

IsDB



البنك الإسلامي للتنمية
Islamic Development Bank



2019
ANNUAL REPORT
SHAPING NEW FRONTIERS
FOR SUSTAINABLE
DEVELOPMENT

WHO WE ARE

The Islamic Development Bank is a Multilateral Development Bank (MDB), working to improve the lives of those we serve by promoting social and economic development in member countries and Muslim communities worldwide, delivering impact at scale.



WE FOSTER

INNOVATIVE AND SUSTAINABLE SOLUTIONS TO THE WORLD'S GREATEST DEVELOPMENT CHALLENGES, AS WE WORK TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS.

WE BUILD

COLLABORATIVE PARTNERSHIPS AMONG COMMUNITIES AND NATIONS, ACROSS THE PUBLIC AND PRIVATE SECTORS.

WE BELIEVE

ALL PEOPLE HAVE THE RIGHT TO LIVE IN DIGNITY AND PROSPERITY, AND THAT NURTURING ECONOMIC GROWTH IS THE BEST ROUTE OUT OF POVERTY.

WE EQUIP

PEOPLE TO DRIVE THEIR OWN ECONOMIC AND SOCIAL PROGRESS AT SCALE, PUTTING INFRASTRUCTURE IN PLACE TO ENABLE THEM TO FULFIL THEIR POTENTIAL.

This is the first of two volumes of the Annual Report of the Islamic Development Bank. The second volume contains the audited financial statements and is published separately as the Financial Statements. Both volumes are available online at www.isdb.org.

EMPOWERING PEOPLE FOR A SUSTAINABLE FUTURE

DRIVING INNOVATION, PARTNERSHIPS, ISLAMIC FINANCE AND VALUE CHAINS





2019 ANNUAL REPORT

SHAPING NEW FRONTIERS FOR SUSTAINABLE DEVELOPMENT

“We are analyzing the effectiveness of our strategic interventions and as we move forward, we will consolidate successes and improve on other aspects to ensure that we continue to fulfil our mandate to support member countries towards achieving sustainable development.”

SUSTAINABLE DEVELOPMENT GOALS



THE **IsDB** GROUP IS FULLY COMMITTED TO THE SUSTAINABLE DEVELOPMENT GOALS, RECOGNIZES THE VARYING DEVELOPMENT NEEDS OF MEMBER COUNTRIES AND ADAPTS INTERVENTIONS ACCORDINGLY.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

CORPORATE PROFILE

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 worldclass 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 Organization 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 38th Annual Meeting, the IsDB's Board of Governors approved the 5th General Capital Increase whereby the Authorized Capital was increased to ID100 billion and the Subscribed Capital (available for subscription) was increased to ID50 billion. By the same Resolution, the Board of Governors agreed to the calling in of the callable (in cash) portion of the 4th General Capital Increase. As at the end of 2019, the subscribed capital of the IsDB stood at ID50.6 billion.

ISLAMIC DEVELOPMENT BANK GROUP

The IsDB Group comprises five entities. The Islamic Development Bank (IsDB), the Islamic Research and Training Institute (IRTI), 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).

HEAD QUARTER AND REGIONAL HUBS

The IsDB is headquartered in Jeddah, the Kingdom of Saudi Arabia, and has eleven Regional Hubs in Abuja, Nigeria; Almaty, Kazakhstan; Ankara, Turkey; Cairo, Egypt; Dakar, Senegal; Dhaka, Bangladesh; Dubai, United Arab Emirates; Jakarta, Indonesia; Kampala, Uganda; Paramaribo, Suriname; and Rabat, Morocco.

