedge accounting reserve	17	-	(20,911)	-	-	4,191	(16,720)	-	(16,720)
Share in associates' reserve movement	16	-	-	-	-	22,056	22,056	-	22,056
Net income for the year		-	-	-	-	-	-	106,933	106,933
Transfer to general reserve	23	-	116,216	-	-	-	116,216	(116,216)	-
Allocation for grants	23	-	(15,215)	-	-	-	(15,215)	-	(15,215)
<b>Balance at 31 December 2021</b>		<b>6,177,086</b>	<b>3,074,580</b>	<b>382,341</b>	<b>(160,348)</b>	<b>(36,138)</b>	<b>3,260,435</b>	<b>106,933</b>	<b>9,544,454</b>
Increase in paid-up capital	22	234,910	-	-	-	-	-	-	234,910
Net changes in fair value of investments		-	-	(53,861)	-	-	(53,861)	-	(53,861)
Actuarial gain relating to retirement pension and medical plans	21	-	-	-	143,737	-	143,737	-	143,737
Hedge accounting reserve	17	-	-	-	-	13,326	13,326	-	13,326
Share in associates' reserve movements	16	-	-	-	-	30,409	30,409	-	30,409
Net income for the year		-	-	-	-	-	-	173,108	173,108
Transfer to general reserve	23	-	106,933	-	-	-	106,933	(106,933)	-
Allocation for grants	23	-	(13,553)	-	-	-	(13,553)	-	(13,553)
<b>Balance at 31 December 2022</b>		<b>6,411,996</b>	<b>3,167,960</b>	<b>328,480</b>	<b>(16,611)</b>	<b>7,597</b>	<b>3,487,426</b>	<b>173,108</b>	<b>10,072,530</b>

Notes 1 to 33 form an integral part of these financial statements.

Please, see the 2022 Financial Statements for full detail of the notes.





## ANNEX 3 | ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	NOTES	FOR THE YEAR ENDED 31 DEC 2022	FOR THE YEAR ENDED 31 DEC 2021
<b>Cash flows from operations</b>			
Net income for the year		173,108	106,933
Adjustments for non-cash items:			
Depreciation / amortization		4,995	5,003
Gain from investment in associates	16	(27,811)	(15,700)
Allowance for credit losses against financial assets	14	66,676	29,197
Accrued income – Sukuk investments	6	(2,994)	(2,929)
Unrealized fair value losses on sukuk	6	8,937	2,587
Amortization of other income		(567)	(567)
Foreign exchange gains		(11,161)	(3,152)
Gain on disposal of investment in equity capital		(4,170)	(6,469)
<b>Operating income before changes in operating assets and liabilities</b>		<b>207,013</b>	<b>114,903</b>
Changes in operating assets and liabilities:			
Istisna'a assets		(182,170)	(438,510)
Restricted mudaraba		108,703	96,375
Instalment sale		(547,573)	(221,663)
Ijarah assets		200,256	(118,093)
Loans (Qard)		42,393	(12,922)
Other assets		10,221	22,383
Other liabilities		(292,550)	25,757
Commodity murabaha placements		1,662,646	(74,619)
Murabaha financing		(58,221)	76,575
<b>Net cash from/(used in) operating activities</b>		<b>1,150,718</b>	<b>(529,814)</b>
Cash flows from investing activities			
Acquisition of sukuk investments	6	(726,726)	(815,145)
Proceeds from disposal/redemption of sukuk investments	6	411,115	117,372
Acquisition of equity investments	15	(4,469)	(17,393)
Proceeds from disposal of equity and other investments		16,140	24,129
Acquisition of other investments		(6,908)	(18,471)
Acquisition/increase in share of associate	16	(2,116)	(4,553)
Dividends from associates	16	1,854	2,298
Proceeds from capital repayment/disposal of investment in associates	16	6,016	15,973
Additions to property, equipment and intangibles		(8,329)	(8,331)
<b>Net cash (used in) investing activities</b>		<b>(313,423)</b>	<b>(704,121)</b>
Increase in paid-up capital		234,910	236,485
Allocation for grants	23	(13,553)	(15,215)
Proceeds from issuance of sukuk		2,089,621	3,365,023
Redemption of sukuk		(1,895,874)	(2,354,890)
Commodity murabaha liabilities		114,165	(21,434)
Redemption of Wakala (Due to)		-	(97,204)
<b>Net cash from financing activities</b>		<b>529,269</b>	<b>1,112,765</b>
Net change in cash and cash equivalents		1,366,564	(121,170)
Exchange difference on cash and cash equivalents		670	(5,671)
Impairment provision – cash and cash equivalents		-	(499) (499)
Cash and cash equivalents at the beginning of the year		236,583	363,923
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>1,603,817</b>	<b>236,583</b>

Notes 1 to 33 form an integral part of these financial statements.

Please, see the 2022 Financial Statements for full detail of the notes.

## **ANNEX 4 | ISLAMIC DEVELOPMENT BANK - SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

### **INDEPENDENT AUDITOR'S REPORT**

**To:** Your Excellencies the Chairman and Members of the Board of Governors  
Islamic Development Bank – Special Account Resources Waqf Fund  
Jeddah  
Kingdom of Saudi Arabia

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **OPINION**

We have audited the accompanying financial statements of Islamic Development Bank – Special Account Resources Waqf Fund (the "Fund") which comprise the statement of financial position as of December 31, 2022, and the related statement of financial activities, statement of changes in waqf equity, statement of cash flows and statement of ghallah for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, and the results of its activities and its cash flows for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI").

In our opinion, the Fund has also complied with the Shari'ah Rules and Principles as determined by the Group Shari'ah Board of the Islamic Development Bank Group during the year under audit.

##### **BASIS FOR OPINION**

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI. Our responsibilities under those standards are further described in the '*Auditor's Responsibilities for the Audit of the Financial Statements*' section of our report. We are independent of the Fund in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions ("AAOIFI Code"), and we have fulfilled our other ethical responsibilities in accordance with the AAOIFI Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **OTHER INFORMATION INCLUDED IN THE FUND'S 2022 FINANCIAL STATEMENT**

Other information consists of the statement of service performance appended to the Fund's financial statements for the year ended December 31, 2022, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

These financial statements and the Fund's undertaking to operate in accordance with Shari'ah Rules and Principles are the responsibility of the Fund's management and those charged with governance.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Accounting Standards issued by AAOIFI and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

## ANNEX 4 | ISLAMIC DEVELOPMENT BANK - SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

(CONTINUED)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Article 4 of the Regulation of the Special Account Resources Waqf Fund requires maintaining the Principal Amount i.e., waqf corpus in perpetuity. As of December 31, 2022, and 2021, the Fund has accumulated deficit in respect of which required measures are being taken as disclosed in Note 32 of the Fund's financial statements.

**Deloitte.**

Deloitte and Touche & Co.  
Certified Public Accountants  
**Waleed Bin Moha'd. Sobahi**



Certified Public Accountant  
License No. 378  
13 Shawwal 1444H  
May 14, 2023





## ANNEX 4 | ISLAMIC DEVELOPMENT BANK - SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(ALL AMOUNTS IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

	NOTES	31 DECEMBER 2022	31 DECEMBER 2021
<b>Assets</b>			
Cash and cash equivalents	5	90,763	57,455
Commodity murabaha placements	6	29,186	197,642
Investment in sukuks	7	82,236	88,408
Murabaha financing	8	-	1,209
<b>Treasury assets</b>		<b>202,185</b>	<b>344,714</b>
Investment in installment sale	9	3,430	3,430
Investment in syndicated ijarah	10	2,932	2,947
Equity investments	11	11,649	18,722
Investment in funds	12	55,637	60,170
Investment in associates	13	175,702	165,882
Wakala investments	14	182,187	65,981
<b>Investment assets</b>		<b>431,537</b>	<b>317,132</b>
Loans (Qard)	15	147,536	160,509
Other assets	16	9,622	14,111
Fixed assets		21,267	22,768
<b>Total assets</b>		<b>812,147</b>	<b>859,234</b>
<b>Liabilities</b>			
Accruals and other liabilities	17	22,174	60,492
Restricted funds	18	24,338	26,305
<b>Total liabilities</b>		<b>46,512</b>	<b>86,797</b>
<b>Waqf equity</b>			
Waqf corpus		1,069,852	1,069,852
Accumulated deficit		(282,289)	(235,786)
Reserves		(21,928)	(61,629)
<b>Total waqf equity</b>		<b>765,635</b>	<b>772,437</b>
<b>Total liabilities and waqf equity</b>		<b>812,147</b>	<b>859,234</b>

Notes 1 to 33 form an integral part of these financial statements.

Please, see the 2022 Financial Statements for full detail of the notes.

## ANNEX 4 | ISLAMIC DEVELOPMENT BANK - SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2022

(ALL AMOUNTS IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

	NOTES	31 DECEMBER 2022	31 DECEMBER 2021
<b>Income/(loss) from:</b>			
Treasury assets			
Commodity murabaha placements		1,814	1,651
Investments in sukuk	7	3,172	3,393
<b>Investment assets</b>			
Equity investments		(2,211)	-
Investment in funds		950	2,719
Investment in associates		5,877	6,537
Wakala investment		(30,217)	2,350
Other		539	2,787
Total income		(20,076)	19,437
Foreign exchange (losses)/ gains		(1,270)	(4,231)
<b>Total income/(loss) before program expenses</b>		<b>(21,346)</b>	<b>15,206</b>
Program expenses	22	(21,126)	(25,447)
<b>Income/(loss) before impairment charge</b>		<b>(42,472)</b>	<b>(10,241)</b>
Impairment charge for the year	20	(4,975)	(7,683)
<b>Attributable net income/(loss)</b>		<b>(47,447)</b>	<b>(17,924)</b>
Donation (transferred) / received		(1,541)	290
Contributions from IDB-OCR for Technical Assistance Grants and Scholarship Program	21	18,304	21,654
Non-Shari'ah income transferred from IsDB- OCR		190	161
<b>Net (deficit) / surplus for the year</b>		<b>(30,494)</b>	<b>4,181</b>

Notes 1 to 33 form an integral part of these financial statements.

Please, see the 2022 Financial Statements for full detail of the notes.



## ANNEX 4 | ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF CHANGES IN WAQF EQUITY YEAR ENDED 31 DECEMBER 2022

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	NOTES	WAQF CORPUS	RESERVES				TOTAL RESERVES	TOTAL
			ACCUMULATED DEFICIT	FAIR VALUE RESERVE	PENSION FUND RESERVES	OTHER RESERVES		
<b>Balance at 1 January 2021</b>		<b>1,069,852</b>	<b>(217,368)</b>	<b>(6,021)</b>	<b>(19,163)</b>	<b>(8,037)</b>	<b>(33,221)</b>	<b>819,263</b>
Impact of adoption of FAS-30		-	(3,293)	-	-	-	-	(3,293)
Revised balance as at 1 January 2021		1,069,852	(220,661)	(6,021)	(19,163)	(8,037)	(33,221)	819,263
Net surplus for the year		-	4,181	-	-	-	-	4,181
Change in fair value reserve-net		-	-	(6,535)	-	-	(6,535)	(6,535)
Retirement pension plan liability		-	-	-	(22,350)	-	(22,350)	(22,350)
Share in associates' reserve movement		-	-	-	-	5,823	-	5,823
Movement in other reserves		-	-	-	-	(5,346)	(5,346)	(5,346)
Ghallah distribution		-	(19,306)	-	-	-	-	(19,306)
<b>Balance at 31 December 2021</b>		<b>1,069,852</b>	<b>(235,786)</b>	<b>(12,556)</b>	<b>(41,513)</b>	<b>(7,560)</b>	<b>(61,629)</b>	<b>772,437</b>
Net deficit for the year		-	(30,494)	-	-	-	-	(30,494)
Change in fair value reserve-net		-	-	2,982	-	-	2,982	2,982
Retirement pension plan liability	19	-	-	-	40,400	-	40,400	40,400
Share in associates' reserve movement		-	-	-	-	4,410	4,410	4,410
Movement in other reserves		-	-	-	-	(8,091)	(8,091)	(8,091)
Ghallah distribution		-	(16,009)	-	-	-	-	(16,009)
<b>Balance at 31 December 2022</b>		<b>1,069,852</b>	<b>(282,289)</b>	<b>(9,574)</b>	<b>(1,113)</b>	<b>(11,241)</b>	<b>(21,928)</b>	<b>765,635</b>

Notes 1 to 33 form an integral part of these financial statements.

Please, see the 2022 Financial Statements for full detail of the notes.

## ANNEX 4 | ISLAMIC DEVELOPMENT BANK - SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2022

(ALL AMOUNTS IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

	NOTES	31 DECEMBER 2022	31 DECEMBER 2021
<b>Cash flows from operations</b>			
Net (deficit)/ surplus for the year		(30,494)	4,181
<b>Adjustment for non-cash items:</b>			
Depreciation		1,501	1,601
Impairment for the year	20	4,975	7,683
Unrealized fair value loss on investment in sukuks	7	2	-
Accrued coupon income on investment in sukuks	7	61	-
Loss on disposal of equity investments		2,211	-
Share of gain in associates, net	13	(5,978)	(7,114)
Loss on deemed disposal of associates	13	101	576
Share of loss on wakala investments		29,925	-
Service cost on pension and medical obligation	19	3,439	3,665
Foreign exchange		(8,091)	(6,786)
<b>Change in operating assets and liabilities</b>			
Investment in installment sale		-	(56)
Restricted funds		(1,967)	(1,073)
Loans (Qard)		19,299	16,732
Other assets		4,489	6
Accruals and other liabilities		615	(32,530)
<b>Cash from/ (utilized in) operations</b>		<b>20,089</b>	<b>(13,115)</b>
Pension and medical obligation paid	19	(1,972)	(1,054)
Ghallah distribution		(16,009)	(19,306)
<b>Net cash from/ (utilized in) operations</b>		<b>2,108</b>	<b>(33,475)</b>
<b>Cash flows from investing activities</b>			
Net movement in commodity murabaha placements		168,663	42,672
Redemption of investments in sukuk	7	6,066	2,680
Disposal of equity investments		1,638	-
Additions to investment in funds	12	(200)	(441)
Disposal of investment in funds	12	698	5,095
Dividends from associates	13	467	1,001
Additions to wakala investments	14	(146,131)	(65,981)
Addition to fixed assets		-	(47)
<b>Net cash from/ (utilized in) investing activities</b>		<b>31,201</b>	<b>(15,021)</b>
<b>Net change in cash and cash equivalents</b>		<b>33,308</b>	<b>(48,496)</b>
Cash and cash equivalents at 1 January		57,455	105,951
<b>Cash and cash equivalents at 31 December</b>	5	<b>90,763</b>	<b>57,455</b>

Notes 1 to 33 form an integral part of these financial statements.

Please, see the 2022 Financial Statements for full detail of the notes.





## ANNEX 4 | ISLAMIC DEVELOPMENT BANK - SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF GHALLAH YEAR ENDED 31 DECEMBER 2022

(ALL AMOUNTS IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

	NOTES	31 DECEMBER 2022	31 DECEMBER 2021
Opening balance of over-appropriated ghallah		(232,089)	(211,427)
<b>Ghallah for the year</b>			
(Deficit) / surplus for the year		(30,494)	4,181
Fair value loss on sukuk		2	-
Share of income/loss from associates	13	(5,877)	(6,538)
Dividend income on associates	13	467	1,001
<b>Total ghallah for the year</b>		<b>(35,902)</b>	<b>(1,356)</b>
<b>Ghallah available for distribution</b>		<b>(267,991)</b>	<b>(212,783)</b>
Ghallah distribution to beneficiaries	22	(16,009)	(19,306)
Closing balance of over-appropriated Ghallah		(284,000)	(232,089)

Notes 1 to 33 form an integral part of these financial statements.

Please, see the 2022 Financial Statements for full detail of the notes.

## ANNEX 5 | ISDB BED AND THEIR CONSTITUENCIES

NAME	COUNTRY OF NATIONALITY	COUNTRY(IES) REPRESENTED
Hon. Hamed Arabi Elhouderi	Libya	Libya
Hon. Murat Zaman	Türkiye	Türkiye
Hon. Seyed Abbas Hosseini	Iran	Iran
Hon. Abdul Ghaffar Al Awadhi	Kuwait	Kuwait
H.E. Dr. Hamad Sulaiman Al Bazai	Saudi Arabia	Saudi Arabia
Hon. Dr. Nada Massoud	Egypt	Egypt
Hon. Khalaf Sultan Al Dhaheri	United Arab Emirates	United Arab Emirates
Hon. Hamad Madi Al-Hajri	Qatar	Qatar
Hon. Dr. Mahmoud Isa-Dutse	Nigeria	Nigeria
Hon. Eric Mbaihasra	Chad	Chad, Comoros, Djibouti, Gabon, Mozambique, Somalia, Uganda
Hon. Khalifa Sarr	Senegal	Burkina Faso, Gambia, Mali, Niger, Senegal, Togo
Hon. Issa Jandi	Guinea Bissau	Benin, Cameroon, Côte d'Ivoire, Guinea, Guinea Bissau, Sierra Leone
Hon. Laaziz Faid	Algeria	Algeria, Mauritania, Morocco, Tunisia
Hon. Dr. Ammar Hamad Khalaf Ibrahim	Iraq	Iraq, Jordan, Lebanon, Palestine, Syria
Hon. Hassan Gaffar Abdelrhman	Sudan	Bahrain, Oman, Sudan, Yemen
Hon. Mian Asad Hayaud Din	Pakistan	Afghanistan, Bangladesh, Maldives, Pakistan
Hon. Mrs. Anuska Ramdhani	Suriname	Brunei Darussalam, Guyana, Indonesia, Malaysia, Suriname
Hon. Tamerlan Taghiyev	Azerbaijan	Albania, Azerbaijan, Kazakhstan, Kyrgyz Republic, Turkmenistan, Tajikistan, Uzbekistan