FINANCIAL YEAR

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





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ABBREVIATIONS

4IR	4 th Industrial Revolution
10YSF	IsDB Group's 10-Year Strategy Framework
AAOIFI	Accounting and Auditing Organization for Islamic Financial Institutions in IsDB MCs
AC	Audit Committee
ACAP	Awqaf Capital
ACG	Arab Coordination Group
ADER	Annual Development Effectiveness Review
AFAB	Alliance to Fight Avoidable Blindness
ALA	Africa and Latin America
ALECSO	Arab League Educational Cultural and Scientific Organization
AMCI	Moroccan Agency for International Cooperation
APIF	Awqaf Properties Investment Fund
BADEA	Arab Bank for Economic Development in Africa
BAPA +40	Buenos Aires Plan of Action
BED	Board of Executive Directors of IsDB
BEmOC	Basic Emergency Obstetric Care
BPKH	Indonesian Hajj Funds Management Agency
BMGF	Bill & Melinda Gates Foundation
BoG	Board of Governors of IsDB
CAFRL	Common Arabic Framework of Reference for Language
CDB	Caribbean Development Bank
CDD	Community Driven Development
CEPAD	East Asian Countries for Palestinian Development
CSO	Civil Society Organization
CWS	Cash Waqf Sukuk
D-8	Organization for Economic Cooperation of Developing Eight Countries
DFID	Department for International Development
EAA	Education Above All
EIB	European Investment Bank
EBRD	European Bank for Reconstruction and Development
FDI	Foreign Direct Investment
FIT	Flagship Programs, Integrated Trade Solutions and Targeted Interventions
FRMC	Finance and Risk Management Committee
GAC	Governance and Administrative Committee
GDI	Global Delivery Initiative
GFF	Global Financing Facility
GIS	Geographic Information System
GIZ	German Corporation for International Cooperation (Deutsche Gesellschaft für international Zusammenarbeit GmbH)
GPE	Global Partnership for Education
GVCs	Global Value Chains
ICD	Islamic Corporation for the Development of the Private Sector
ICIEC	Islamic Corporation for the Insurance of Investment and Export Credit
ID	Islamic Dinar (equivalent to one Special Drawing Right of IMF)
IsDB	Islamic Development Bank
IsDBG	Islamic Development Bank Group
IsDB-OCR	Ordinary Capital Resources of IsDB
IFAD	International Fund for Agricultural Development
IFRC	International Federation of Red Cross and Red Crescent Societies
IFSB	Islamic Financial Services Board
IFSI	Islamic Financial Services Industry
IFSR	Insurance financial Strength Rating
IRTI	Islamic Research and Training Institute
ISFD	Islamic Solidarity Fund for Development
IT	Information Technology
ITAP	Investment Promotion Technical Assistance Program
ITFC	International Islamic Trade Finance Corporation
IWIF	Ihsan Waqf Investment Fund
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
KDI	Korea Development Institute
KFAED	Kuwait Fund for Arab Economic Development
LDMCs	Least Developed Member Countries
LLF	Lives & Livelihoods Fund
LMICs	Low- and Middle-Income Countries



MAPs	Management Action Plans
MASEN	Moroccan Agency for Sustainable Energy
MCPS	Member Country Partnership Strategy
MDBs	Multilateral Development Banks
MENA	Middle East and North Africa
MENAE	Middle East, North Africa and Europe
MII	Maritime Investment Initiatives
MoU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
NEXI	Nippon Export and Investment Insurance
NGOs	Non-Governmental Organizations
ODEC	Operations and Development Effectiveness Committee
OECD	Organisation for Economic Cooperation and Development
OFID	OPEC Fund for International Development
OIC	Organisation of Islamic Cooperation
ONEE	Office National de l'Electricité et de l'Eau Potable
P5P	President's Five-Year Program
PIF	Palestine Investment Fund
PPP	Public-Private Partnership
RCI	Regional Cooperation and Integration
RCOs	Regional Cooperation Organizations
RMNCAH-N	Reproductive, Maternal, Newborn, Child and Adolescent Health and Nutrition
SAO	Special Assistance Operations
SDGs	Sustainable Development Goals
SFD	Saudi Fund for Development
SMEs	Small and Medium Enterprises
SSTrC	South-South and Triangular Cooperation
STI	Science, Technology and Innovation
TAP	Technical Assistance Program
TCP	Technical Cooperation Program
TIKA	Turkish International Agency for Cooperation
TWAS	World Academy of Science
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNECE	United Nations Economic Commission for Europe
UNESWCWA	United Nations Economic and Social Commission for Western Asia
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
NGER	National Green Export Review
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOSSC	UN Office for South-South Cooperation
WAIPA	World Association of Investment Promotion Agencies
WASH	Water Sanitation and Hygiene
WBG	World Bank Group
WE-FI	Women Entrepreneurs Finance Initiative
WPDI	Whitaker Peace and Development Initiative
WTO	World Trade Organization

SYMBOLS	
..	Not Available
-	Not Computable
\$	United States Dollar
ID	Islamic Dinar

ACKNOWLEDGEMENTS

The 2019 Annual Report of the Islamic Development Bank was prepared by the **Economic Research and Institutional Learning Department** based on the overall guidance of the **Board of Executive Directors**

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In the Name of Allah, the Beneficent, the Merciful

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

Dear Mr. Chairman,

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 honour 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 2019.