## ANNEX 6A | STATEMENT OF ISDB SHARE CAPITAL SUBSCRIPTION

COUNTRY	CONSOLIDATED POSITION OF SUBSCRIBED CAPITAL (ALL AMOUNTS ARE IN MILLION ID)							
	NO. OF SHARES	AMOUNT IN MILLION ID			% OF TOTAL	BREAKDOWN OF CALLED-UP CAPITAL (AMOUNT IN MILLION ID)		
		CALLED-UP	CALLABLE	TOTAL		PAID-UP	OVERDUE/SHORTFALL	NOT YET DUE
Saudi Arabia	1,319,868	3,437.730	9,760.950	13,198.680	23.51%	1,618.477	0.000	1,819.253
Libya	529,382	1,378.820	3,915.000	5,293.820	9.43%	462.579	158.879	757.363
Iran	463,146	1,206.310	3,425.150	4,631.460	8.25%	511.310	32.393	662.607
Nigeria	429,851	1,119.580	3,178.930	4,298.510	7.66%	325.620	61.138	732.822
Qatar	402,985	1,050.530	2,979.320	4,029.850	7.18%	466.529	0.000	584.001
Egypt	397,137	1,033.630	2,937.740	3,971.370	7.07%	449.569	0.000	584.061
Kuwait	388,300	1,263.900	2,619.100	3,883.000	6.92%	649.687	0.000	614.213
United Arab Emirates	379,949	682.115	3,117.375	3,799.490	6.77%	494.911	0.000	187.204
Türkiye	362,100	942.440	2,678.560	3,621.000	6.45%	409.904	0.000	532.536
Algeria	142,627	371.210	1,055.060	1,426.270	2.54%	169.129	0.000	202.081
Pakistan	142,627	371.220	1,055.050	1,426.270	2.54%	160.417	1.041	209.762
Indonesia	126,248	328.690	933.790	1,262.480	2.25%	152.225	0.000	176.465
Malaysia	86,818	192.700	675.480	868.180	1.55%	103.374	0.000	89.326
Bangladesh	56,576	147.240	418.520	565.760	1.01%	64.038	0.005	83.198
Morocco	28,478	74.120	210.660	284.780	0.51%	32.240	0.000	41.880
Yemen	25,862	46.190	212.430	258.620	0.46%	24.758	7.535	13.897
Sudan	25,844	67.310	191.130	258.440	0.46%	15.999	14.342	36.969
Jordan	24,381	63.500	180.310	243.810	0.43%	28.621	0.000	34.879
Senegal	16,398	42.710	121.270	163.980	0.29%	15.328	3.925	23.457
Oman	15,815	41.160	116.990	158.150	0.28%	17.903	0.000	23.257
Iraq	14,983	38.990	110.840	149.830	0.27%	16.956	0.000	22.034
Cameroon	14,241	37.070	105.340	142.410	0.25%	12.029	4.094	20.947
Brunei	12,836	23.020	105.340	128.360	0.23%	16.389	0.000	6.631
Burkina Faso	10,004	32.890	67.150	100.040	0.18%	16.737	0.000	16.153
Niger	10,004	32.890	67.150	100.040	0.18%	7.273	8.851	16.767
Uganda	9,772	30.570	67.150	97.720	0.17%	12.801	0.367	17.402
Bahrain	8,038	20.920	59.460	80.380	0.14%	9.097	0.000	11.823
Tunisia	7,941	26.100	53.310	79.410	0.14%	12.801	0.000	13.299
Benin	6,460	16.820	47.780	64.600	0.12%	7.578	0.005	9.237
Kazakhstan	5,991	15.670	44.240	59.910	0.11%	6.856	0.000	8.814
Azerbaijan	5,649	14.700	41.790	56.490	0.10%	6.698	0.000	8.002
Mali	5,649	14.700	41.790	56.490	0.10%	6.286	0.108	8.307
Gabon	5,458	27.400	27.180	54.580	0.10%	15.775	3.416	8.209
Guinea	5,087	28.040	22.830	50.870	0.09%	13.219	2.905	11.917
Lebanon	3,577	9.130	26.640	35.770	0.06%	6.183	0.211	2.736
Mauritania	3,577	9.130	26.640	35.770	0.06%	6.286	0.107	2.737
Kyrgyz	2,867	7.460	21.210	28.670	0.05%	3.277	0.000	4.183
Mozambique	2,867	7.460	21.210	28.670	0.05%	3.006	0.240	4.215
Maldives	2,867	7.460	21.210	28.670	0.05%	3.400	0.000	4.060
Gambia	2,867	7.460	21.210	28.670	0.05%	3.137	0.108	4.215
Tajikistan	2,015	6.620	13.530	20.150	0.04%	3.245	0.000	3.375
Togo	2,015	6.620	13.530	20.150	0.04%	3.129	0.116	3.375
Palestine	1,955	9.850	9.700	19.550	0.03%	5.724	4.126	-
Syria	1,849	9.280	9.210	18.490	0.03%	5.003	1.495	2.782
Sierra Leone	1,816	4.640	13.520	18.160	0.03%	2.561	0.688	1.391
Uzbekistan	1,491	5.200	9.710	14.910	0.03%	3.029	0.000	2.171
Cote D'Ivoire	1,444	4.990	9.450	14.440	0.03%	3.570	0.000	1.420
Comoros	1,444	4.990	9.450	14.440	0.03%	2.188	0.687	2.116
Afghanistan	1,102	6.090	4.930	11.020	0.02%	4.996	0.004	1.090
Chad	1,084	5.990	4.850	10.840	0.02%	4.667	0.253	1.070
Suriname	923	4.630	4.600	9.230	0.02%	2.979	0.266	1.384
Albania	923	4.630	4.600	9.230	0.02%	2.807	0.438	1.385
Somalia	550	3.040	2.460	5.500	0.01%	2.501	0.000	0.539
Turkmenistan	550	3.040	2.460	5.500	0.01%	2.500	0.000	0.540
Guinea-Bissau	550	3.040	2.460	5.500	0.01%	2.212	0.288	0.540
Djibouti	550	3.040	2.460	5.500	0.01%	1.625	0.875	0.540
Guyana	277	2.770	0.000	2.770	0.005%	0.872	0.003	1.895
Net Shortfall	*	*	*	*	*	(0.010)	0.000	0.010
Sub total	5,525,665	14,357.445	40,899.205	55,256.650	98.43%	6,411.997	308.911	7,636.537
Uncommitted	87,863	525.060	353.570	878.630	1.57%	*	*	*
Grand Total	5,613,528	14,882.505	41,252.775	56,135.280	100.00%	6,411.997	308.911	7,636.537



## ANNEX 6B | STATEMENT OF ISDB VOTING POWER

COUNTRY	VOTING POWER	
	NO. OF VOTES	% VOTING
Saudi Arabia	1,138,443	23.92%
Libya	438,258	9.21%
Iran	394,146	8.28%
United Arab Emirates	361,729	7.60%
Nigeria	350,955	7.37%
Qatar	345,085	7.25%
Egypt	339,231	7.13%
Kuwait	327,379	6.88%
Türkiye	309,346	6.50%
Algeria	122,919	2.58%
Pakistan	122,047	2.56%
Indonesia	109,101	2.29%
Malaysia	78,385	1.65%
Bangladesh	48,756	1.02%
Morocco	24,790	0.52%
Yemen	24,219	0.51%
Jordan	21,393	0.45%
Sudan	21,213	0.45%
Senegal	14,160	0.30%
Oman	13,989	0.29%
Iraq	13,280	0.28%
Brunei	12,673	0.27%
Cameroon	12,237	0.26%
Burkina Faso	8,889	0.19%
Uganda	8,495	0.18%
Niger	7,942	0.17%
Bahrain	7,356	0.15%
Tunisia	7,111	0.15%
Benin	6,036	0.13%
Kazakhstan	5,610	0.12%
Azerbaijan	5,349	0.11%
Mali	5,308	0.11%
Gabon	4,795	0.10%
Guinea	4,105	0.09%
Mauritania	3,793	0.08%
Lebanon	3,782	0.08%
Maldives	2,961	0.06%
Kyrgyz	2,949	0.06%
Gambia	2,935	0.06%
Mozambique	2,922	0.06%
Tajikistan	2,178	0.05%
Togo	2,166	0.05%
Sierra Leone	2,108	0.04%
Palestine	2,042	0.04%
Syria	1,921	0.04%
Cote D'Ivoire	1,802	0.04%
Uzbekistan	1,774	0.04%
Comoros	1,664	0.03%
Afghanistan	1,493	0.03%
Chad	1,452	0.03%
Suriname	1,258	0.03%
Albania	1,241	0.03%
Somalia	996	0.02%
Turkmenistan	996	0.02%
Guinea-Bissau	967	0.02%
Djibouti	909	0.02%
Guyana	587	0.01%
Net Shortfall	*	*
Sub total	4,759,621	100.00%
Uncommitted	*	*
Grand Total	4,759,621	100.00%

## ANNEX 7A | SECTORAL DISTRIBUTION OF ISDB-OCR NET APPROVALS BY COUNTRY (2022)<sup>1</sup> (US\$ MILLION)

COUNTRY	AGRICULTURE	EDUCATION	ENERGY	HEALTH	INDUSTRY & MINING	INFORMATION & COMMUNICATIONS	TRANSPORTATION	WATER, SANITATION & URBAN SERVICES	OTHERS <sup>2</sup>	TOTAL
Afghanistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Albania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Algeria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bahrain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benin	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0
Brunei	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	8.8	6.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.3
Cameroon	90.1	34.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	124.8
Chad	0.0	0.0	0.0	18.9	0.0	0.0	0.0	0.0	10.0	28.9
Comoros	0.0	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0.0	20.0
Côte d'Ivoire	39.6	0.0	0.0	85.0	0.0	0.0	177.2	0.0	0.0	301.8
Djibouti	0.0	0.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	15.0
Egypt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gabon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gambia	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
Guinea	1.0	27.0	116.3	0.0	0.0	0.0	83.9	0.0	0.0	228.2
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0	15.8	0.0	0.0	15.8
Guyana	0.0	0.0	0.0	0.0	0.0	0.0	200.0	0.0	0.0	200.0
Indonesia	100.0	0.0	0.0	205.0	0.0	0.0	0.0	0.0	0.0	305.0
Iran	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iraq	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jordan	200.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	200.0
Kazakhstan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kuwait	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kyrgyz Republic	0.0	0.0	0.0	0.0	0.0	0.0	50.0	0.0	0.0	50.0
Lebanon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malaysia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maldives	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.8
Mali	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Mauritania	0.0	0.0	0.0	10.4	0.0	0.0	0.0	40.0	0.0	50.4
Morocco	20.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.4
Mozambique	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Niger	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Nigeria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pakistan	0.0	0.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0	100.0
Palestine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Qatar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Saudi Arabia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Senegal	59.2	0.0	0.0	30.1	0.0	0.0	270.0	0.0	0.0	359.4
Sierra Leone	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Somalia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sudan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Suriname	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Syria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tajikistan	0.0	9.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.5
Togo	0.0	0.0	0.0	27.8	0.0	0.0	0.0	16.0	0.0	43.8
Tunisia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Türkiye	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.9	5.9
Turkmenistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
U.A.E.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uganda	0.0	0.0	100.0	0.0	0.0	0.0	295.0	0.0	0.0	395.0
Uzbekistan	260.0	30.0	104.0	0.0	0.0	0.0	106.7	0.0	0.0	500.7
Yemen	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>IsDB-57</b>	<b>807.7</b>	<b>107.7</b>	<b>370.3</b>	<b>462.3</b>	<b>0.0</b>	<b>0.0</b>	<b>1,198.6</b>	<b>56.0</b>	<b>15.9</b>	<b>3,018.4</b>

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2022.

<sup>2</sup> Others include Finance, Public Administration, Real Estate and Trade related activities.

**SOURCE:** Economic Research & Statistics, IsDBI.



## ANNEX 7B | SECTORAL DISTRIBUTION OF ISDB-OCR NET APPROVALS BY COUNTRY (1975-2022)<sup>1</sup> (US\$ MILLION)

COUNTRY	AGRICULTURE	EDUCATION	ENERGY	HEALTH	INDUSTRY & MINING	INFORMATION & COMMUNICATIONS	TRANSPORTATION	WATER, SANITATION & URBAN SERVICES	OTHERS <sup>2</sup>	TOTAL
Afghanistan	10.0	0.0	17.7	0.0	0.0	0.0	114.2	0.0	0.0	142.0
Albania	37.9	0.0	0.0	17.3	0.0	0.0	532.9	26.9	22.1	637.1
Algeria	50.5	0.0	153.9	0.0	64.2	0.0	31.4	156.1	5.4	461.5
Azerbaijan	112.7	0.0	497.0	19.3	0.0	0.0	45.5	264.9	10.8	950.2
Bahrain	0.0	0.0	545.5	0.0	24.7	0.0	144.7	540.7	97.8	1,353.3
Bangladesh	152.9	91.9	806.8	132.3	199.5	104.0	105.3	160.8	7.2	1,760.6
Benin	60.3	56.1	153.4	134.4	0.0	26.5	306.8	122.0	5.0	864.3
Brunei	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.2	6.2
Burkina Faso	255.1	83.0	147.4	44.1	27.7	0.0	391.3	67.6	1.7	1,017.9
Cameroon	390.2	80.8	52.2	112.0	0.0	0.0	480.6	54.4	7.5	1,177.7
Chad	123.4	51.4	47.9	72.1	3.8	0.0	528.6	50.8	16.4	894.4
Comoros	1.0	0.0	0.0	20.0	1.8	0.0	7.6	0.0	0.0	30.4
Côte d'Ivoire	135.3	385.6	0.0	161.7	0.0	0.0	745.7	496.8	0.0	1,925.1
Djibouti	7.3	12.5	19.3	126.0	0.0	55.3	54.9	0.0	0.7	276.1
Egypt	48.8	25.0	1,819.6	43.8	94.1	0.0	25.6	50.7	79.5	2,187.0
Gabon	0.0	18.2	0.0	4.5	0.0	60.0	332.8	57.8	0.0	473.4
Gambia	73.2	34.5	48.6	11.5	28.0	27.3	69.4	9.9	1.9	304.3
Guinea	139.1	67.1	352.6	107.9	3.5	0.0	489.4	111.4	8.7	1,279.7
Guinea-Bissau	0.3	17.0	0.0	12.0	0.4	0.0	17.3	0.0	0.0	47.0
Guyana	0.0	0.0	34.6	0.0	0.0	0.0	200.0	0.0	0.0	234.6
Indonesia	1,019.3	1,039.1	374.6	609.8	40.7	11.3	597.1	100.0	204.4	3,996.2
Iran	524.3	55.6	606.9	166.7	319.4	0.0	75.3	1,095.7	26.7	2,870.6
Iraq	22.0	17.0	0.0	20.5	5.5	0.0	0.0	0.0	0.0	65.0
Jordan	205.4	66.2	214.5	192.8	187.1	23.8	172.8	7.8	28.5	1,098.9
Kazakhstan	143.0	0.0	0.0	11.5	0.0	9.0	315.6	9.5	140.0	628.5
Kuwait	0.0	0.0	4.2	0.0	0.0	0.0	0.0	0.0	54.3	58.5
Kyrgyz Republic	36.3	0.0	95.2	4.9	8.0	0.0	181.6	15.0	0.0	340.9
Lebanon	0.0	241.5	30.0	160.2	0.0	12.5	269.1	564.9	0.0	1,278.1
Libya	22.3	0.0	48.2	0.0	118.4	22.0	66.2	0.0	0.0	277.0
Malaysia	6.2	196.9	0.0	79.5	2.0	0.0	175.4	0.0	45.0	505.0
Maldives	8.8	0.0	0.0	39.2	0.0	0.0	62.3	37.1	13.7	160.9
Mali	315.2	17.4	323.0	32.9	38.7	0.0	193.5	114.3	0.0	1,035.1
Mauritania	119.3	57.6	202.5	40.0	84.2	0.0	198.3	175.3	3.8	881.0
Morocco	255.5	5.1	1,026.6	43.2	32.8	16.0	809.2	430.0	30.9	2,649.3
Mozambique	37.6	25.6	309.5	39.4	0.0	0.0	30.7	0.0	0.0	442.7
Niger	132.2	76.3	146.9	56.7	7.8	8.0	171.0	19.4	6.3	624.7
Nigeria	246.8	96.3	30.9	133.2	0.0	50.0	166.6	146.0	7.8	877.5
Oman	9.1	134.0	252.9	10.5	142.4	0.0	596.4	938.9	0.0	2,084.2
Pakistan	32.0	88.5	1,158.0	544.0	177.3	0.0	482.5	4.9	100.7	2,588.1
Palestine	0.0	26.1	1.4	22.1	1.2	0.0	5.0	0.0	0.5	56.3
Qatar	0.0	4.5	0.0	49.1	29.3	0.0	0.0	225.0	0.0	307.9
Saudi Arabia	0.0	1.7	233.5	14.0	725.0	0.0	100.0	42.5	178.6	1,295.3
Senegal	399.2	54.4	410.0	97.6	22.9	0.0	1,260.9	546.6	109.3	2,900.8
Sierra Leone	95.9	11.2	10.4	40.5	9.1	29.5	29.6	14.1	0.0	240.3
Somalia	0.0	2.0	0.5	0.0	0.0	0.0	7.5	3.0	5.2	18.2
Sudan	383.3	67.0	152.0	73.1	82.7	0.0	60.1	101.6	41.6	961.3
Suriname	0.0	41.1	41.3	43.5	0.0	0.0	20.5	0.0	0.0	146.4
Syria	26.7	0.0	235.7	25.0	15.0	0.0	0.0	51.3	9.1	362.8
Tajikistan	50.7	88.5	108.3	33.0	0.0	0.0	91.6	11.3	1.0	384.3
Togo	29.4	57.5	46.2	44.9	0.0	0.0	135.4	59.9	0.0	373.2
Tunisia	183.3	84.9	1,251.7	63.7	146.2	0.0	9.0	226.5	27.9	1,993.1
Türkiye	17.5	213.6	751.0	459.4	152.1	0.0	1,179.0	67.0	958.6	3,798.2
Turkmenistan	0.0	5.3	350.0	25.6	0.0	288.1	503.2	0.0	0.0	1,172.1
U.A.E.	0.0	0.0	110.0	54.2	105.2	0.9	60.0	0.0	20.0	350.2
Uganda	196.1	80.7	335.1	42.2	6.6	0.0	743.0	16.5	12.1	1,432.4
Uzbekistan	905.6	107.0	307.1	392.5	20.0	0.0	454.7	92.9	75.0	2,354.8
Yemen	105.2	56.4	53.2	10.2	0.7	0.0	46.7	29.9	18.5	320.7
<b>IsDB-57</b>	<b>7,126.4</b>	<b>3,942.1</b>	<b>13,917.2</b>	<b>4,694.2</b>	<b>2,928.1</b>	<b>744.3</b>	<b>13,893.7</b>	<b>7,317.4</b>	<b>2,390.2</b>	<b>56,953.6</b>

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2022.

<sup>2</sup> Others include Finance, Public Administration, Real Estate and Trade related activities.

SOURCE: Economic Research & Statistics, IsDBI.