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. Chairman, the assurances of my highest consideration.



Bandar M. H. Hajjar
 President, Islamic Development Bank and
 Chairman, Board of Executive Directors

MESSAGE FROM THE PRESIDENT

The world is changing at an unprecedented pace, with economic growth being driven by technology and innovation. The scale and magnitude of the changes required a paradigm shift in the way we support our member countries strengthen their capacities, and help them confront these challenges in their quest for long-term sustainable inclusive growth, within the context of the Sustainable Development Goals (SDGs).

It is against this backdrop that we embarked on a transformational journey three years ago, based on the understanding that the road ahead would be fraught with challenges. However, without this shift, we would be unable to help our member countries tackle these challenges.

Shaping new frontiers and pushing the boundaries of what countries can achieve is no easy feat, yet we have stayed the course. The Islamic Development Bank's (IsDB) new business model focuses on "making markets work for development," leveraging Science, Technology and Innovation to help member countries build competitive value chains whilst simultaneously addressing their socio-economic development needs. In this regard, we are focusing on high impact GVC based interventions that create jobs and foster economic growth commencing with our Member Country Partnership Strategies in Gabon, Maldives, Turkey and Morocco. At the heart of delivering on our new business model is the need for innovative Islamic finance, forging new partnerships and mobilizing financing from non-conventional sources, whilst maintaining our AAA credit rating.

2019 was a particularly challenging year, and 2020 looks set to follow that trend. Our member countries grappled with sluggish global economic growth in 2019 driven by a synchronized slowdown, rising trade tensions, adverse impacts of climate change, increasing inequalities and heightened fragility, conflict and violence.

The COVID-19 outbreak toward the end of 2019 has the potential to push us over the edge of an economic precipice in 2020. The magnitude of its impact globally necessitates concerted efforts at all levels. We are deeply concerned about the loss of lives, the socio-economic disruptions and the strain on health systems in our member countries. In this regard, we remain fully committed to supporting our member countries in their short- medium- and long-term endeavors to tackle this unanticipated pandemic.

With precarious growth and risks to the downside, we need to protect the hard-earned development gains and increase support for our member countries in these difficult times. Our member countries will need to adopt forward-looking



resilience policies to spur productivity and foster inclusive sustainable development.

In 2019 we witnessed the actualization of the paradigm shift in delivering on our promises and responding to the development needs of our member countries. Among the notable successes are the several STI-related initiatives, the focus on building resilience, empowerment of women, our debut issuance of Green Sukuk worth EUR 1 billion for Green Financing, and the commitment of 35% of resources to climate finance. Efficiency and effectiveness at the institutional level was enhanced through the newly established policy infrastructure encompassing 18 new sector, thematic and fiduciary policies to guide the Bank's interventions. Among the key policies developed are the Science, Technology and Innovation, Climate Change, Reverse Linkage and Women's Empowerment. Our collective efforts are encapsulated in the theme "Shaping New Frontiers for Sustainable Development."

With Saudi Arabia at the helm of the G20 in 2020, we are uniquely poised to help shape the global development landscape and inject new ideas and innovative solutions to address the ever-increasing challenges at hand.

To realize this potential, we will remain proactive, agile and at the forefront of development. Anticipating and responding to existing and emerging challenges in innovative ways will always define our developmental role and the manner in which we support our member countries.

We will not rest on our laurels. We will continue the transformation journey to enhance IsDB's efficiency and effectiveness as part of our relentless pursuit of a better future for both our member countries and Muslim communities in non-member countries.



Bandar M. H. Hajjar
 President, Islamic Development Bank and Chairman,
 Board of Executive Directors

BOARD OF EXECUTIVE DIRECTORS¹



Bandar M. H. Hajjar
PRESIDENT, ISLAMIC DEVELOPMENT BANK AND CHAIRMAN, BOARD OF EXECUTIVE DIRECTORS



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REPRESENTING: TURKEY



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Hon. Fredrick Twesiime
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REPRESENTING: UGANDA, CHAD, GABON, DJIBOUTI, COMOROS, MOZAMBIQUE, SOMALIA

¹ These are the members of the IsDB Board of Executive Directors for the 15th Session

EXECUTIVE SUMMARY

A REVIEW OF 2019

“The IsDB is one of the highest rated multilateral lending institutions based on stand-alone credit rating and has been designated as a *Zero-Risk Weighted Multilateral Development Bank*.”



PROGRESS ON ISDB INITIATIVES AND PROGRAMS

PRESIDENT'S FIVE-YEAR PROGRAM AND ISDB'S NEW BUSINESS MODEL

The Bank consolidated the President's Five-Year Program (P5P) in 2019, a New Business Model that is focused on stimulating and expanding economic activities through value-adding production that leverages Global Value-Chains (GVCs). It aims to connect member countries to global markets and attract high impact investors to add valuable financial and non-financial resources to multiply economic and development benefits in a manner that “Make Markets Work For development”. New GVC-based MCPS are currently ongoing in four member countries while plans have been made for additional seven member countries in 2020.

GLOBAL BRANDING

The global branding of IsDB has intensified through media engagement, website, social media channels, and fostering third party support. This has resulted into remarkable increase in IsDB global audience. These efforts have thus raised IsDB's profile among its MDB peers and helped to forge and strengthen partnerships and create opportunities in the Bank's drive to support member countries in achieving sustainable development.

SCIENCE, TECHNOLOGY, AND INNOVATION

A Science, Technology and Innovation (STI) strategy was adopted and a policy framework developed to support adaptation to a robust STI ecosystem as one of the key drivers of high economic growth and sustainable development. Partnerships have been established with global STI stakeholders and various STI initiatives such as Transform Fund, Transformers Roadshows, Engage Platform and IsDB Innovate have continued to achieve success towards pushing the STI frontiers for achieving sustainable development in member countries.

DIGITIZATION ENTERPRISE PROJECT

Digitization of IsDB functions, which started in 2018, recorded significant progress. In 2019, requisite infrastructure and processes were completed to enable the Bank become a paper-light organization as some business units plan to go completely paperless. An “eMemo” Solution has been introduced and is being implemented. Thus far,

digitization solutions have been rolled out to more than 1000 users within the IsDB, including the Regional Hubs, thereby substantially improving responsiveness and transparency. All the 49 business units are currently on the JIRA-online platform, which has resulted in better coordination and efficiency.

KEY ACHIEVEMENTS IN 2019

- The IsDB Group approved a total amount of ID5.6 billion, equivalent to US\$7.8 billion for 310 development operations in member countries and Muslim communities in non-member countries. This represents 11.4 percent increase over the ID5 billion (US\$7 billion) approval in 2018. This level of approvals reflects the IsDB Group's continued commitment to supporting member countries despite challenges in the global development landscape especially relating to international development financing.
- A breakdown of approvals by the IsDB and its entities in 2019 indicates that the ITFC's total approvals of US\$5.75 billion is the largest, constituting 73.8 percent of the total approvals by the Group. This is followed by IsDB-OCR approvals, which constituted 20.9 percent of total IsDB Group approvals in 2019 amounting to US\$1.63 billion. The ICD's approval of US\$140.50 million is 1.8 percent of total IsDB Group approvals while 3.5 percent of the total approvals were for Special Funds, comprising ICD Funds, APIF, STI, Special Assistance Operations, ISFD Trust Funds and Waqf.
- In terms of regional group of member countries, 42.9 percent of IsDB Group approvals (US\$3.35 billion) were for member countries in the MENA and Europe region, followed by Africa and Latin America with 30.5 percent (US\$2.34 billion) while 24.6 percent (US\$1.91 billion) were for member countries in the Asia region and the remaining 2 percent for Muslim communities in non-member countries and regional projects.
- IsDB-OCR approvals was US\$1.63 billion, a 28.6 percent increase from the US\$1.27 billion approved in 2018. The significant increase reflects additional commitment to delivering projects to support sustainable

development in member countries. In terms of sectoral distribution of IsDB-OCR approvals, 29.5 percent (US\$482.10 million) was for Health and Other Social Services, followed by Transportation Sector with 25.8 percent (US\$420.72 million), Energy Sector with 16.8 percent (US\$274.19 million) and Agriculture with 10.4 percent (US\$169.27 million).