ANNEX 8A | ISDB GROUP NET APPROVALS BY COUNTRY AND ENTITY<sup>1</sup> (ID MILLION)

COUNTRY	2022 APPROVALS BY ENTITY					SHARE IN NET APPROVALS SINCE INCEPTION (%)
	ISDB-OCR	ICD	ITFC	OTHERS <sup>2</sup>	TOTAL	
Afghanistan	0.0	0.0	0.0	0.7	0.7	0.1
Albania	0.0	0.0	0.0	0.0	0.0	0.4
Algeria	0.0	0.0	0.0	0.2	0.2	1.9
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.6
Bahrain	0.0	0.0	0.0	0.0	0.0	1.0
Bangladesh	0.0	52.6	962.5	0.7	1,015.8	14.0
Benin	8.7	0.0	0.0	1.8	10.4	0.6
Brunei	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	11.4	0.0	372.5	8.3	392.2	2.3
Cameroon	90.1	11.3	126.3	0.0	227.6	1.6
Chad	20.8	0.0	0.0	7.7	28.5	0.6
Comoros	15.7	0.0	78.0	0.0	93.7	0.4
Côte d'Ivoire	227.9	23.6	41.4	0.0	292.9	1.4
Djibouti	10.7	0.0	169.1	0.1	179.8	1.0
Egypt	0.0	30.1	1,778.4	0.3	1,808.8	11.0
Gabon	0.0	0.0	0.0	0.0	0.0	0.3
Gambia	4.5	0.0	27.1	0.4	31.9	0.6
Guinea	168.9	0.0	0.0	0.8	169.7	0.9
Guinea-Bissau	11.5	0.0	0.0	0.0	11.5	0.0
Guyana	154.4	0.0	0.0	0.0	154.4	0.2
Indonesia	235.6	0.0	36.1	0.0	271.7	3.7
Iran	0.0	0.0	0.0	0.0	0.0	3.5
Iraq	0.0	0.0	0.0	0.0	0.0	0.3
Jordan	152.5	0.0	0.0	0.0	152.5	1.8
Kazakhstan	0.0	0.0	0.0	0.0	0.0	0.9
Kuwait	0.0	0.0	0.0	0.0	0.0	0.6
Kyrgyz Republic	37.9	0.0	0.0	0.2	38.2	0.3
Lebanon	0.0	0.0	0.0	0.0	0.0	0.9
Libya	0.0	0.0	0.0	0.3	0.3	0.5
Malaysia	0.0	0.0	0.0	0.0	0.0	0.6
Maldives	6.5	0.0	420.0	1.3	427.9	1.2
Mali	0.6	18.8	0.0	0.7	20.0	1.2
Mauritania	36.0	0.0	22.5	1.4	59.9	1.1
Morocco	12.0	0.0	0.0	0.4	12.4	4.0
Mozambique	0.0	0.0	0.0	0.1	0.1	0.3
Niger	0.7	0.0	0.0	1.5	2.2	0.6
Nigeria	0.0	33.8	41.3	0.2	75.3	1.1
Oman	0.0	0.0	0.0	0.0	0.0	1.3
Pakistan	73.4	0.0	211.1	0.9	285.5	8.9
Palestine	0.0	0.0	0.0	19.9	19.9	0.3
Qatar	0.0	0.0	0.0	0.0	0.0	0.2
Saudi Arabia	0.0	22.5	0.0	0.0	22.5	3.1
Senegal	275.1	19.9	235.1	1.1	531.2	2.9
Sierra Leone	0.0	0.0	0.0	0.0	0.0	0.2
Somalia	0.0	0.0	0.0	0.1	0.1	0.1
Sudan	0.0	0.0	0.0	0.2	0.2	1.0
Suriname	0.0	0.0	0.0	0.0	0.0	0.2
Syria	0.0	0.0	0.0	0.0	0.0	0.4
Tajikistan	7.0	0.0	13.5	0.0	20.6	0.4
Togo	33.4	0.0	35.6	4.4	73.4	0.5
Tunisia	0.0	0.0	159.9	0.0	159.9	3.3
Türkiye	4.5	0.0	0.0	0.0	4.5	7.2
Turkmenistan	0.0	0.0	48.8	0.1	49.0	0.7
U.A.E.	0.0	0.0	0.0	1.5	1.5	0.7
Uganda	303.3	37.6	7.5	7.5	355.9	1.0
Uzbekistan	381.4	137.4	140.5	0.0	659.3	2.0
Yemen	0.0	0.0	0.0	1.4	1.4	0.6
Non-Member Countries	0.0	0.0	3.8	1.0	4.8	0.5
Regional Projects	18.8	37.6	187.9	2.8	247.0	3.3
<b>Net Approvals</b>	<b>2,303.2</b>	<b>425.2</b>	<b>5,118.9</b>	<b>68.0</b>	<b>7,915.3</b>	<b>100</b>

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2022.<sup>2</sup> Comprised of APIF, Economic Empowerment, EFS, IBP, ICD Funds, ISFD, ITFO, SAO, STI, Trust Funds and WAQF.

SOURCE: Economic Research &amp; Statistics, IsDBI.



## ANNEX 8B | ISDB GROUP NET APPROVALS BY COUNTRY AND ENTITY<sup>1</sup> (US\$ MILLION)

COUNTRY	2022 APPROVALS BY ENTITY					SHARE IN NET APPROVALS SINCE INCEPTION (%)
	IsDB-OCR	ICD	ITFC	OTHERS <sup>2</sup>	TOTAL	
Afghanistan	0.0	0.0	0.0	1.0	1.0	0.1
Albania	0.0	0.0	0.0	0.0	0.0	0.4
Algeria	0.0	0.0	0.0	0.3	0.3	1.8
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.7
Bahrain	0.0	0.0	0.0	0.0	0.0	1.0
Bangladesh	0.0	70.0	1,281.0	0.9	1,351.9	14.3
Benin	12.0	0.0	0.0	2.4	14.4	0.6
Brunei	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	15.3	0.0	495.7	11.8	522.8	2.2
Cameroon	124.8	15.0	168.1	0.0	307.8	1.5
Chad	28.9	0.0	0.0	10.2	39.1	0.6
Comoros	20.0	0.0	103.8	0.0	123.8	0.4
Côte d'Ivoire	301.8	31.4	55.1	0.0	388.3	1.5
Djibouti	15.0	0.0	225.0	0.1	240.1	1.0
Egypt	0.0	40.0	2,366.8	0.4	2,407.2	10.9
Gabon	0.0	0.0	0.0	0.0	0.0	0.3
Gambia	6.0	0.0	36.0	0.5	42.5	0.6
Guinea	228.2	0.0	0.0	1.0	229.3	0.9
Guinea-Bissau	15.8	0.0	0.0	0.0	15.8	0.0
Guyana	200.0	0.0	0.0	0.0	200.0	0.1
Indonesia	305.0	0.0	48.0	0.0	353.0	3.7
Iran	0.0	0.0	0.0	0.0	0.0	3.6
Iraq	0.0	0.0	0.0	0.0	0.0	0.3
Jordan	200.0	0.0	0.0	0.0	200.0	1.7
Kazakhstan	0.0	0.0	0.0	0.0	0.0	1.0
Kuwait	0.0	0.0	0.0	0.0	0.0	0.6
Kyrgyz Republic	50.0	0.0	0.0	0.3	50.3	0.3
Lebanon	0.0	0.0	0.0	0.0	0.0	0.9
Libya	0.0	0.0	0.0	0.3	0.3	0.4
Malaysia	0.0	0.0	0.0	0.0	0.0	0.6
Maldives	8.8	0.0	559.0	1.8	569.6	1.2
Mali	0.8	25.0	0.0	0.9	26.7	1.2
Mauritania	50.4	0.0	30.0	1.9	82.3	1.1
Morocco	20.4	0.0	0.0	0.6	21.0	4.0
Mozambique	0.0	0.0	0.0	0.1	0.1	0.3
Niger	1.0	0.0	0.0	1.9	2.9	0.6
Nigeria	0.0	45.0	55.0	0.3	100.3	1.1
Oman	0.0	0.0	0.0	0.0	0.0	1.2
Pakistan	100.0	0.0	281.0	1.2	382.2	8.7
Palestine	0.0	0.0	0.0	28.0	28.0	0.3
Qatar	0.0	0.0	0.0	0.0	0.0	0.2
Saudi Arabia	0.0	30.0	0.0	0.0	30.0	3.2
Senegal	359.4	26.5	312.8	1.5	700.2	2.9
Sierra Leone	0.0	0.0	0.0	0.0	0.0	0.2
Somalia	0.0	0.0	0.0	0.2	0.2	0.1
Sudan	0.0	0.0	0.0	0.2	0.2	1.0
Suriname	0.0	0.0	0.0	0.0	0.0	0.2
Syria	0.0	0.0	0.0	0.0	0.0	0.3
Tajikistan	9.5	0.0	18.0	0.0	27.5	0.4
Togo	43.8	0.0	47.4	5.9	97.1	0.5
Tunisia	0.0	0.0	212.8	0.0	212.8	3.3
Türkiye	5.9	0.0	0.0	0.0	5.9	7.1
Turkmenistan	0.0	0.0	65.0	0.2	65.2	0.7
U.A.E.	0.0	0.0	0.0	2.0	2.0	0.7
Uganda	395.0	50.0	10.0	10.1	465.1	1.0
Uzbekistan	500.7	182.9	187.0	0.0	870.6	2.0
Yemen	0.0	0.0	0.0	2.0	2.0	0.6
Non-Member Countries	0.0	0.0	5.0	1.4	6.4	0.6
Regional Projects	25.0	50.0	250.0	3.8	328.8	3.3
<b>Net Approvals</b>	<b>3,043.4</b>	<b>565.8</b>	<b>6,812.5</b>	<b>93.1</b>	<b>10,514.9</b>	<b>100</b>

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2022.

<sup>2</sup> Comprised of APIF, Economic Empowerment, EFS, IBP, ICD Funds, ISFD, ITFO, SAO, STI, Trust Funds and WAQF.

SOURCE: Economic Research & Statistics, IsDBI.