- Through partnerships, US\$2.94 billion was mobilized based on co-financing with development partners to match US\$1.04 billion approvals of the IsDB. This significant partnership resource leveraging is at the core of the new IsDB model of leveraging partnerships for resource mobilisation to support sustainable development in member countries.
- The Islamic Corporation for the Development of the Private Sector (ICD) approved US\$140.50 million for various private sector operations. However, the ICD intensified disbursement of approvals of previous years 2019, which culminated to total disbursements of US\$205.80 million, thus achieving a disbursement/approval ratio of 146.5 percent.
- The International Islamic Trade Finance Corporation (ITFC) approved US\$5.75 billion and disbursed \$5 billion for trade finance activities during the year. In order to meet growing needs, the ITFC leveraged partnerships to mobilize US\$3.50 billion in 36 syndicated operations in favour of 15 member countries. ITFC approvals is 73.8 percent of total IsDB Group approvals in 2019 and a 17.2 percent increase from the US\$4.91 billion approved in 2018. The increase is laudable given the global trade challenges and is testimony to the key role of the ITFC in boosting trade in member countries.
- The Islamic Solidarity Fund for Development (ISFD) approved US\$39.60 million for various poverty reduction projects and programmes in pro-poor sectors such as water supply, health, education, and rural development.
- The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) insured business worth US\$10.86 billion with new commitments amounting to US\$4.77 billion in 2019, thus sustaining the strong performance of the previous year with a marginal decrease in new commitments and 20.1 percent increase in the value of business insured.
- Of the US\$2.50 million allocated to the Reverse Linkage Programme, a total of US\$2.06 million was utilized for two reverse linkage interventions, which are US\$1 million in the health and agriculture sectors and US\$1.06 million in the water management, agriculture and energy sectors. In addition, the Bank opened an avenue for collaboration with the private sector on Reverse Linkage, which resulted in a total financial contribution of US\$45 million for the benefit of member countries.

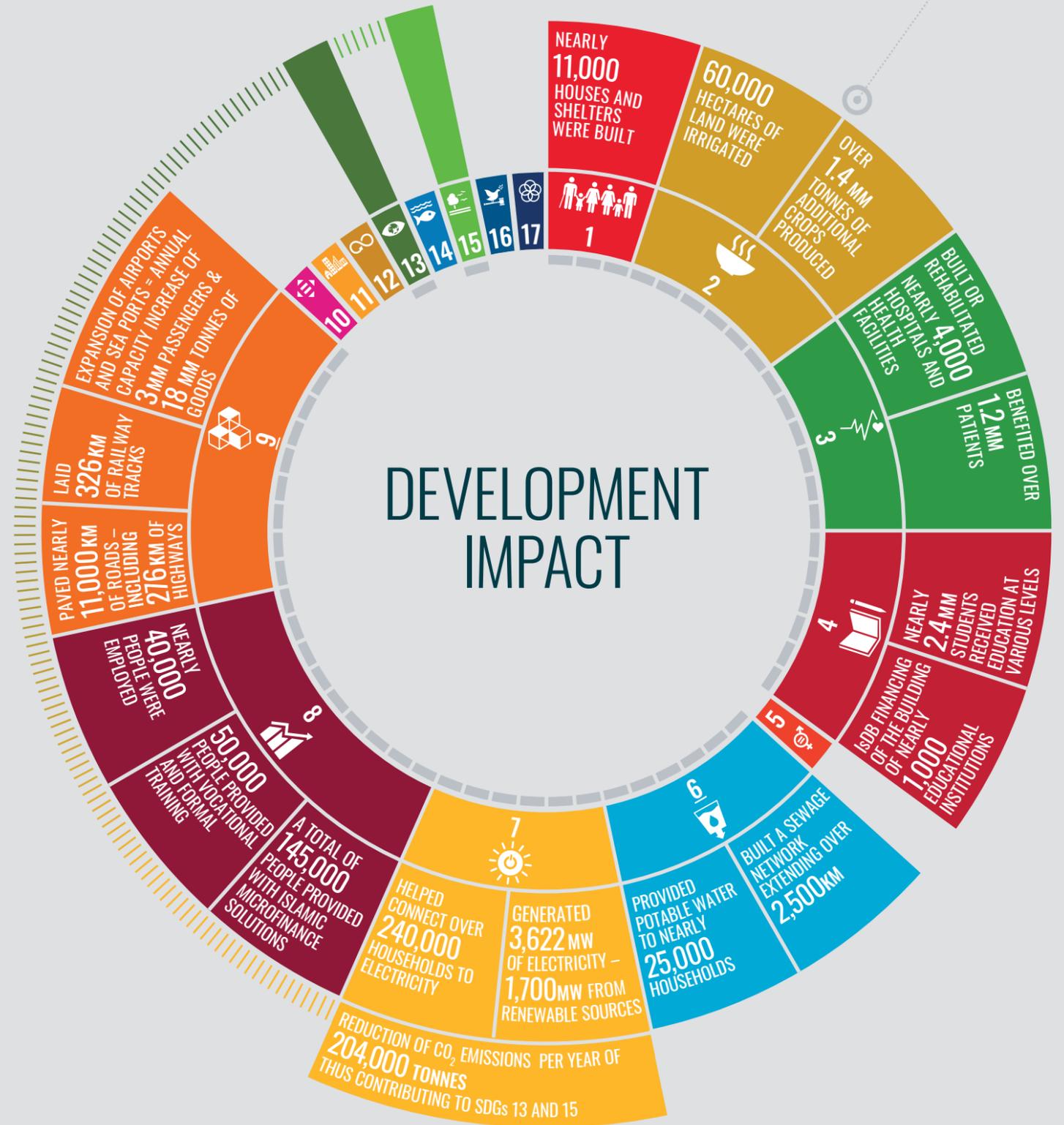
“This level of approvals reflects the continued commitment of the IsDB Group in supporting member countries despite challenges in the global development landscape especially relating to international development financing.”