## ANNEX 9 | CUMULATIVE ISDB GROUP OPERATIONS BY MAJOR MODE OF FINANCING (1975-2022)<sup>1</sup>

COUNTRY	PROJECT FINANCING			TECHNICAL ASSISTANCE OPERATIONS			TRADE FINANCING			SPECIAL ASSISTANCE OPERATIONS			GRAND TOTAL <sup>2</sup>		
	NO.	ID M.	\$ M.	NO.	ID M.	\$ M.	NO.	ID M.	\$ M.	NO.	ID M.	\$ M.	NO.	ID M.	\$ M.
Afghanistan	9	97.5	142.0	13	2.0	3.0	0	0.0	0.0	18	9.5	13.4	40	109.0	158.4
Albania	29	427.2	644.7	6	1.4	2.0	2	4.8	7.2	3	0.4	0.5	40	433.8	654.4
Algeria	29	365.6	488.5	13	2.0	2.6	347	1,932.5	2,493.0	7	4.4	5.6	396	2,304.4	2,989.8
Azerbaijan	34	664.1	1,012.4	20	2.7	3.9	18	107.2	160.8	3	1.4	2.0	75	775.4	1,179.1
Bahrain	46	945.2	1,401.1	23	2.4	3.5	25	255.9	375.4	0	0.0	0.0	94	1,203.6	1,780.1
Bangladesh	105	1,417.5	2,078.6	53	69.0	96.0	331	15,251.3	22,182.8	18	47.4	61.9	507	16,785.2	24,419.3
Benin	61	647.3	919.9	22	3.7	5.2	10	113.1	159.9	1	1.3	1.4	94	765.3	1,086.4
Brunei	2	7.2	9.9	1	0.0	0.0	0	0.0	0.0	0	0.0	0.0	3	7.2	9.9
Burkina Faso	109	753.9	1,084.3	39	11.0	15.5	44	1,956.0	2,726.7	7	7.9	8.8	199	2,728.9	3,835.2
Cameroon	73	841.2	1,212.9	19	2.0	2.8	29	1,021.0	1,419.3	3	1.3	1.7	124	1,865.6	2,636.7
Chad	68	664.6	972.3	43	5.2	7.2	4	30.2	42.3	11	10.0	11.2	126	710.0	1,032.9
Comoros	7	26.4	33.9	26	4.4	6.5	37	401.8	557.0	4	3.2	4.3	74	435.8	601.7
Côte d'Ivoire	59	1,358.7	1,955.8	10	0.8	1.2	15	367.1	515.2	5	0.9	1.2	89	1,727.5	2,473.4
Djibouti	45	232.0	334.4	24	3.0	4.2	33	956.4	1,328.0	11	1.7	2.4	113	1,193.0	1,668.9
Egypt	88	1,585.4	2,375.6	29	4.3	6.1	252	11,537.3	16,225.1	8	1.7	2.4	377	13,128.6	18,609.2
Gabon	18	326.9	473.4	3	0.3	0.3	1	18.8	25.2	0	0.0	0.0	22	346.0	499.0
Gambia	59	238.9	348.8	33	3.2	4.5	60	493.9	708.6	3	1.5	1.9	155	737.5	1,063.7
Guinea	114	1,009.3	1,400.6	41	14.1	20.1	7	42.0	53.8	8	6.5	8.6	170	1,071.9	1,483.1
Guinea-Bissau	8	38.4	53.0	14	2.1	2.9	3	13.1	17.0	3	1.1	1.3	28	54.7	74.2
Guyana	3	179.3	234.6	7	0.3	0.4	0	0.0	0.0	3	0.4	0.5	13	180.0	235.6
Indonesia	121	2,837.6	4,073.7	36	4.5	6.5	178	1,555.0	2,225.4	5	3.6	5.4	340	4,400.8	6,311.1
Iran	67	2,021.9	3,016.4	22	1.8	2.7	327	2,136.8	3,057.7	10	10.9	15.1	426	4,171.3	6,091.9
Iraq	5	51.1	65.0	10	1.4	2.0	59	319.3	369.1	13	3.9	5.4	87	375.7	441.5
Jordan	67	857.4	1,176.9	34	3.9	5.5	339	1,316.0	1,780.8	1	0.2	0.3	441	2,177.5	2,963.4
Kazakhstan	20	462.8	672.5	19	2.1	3.0	25	659.1	984.0	5	1.3	1.9	69	1,125.3	1,661.4
Kuwait	11	72.2	106.8	25	2.0	2.8	24	591.1	864.0	3	5.5	7.3	63	670.7	980.9
Kyrgyz Republic	39	285.4	422.3	22	4.1	6.3	7	28.0	40.0	7	1.7	2.4	75	319.1	470.9
Lebanon	61	932.5	1,333.9	11	1.0	1.5	9	152.1	212.1	19	7.4	10.6	100	1,093.0	1,558.2
Libya	16	229.3	326.0	12	3.1	4.4	15	320.1	419.9	6	3.4	4.9	49	556.0	755.2
Malaysia	31	394.0	563.6	25	1.9	2.7	85	261.6	361.4	5	8.5	11.4	146	666.0	939.2
Maldives	32	148.7	208.2	10	1.1	1.6	37	1,323.2	1,840.0	3	0.6	0.8	82	1,473.6	2,050.7
Mali	106	819.7	1,166.7	31	6.2	8.6	27	574.3	813.3	11	14.7	16.5	175	1,414.9	2,005.0
Mauritania	96	659.6	978.9	48	6.9	9.5	32	636.7	915.2	7	9.5	11.1	183	1,312.7	1,914.8
Morocco	68	1,847.0	2,703.7	51	7.4	10.7	126	2,897.9	4,123.4	4	1.1	1.5	249	4,753.4	6,839.3
Mozambique	25	326.2	461.4	14	2.1	3.3	5	48.3	70.0	6	2.4	2.5	50	379.0	537.2
Niger	82	484.2	699.6	56	56.1	81.7	24	144.2	189.8	18	10.0	11.5	180	694.5	982.6
Nigeria	33	644.8	943.2	28	12.7	17.7	39	616.2	894.7	28	5.5	7.5	128	1,279.2	1,863.2
Oman	40	1,505.0	2,084.2	8	1.2	1.7	2	3.7	5.0	2	0.4	0.5	52	1,510.2	2,091.4
Pakistan	95	1,928.7	2,834.6	35	22.6	31.5	296	8,653.5	11,926.1	12	10.3	13.9	438	10,615.1	14,806.1
Palestine	26	84.7	116.8	128	248.8	350.2	3	4.0	6.0	44	42.8	49.5	201	380.3	522.6
Qatar	11	210.4	324.3	1	0.1	0.1	6	33.8	54.1	0	0.0	0.0	18	244.3	378.5
Saudi Arabia	94	1,240.5	1,840.5	45	4.2	6.0	308	2,485.4	3,686.7	3	0.2	0.3	450	3,730.3	5,533.5
Senegal	150	2,172.1	3,089.0	44	6.6	9.5	71	1,340.5	1,857.0	7	13.3	14.5	272	3,532.4	4,970.0
Sierra Leone	47	211.7	309.3	24	8.4	12.0	4	18.1	26.0	4	2.6	3.5	79	240.8	350.8
Somalia	5	14.7	18.2	18	8.7	13.0	4	35.9	46.2	56	32.7	48.0	83	92.1	125.4
Sudan	100	791.0	1,169.4	42	27.7	39.1	38	328.1	462.6	22	21.4	25.7	202	1,168.2	1,696.7
Suriname	16	121.2	165.8	12	0.7	1.0	5	65.4	92.0	3	0.1	0.2	36	187.5	259.0
Syria	29	293.7	407.2	20	8.1	11.8	27	135.1	169.3	14	3.2	4.5	90	440.1	592.8
Tajikistan	40	296.0	429.8	26	4.2	6.1	21	163.8	235.0	7	0.9	1.2	94	464.8	672.1
Togo	39	295.7	416.6	9	1.6	2.3	16	293.3	413.3	2	1.3	1.5	66	591.9	833.7
Tunisia	71	1,410.1	2,052.8	25	4.7	6.9	180	2,535.7	3,507.1	4	3.2	4.2	280	3,953.7	5,571.0
Türkiye	101	2,702.4	3,848.5	37	2.9	4.1	398	5,955.3	8,255.6	8	16.6	21.3	544	8,677.1	12,129.5
Turkmenistan	13	810.2	1,172.1	7	1.0	1.5	5	62.5	85.0	1	0.2	0.3	26	873.9	1,258.9
U.A.E.	26	312.0	437.2	21	9.4	13.6	35	494.0	706.9	0	0.0	0.0	82	815.4	1,157.7
Uganda	50	1,074.8	1,501.8	38	4.8	6.9	10	94.4	126.2	8	2.7	3.6	106	1,176.7	1,638.4
Uzbekistan	47	1,694.2	2,435.9	18	2.1	3.0	63	688.0	961.1	6	1.0	1.5	134	2,385.2	3,401.4
Yemen	59	357.8	529.1	30	18.5	26.0	44	379.0	451.2	10	21.4	29.2	143	776.8	1,035.5
Non-Member Countries	42	178.4	254.1	18	5.7	8.6	27	238.8	367.8	1,044	222.3	308.0	1,131	645.2	938.5
Regional Projects	53	1,355.8	1,924.9	862	871.6	1,278.2	17	1,138.2	1,588.0	337	581.9	879.9	1,269	3,947.5	5,671.0
<b>Net Approvals</b>	<b>3,000</b>	<b>43,961.9</b>	<b>63,457.9</b>	<b>2,361</b>	<b>1,515.8</b>	<b>2,191.4</b>	<b>4,156</b>	<b>73,228.9</b>	<b>103,186.4</b>	<b>1,861</b>	<b>1,169.1</b>	<b>1,656.4</b>	<b>11,378</b>	<b>119,875.8</b>	<b>170,492.1</b>
<b>Gross Approvals</b>	<b>3,639</b>	<b>53,686.4</b>	<b>77,391.4</b>	<b>2,583</b>	<b>1,779.3</b>	<b>2,578.8</b>	<b>4,374</b>	<b>75,061.0</b>	<b>105,720.5</b>	<b>2,079</b>	<b>1,273.3</b>	<b>1,805.0</b>	<b>12,675</b>	<b>131,800.0</b>	<b>187,495.6</b>

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2022. <sup>2</sup> Figures are net of cancellation (unless otherwise specified) and include APiF, Economic Empowerment, EFS, IBP, ICD Funds, ISFD, ITFO, SAO, STI, Trust Funds and WAQF. **SOURCE:** Economic Research & Statistics, ISDBI.