- The sum of US\$1 million was approved for Emergency Response Projects for saving lives of local communities affected by various natural disasters in Iran, Sierra Leone, Mozambique and Mali. In addition, the Bank approved and processed three operations totaling US\$420,383 for Chad, Yemen and Somalia under the NGO programme of the Bank to build resilience of the hard-to-reach communities through skills development of local farmers and capacity development for local NGOs.
- Ten Technical Assistance projects, amounting to a total of US\$2.10 million, were approved to support activities to enhance Islamic Financial Services, especially in capacity development, in addition to US\$262,100 for 11 Islamic finance awareness events.
- The Awqaf Property Investment Fund (APIF), in partnership with the IsDB line of finance, approved US\$38.53 million to co-finance seven projects with other partners totaling US\$77.80 million in seven member and non-member countries.
- A total of US\$1 million was approved for six NGO grant operations benefitting women and youth to promote girls' education in Pakistan, Burkina Faso, Senegal and Togo as well as supporting entrepreneurship, microfinance, and financial inclusion of women and youths in Azerbaijan, Indonesia, and Tajikistan.
- The Islamic Research and Training Institute (IRTI) issued 19 publications, delivered 16 training courses and workshops, launched "Smart Economy Initiative", launched the "Djibouti Islamic Finance Country Report" and initiated the Awqaf Specialist Certification Programme.
- The IsDB maintained the highest credit ratings of 'AAA' awarded by all the three leading international rating agencies (Standard & Poor's, Moody's and Fitch Ratings) with a "Stable" outlook. This reflects sound financial health, strong capitalization and shareholders' support, satisfactory performance of operational assets with a diversified portfolio, and stable level of liquidity. The IsDB is also one of the highest rated multilateral lending institutions based on stand-alone credit rating and both the Basel Committee on Banking Supervision and the European Commission have designated the IsDB as a 'Zero-Risk Weighted Multilateral Development Bank.
- ICIEC has been maintaining a rating of 'Aa3' since 2008 with a "Stable" outlook from Moody's. This Insurance Financial Strength Rating (IFSR) reflects its stand-alone fundamentals as well as support from its shareholders.
- For ICD, Fitch Ratings affirmed its credit rating as 'AA' with a "Stable" outlook. However, the ICD's rating was lowered to 'A' by S&P with a "Negative" outlook while its rating by Moody's was lowered to "A2" with a "Stable" outlook, which was reaffirmed in the latter part of 2019.