## ANNEX 10A | APPROVALS BY ENTITIES AND MODES OF FINANCING (1975-2022)<sup>1</sup> (ID MILLION)

	2019	2020	2021	2022	GRAND TOTAL <sup>2</sup>
<b>A. IsDB OCR</b>					
Loan	69.2	82.7	103.3	184.1	5,274.1
Equity	12.3	18.5	7.0	23.3	1,341.9
Leasing	69.2	150.2	70.9	312.4	7,677.2
Instalment Sale	826.9	867.2	1,181.7	1,783.4	10,420.1
Combined Lines of Financing	0.0	0.0	0.0	0.0	238.6
Profit Sharing (Musharaka)	0.0	0.0	0.0	0.0	112.2
Istisna'a	152.5	61.3	38.4	0.0	14,375.3
Mudaraba	3.8	0.0	0.0	0.0	730.4
Technical Assistance	0.0	0.0	0.0	0.0	0.0
<b>Sub-Total</b>	<b>1,133.8</b>	<b>1,179.9</b>	<b>1,401.3</b>	<b>2,303.2</b>	<b>40,169.8</b>
<b>B. ICD</b>					
Equity	13.8	9.4	11.1	0.0	978.6
Leasing	0.0	6.9	0.0	58.6	545.8
Instalment Sale	0.0	0.0	0.0	0.0	84.2
Istisna'a	47.0	5.6	0.0	0.0	76.1
Mudaraba	10.8	0.0	0.0	0.0	10.8
Trade (Murabaha)	35.0	190.9	162.9	366.6	2,796.9
<b>Sub-Total</b>	<b>106.7</b>	<b>212.9</b>	<b>174.1</b>	<b>425.2</b>	<b>4,492.4</b>
<b>C. ITFC</b>					
<b>Murabaha</b>	<b>4,176.0</b>	<b>3,236.6</b>	<b>4,590.4</b>	<b>5,118.9</b>	<b>47,072.0</b>
<b>D. OTHERS</b>					
ICD Funds	0.0	0.0	0.0	0.0	674.5
APIF	13.8	13.7	14.7	0.0	125.2
Economic Empowerment	0.0	0.7	1.1	0.0	1.8
STI	4.7	1.6	0.0	0.0	6.4
Special Assistance Operations	0.7	1.4	6.7	2.1	622.8
ISFD	57.3	56.0	53.3	36.2	838.2
Trust Funds	100.3	80.6	65.7	22.7	2,185.2
WAQF	9.7	8.6	6.3	7.0	545.0
Pre-ITFC trade (EFS, IBP, ITFO)	0.0	0.0	0.0	0.0	23,142.4
<b>Sub-Total</b>	<b>186.5</b>	<b>162.7</b>	<b>148.0</b>	<b>68.0</b>	<b>28,141.6</b>
<b>Grand Total</b>	<b>5,603.0</b>	<b>4,792.0</b>	<b>6,313.7</b>	<b>7,915.3</b>	<b>119,875.8</b>
<b>MEMO:</b>					
<b>E. ICIEC OPERATION FOR THE LAST FIVE YEARS AND TOTAL SINCE INCEPTION (ID MILLION)</b>					
	2019	2020	2021	2022	Grand Total <sup>2</sup>
New Commitments	3,272.9	2,676.2	2,242.7	3,009.5	39,634.3
Business Insured	7,856.6	6,846.2	7,000.2	8,748.4	67,135.6
<b>IsDB-OCR RESOURCES AND FINANCE (AT YEAR'S END, ID MILLION)</b>					
	2019	2020	2021	2022	
Total Assets	23,573.9	24,421.9	26,026.7	27,057.6	
Gross Income (net of Ijarah depreciation) <sup>3</sup>	621.8	592.8	563.5	683.9	
Net Income	140.4	116.2	106.9	173.1	
General Reserves	2,949.7	2,994.5	3,074.6	3,168.0	
Fair Value Reserves	325.7	279.0	382.3	328.5	
Subscribed Capital	50,225.3	50,260.5	50,260.5	55,256.7	
Approved Administrative budget*	159.3	154.4	149.6	148.8	
Actual Administrative budget*	139.3	141.9	135.7	152.3	

\* Include Trust Funds (i.e Al-Quds and Al-Aqsa Funds)

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2022.

<sup>2</sup> Cumulative approvals since inception in 1975.

<sup>3</sup> Gross income is adjusted for depreciation so that the reported figure could be easily reconciled with the audited financial statements.

**SOURCE:** Economic Research & Statistics, IsDBI.

The conversion rates for the various years are as follows:

2019 1ID = \$1.38283      2020 1ID = \$1.44027      2021 1ID = \$1.39959

2022 1ID = \$1.33084      1975-2022 1ID = \$1.42224 (approximation only)

## ANNEX 10B | APPROVALS BY ENTITIES AND MODES OF FINANCING (1975-2022)<sup>1</sup> (US\$ MILLION)

	2019	2020	2021	2022	GRAND TOTAL <sup>2</sup>
<b>A. IsDB OCR</b>					
Loan	95.4	114.4	146.6	248.1	7,472.8
Equity	17.0	26.6	9.8	30.9	1,954.6
Leasing	95.7	220.0	100.6	405.0	11,162.5
Instalment Sale	1,141.6	1,215.3	1,677.8	2,359.4	14,644.0
Combined Lines of Financing	0.0	0.0	0.0	0.0	344.3
Profit Sharing (Musharaka)	0.0	0.0	0.0	0.0	168.3
Istisna'a	219.4	81.6	51.4	0.0	21,219.4
Mudaraba	5.0	0.0	0.0	0.0	1,060.0
Technical Assistance	0.0	0.0	0.0	0.0	0.1
<b>Sub-Total</b>	<b>1,574.1</b>	<b>1,657.9</b>	<b>1,986.2</b>	<b>3,043.4</b>	<b>58,026.1</b>
<b>B. ICD</b>					
Equity	19.1	13.6	15.6	0.0	1,448.7
Leasing	0.0	10.0	0.0	77.9	788.8
Instalment Sale	0.0	0.0	0.0	0.0	125.2
Istisna'a	65.0	8.0	0.0	0.0	105.4
Mudaraba	15.0	0.0	0.0	0.0	15.0
Trade (Murabaha)	48.4	275.0	228.0	487.9	3,945.5
<b>Sub-Total</b>	<b>147.5</b>	<b>306.6</b>	<b>243.6</b>	<b>565.8</b>	<b>6,428.5</b>
<b>C. ITFC</b>					
<b>Murabaha</b>	<b>5,774.7</b>	<b>4,661.6</b>	<b>6,424.7</b>	<b>6,812.5</b>	<b>67,490.4</b>
<b>D. OTHERS</b>					
ICD Funds	0.0	0.0	0.0	0.0	992.2
APIF	19.1	18.9	21.0	0.0	182.4
Economic Empowerment	0.0	1.0	1.6	0.0	2.6
STI	6.5	2.3	0.0	0.0	8.8
Special Assistance Operations	1.0	1.9	9.7	2.7	830.0
ISFD	79.2	78.2	75.4	49.2	1,207.8
Trust Funds	138.7	111.4	92.7	31.8	3,125.8
WAQF	13.6	12.0	8.9	9.5	784.0
Pre-ITFC trade (EFS, IBP, ITFO)	0.0	0.0	0.0	0.0	31,413.4
<b>Sub-Total</b>	<b>258.2</b>	<b>225.8</b>	<b>209.3</b>	<b>93.1</b>	<b>38,547.0</b>
<b>Grand Total</b>	<b>7,754.5</b>	<b>6,851.9</b>	<b>8,863.7</b>	<b>10,514.9</b>	<b>170,492.1</b>
<b>MEMO:</b>					
<b>E. ICIEC OPERATION FOR THE LAST FIVE YEARS AND TOTAL SINCE INCEPTION (US\$ MILLION)</b>					
	2019	2020	2021	2022	Grand Total <sup>2</sup>
New Commitments	4,525.8	3,854.5	3,138.9	4,005.1	57,054.7
Business Insured	10,864.3	9,860.4	9,797.4	11,642.7	94,952.2

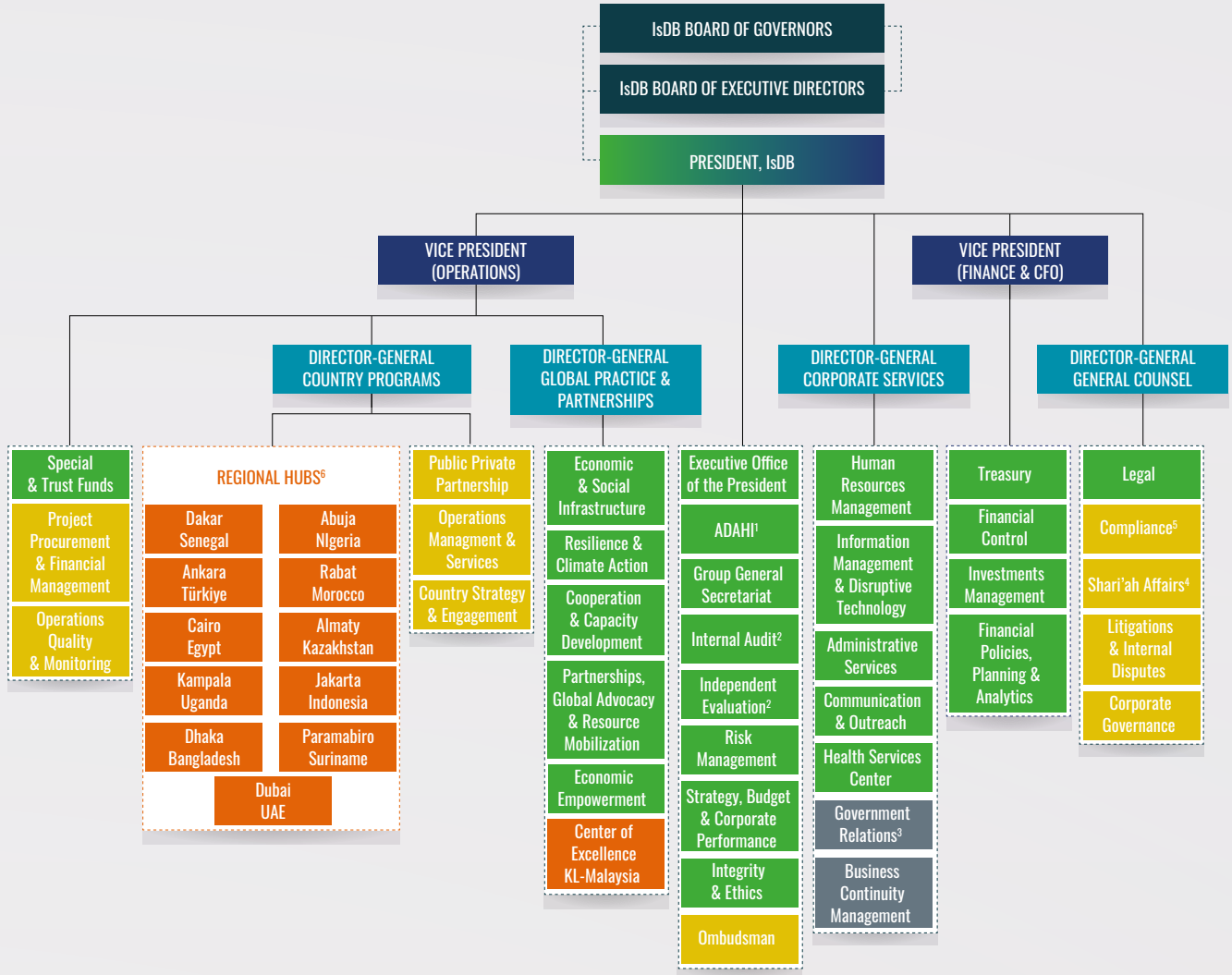
<sup>1</sup> Cut-off date for data reported in this table was 31 December 2022.

<sup>2</sup> Cumulative approvals since inception in 1975.

**SOURCE:** Economic Research & Statistics, IsDBI.



# ANNEX 11 | ISDB OVERALL ORGANIZATIONAL STRUCTURE

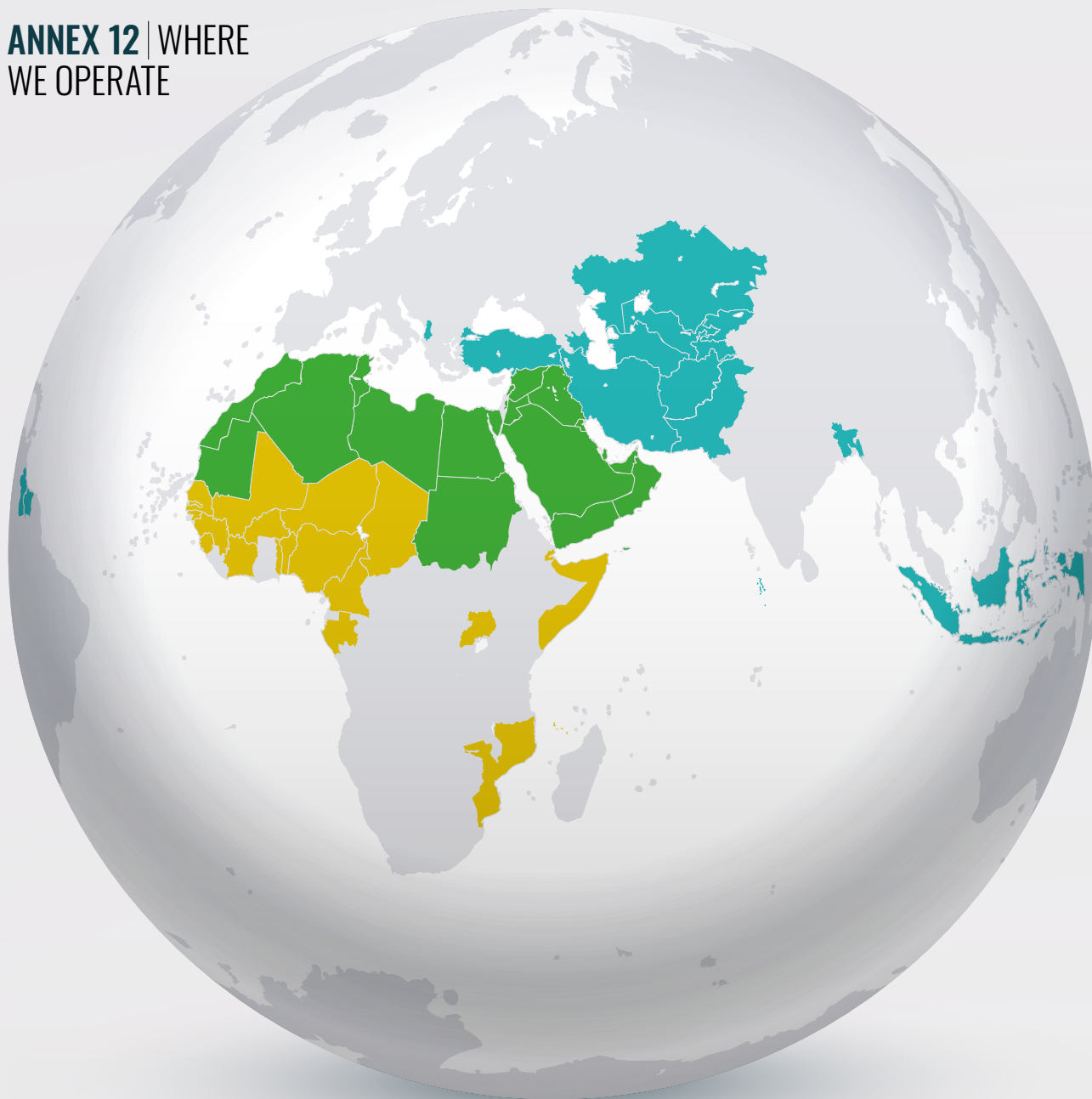


<sup>1</sup> The Chief of Staff will supervise ADAHI.  
<sup>2</sup> Internal Audit and Independent Evaluation report functionally to BED, and administratively to the President.  
<sup>3</sup> Government Relations reports functionally to the President and administratively to the DG-Corporate Services.  
<sup>4</sup> Shari'ah Affairs reports functionally to the Shari'ah Board and administratively to the DG-General Counsel.  
<sup>5</sup> Compliance reports functionally to the President and administratively to the DG-General Counsel.  
<sup>6</sup> Regional Hubs/Center of Excellence (CoE) shall be headed by Managers unless decided otherwise by the President.

**KEY**



## ANNEX 12 | WHERE WE OPERATE



**MIDDLE EAST AND NORTH AFRICA (MENA)**

- ALGERIA
- BAHRAIN
- EGYPT
- IRAQ
- JORDAN
- KUWAIT
- LEBANON
- LIBYA
- MAURITANIA
- MOROCCO
- OMAN
- PALESTINE
- QATAR
- SAUDI ARABIA
- SUDAN
- SYRIA
- TUNISIA
- U.A.E.
- YEMEN

**ASIA, LATIN AMERICA & EUROPE (ALAE)**

- AFGHANISTAN
- ALBANIA
- AZERBAIJAN
- BANGLADESH
- BRUNEI
- GUYANA
- INDONESIA
- IRAN
- KAZAKHSTAN
- KYRGYZ REPUBLIC
- MALAYSIA
- MALDIVES
- PAKISTAN
- SURINAME
- TAJIKISTAN
- TÜRKIYE
- TURKMENISTAN
- UZBEKISTAN

**SUB SAHARAN AFRICA (SSA)**

- BENIN
- BURKINA FASO
- CAMEROON
- CHAD
- COMOROS
- CÔTE D'IVOIRE
- DJIBOUTI
- GABON
- GAMBIA
- GUINEA
- GUINEA-BISSAU
- MALI
- MOZAMBIQUE
- NIGER
- NIGERIA
- SENEGAL
- SIERRA LEONE
- SOMALIA
- TOGO
- UGANDA

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