- The ITFC maintained a rating of 'A1' by Moody's with a "Stable" outlook in 2019. This rating considers the ITFC's very large equity buffer, prudent treasury investment practices, adequate liquidity and credit management policies, very strong capital position and strong implicit member support.
- As part of the P5P and New Business Model, five GVC-based MCPS were initiated and a new Regional Cooperation and Integration (RCI) Policy and Operational Strategy have been formulated in accordance with the P5P and 10YS.
- To enhance the internal process for knowledge integration, the Community of Practices were reinvigorated, an effective knowledge transfer and sharing platform was established, an electronic Back to Office Report (BTOR) platform was launched and an eLearning platform for courses on core activities of the Bank was commissioned. Above all, the IsDB Library has been transformed into a 21st century e-Library standard with digital platforms that facilitate participatory learning.
- Eleven projects were evaluated in eleven member countries covering five sectors, in addition to a cluster of 23 Special Assistance operations financed by the IsDB in the United Kingdom. Furthermore, 24 Project Completion Reports, which were finalized in 2018 and were reviewed and validated in 2019.

Efforts were made to strengthen human resource capabilities through recruitment to fill vacant positions at the IsDB Headquarters as well as at the Regional Hubs. A total of 121 job offers were issued during the year, out of which 100 were accepted. Currently, the total regular IsDB (including IRTI and ISFD) staff strength stands at 918, out of which 802 are on tenured appointment while 116 are on fixed contract. Of the current total IsDB staff, 612 are professionals, 88 Managerial and 218 support staff. In terms of location, 737 of the total staff are in the headquarters while 181 are in the Regional Hubs and Centre of Excellence in Malaysia.

In recognition of the evolving needs, Information Technology (IT) services have improved in various aspects. A set of integrated solutions of Microsoft outlook (Office 365) were deployed to enable communication and collaboration internally and externally from anywhere, at any time, using any device within a secure environment. IT solutions were delivered to support more efficient business operations through process automation. Various management dashboards were developed to provide transparency and decision support. Administrative Support Services were improved to respond to the P5P and the new business model. Accordingly, there have been adjustments to administrative support services to link up with the RHs in order to ensure their ease of access to required administrative services and procedures.



WHERE WE WORK

THE PRESENT MEMBERSHIP OF THE BANK CONSISTS OF

57 COUNTRIES

THE WORK OF THE **IsDB** CAN BE SEEN AROUND THE WORLD, WITH OPERATIONS IN THREE CORE REGIONS:

- AFRICA AND LATIN AMERICA
- ASIA
- MIDDLE EAST, NORTH AFRICA AND EUROPE

IN 2019

THE ASIA REGION RECORDED AN AGGREGATE GROWTH RATE OF

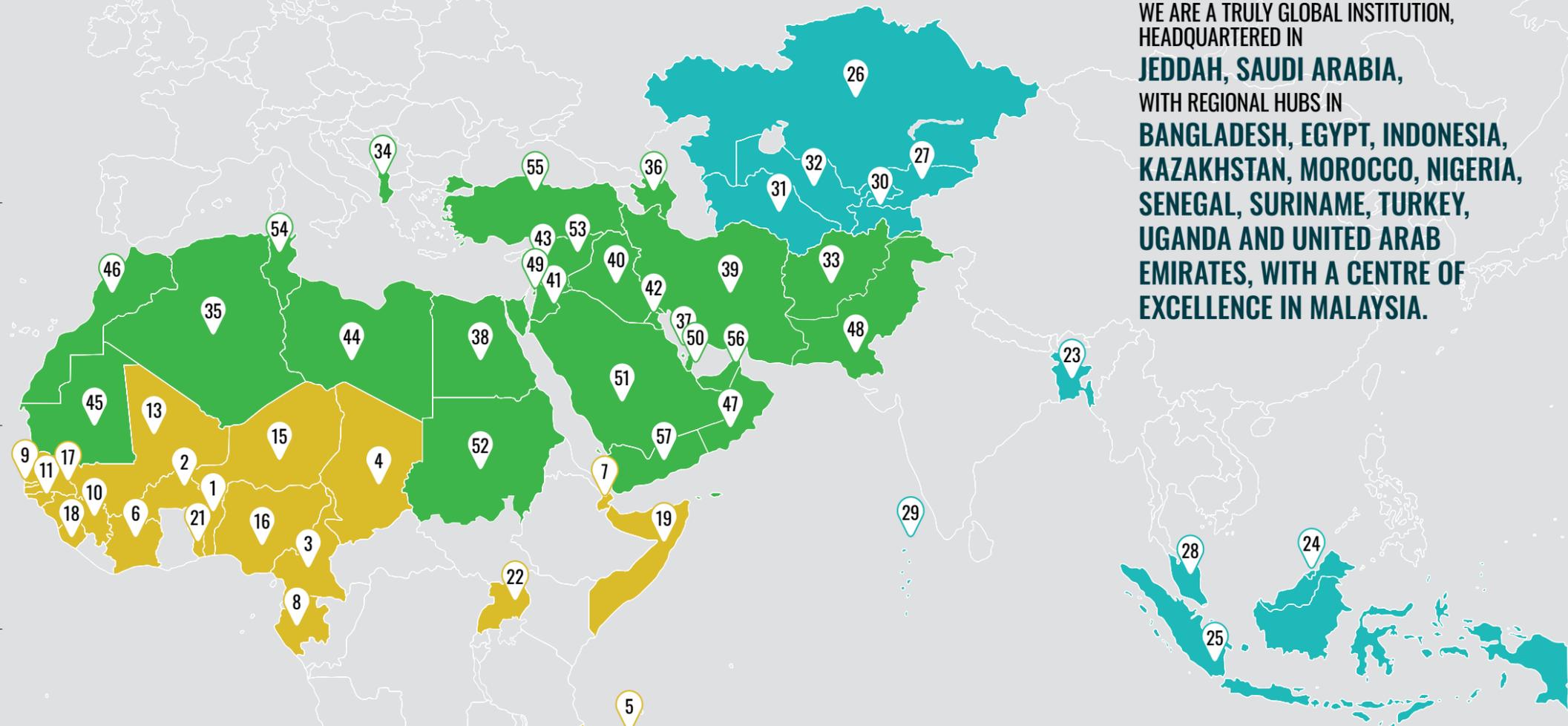
5.2%

MEMBER COUNTRIES FROM THE REGION OF AFRICA AND LATIN AMERICA RECORDED ECONOMIC GROWTH RATE OF

3.4%

ECONOMIES OF MEMBER COUNTRIES IN THE MENA AND EUROPE REGION DECELERATED TO

0.5%



WE ARE A TRULY GLOBAL INSTITUTION, HEADQUARTERED IN **JEDDAH, SAUDI ARABIA**, WITH REGIONAL HUBS IN **BANGLADESH, EGYPT, INDONESIA, KAZAKHSTAN, MOROCCO, NIGERIA, SENEGAL, SURINAME, TURKEY, UGANDA AND UNITED ARAB EMIRATES**, WITH A CENTRE OF EXCELLENCE IN **MALAYSIA**.

AFRICA AND LATIN AMERICA

- | | |
|------------------|-----------------|
| 1 Benin | 12 Guyana |
| 2 Burkina Faso | 13 Mali |
| 3 Cameroon | 14 Mozambique |
| 4 Chad | 15 Niger |
| 5 Comoros | 16 Nigeria |
| 6 Côte D'Ivoire | 17 Senegal |
| 7 Djibouti | 18 Sierra Leone |
| 8 Gabon | 19 Somalia |
| 9 Gambia | 20 Suriname |
| 10 Guinea | 21 Togo |
| 11 Guinea-Bissau | 22 Uganda |

ASIA

- | |
|--------------------|
| 23 Bangladesh |
| 24 Brunei |
| 25 Indonesia |
| 26 Kazakhstan |
| 27 Kyrgyz Republic |
| 28 Malaysia |
| 29 Maldives |
| 30 Tajikistan |
| 31 Turkmenistan |
| 32 Uzbekistan |

MIDDLE EAST, NORTH AFRICA AND EUROPE

- | | | |
|------------------|---------------|------------------|
| 33 Afghanistan** | 42 Kuwait | 51 Saudi Arabia* |
| 34 Albania** | 43 Lebanon | 52 Sudan |
| 35 Algeria | 44 Libya | 53 Syria |
| 36 Azerbaijan** | 45 Mauritania | 54 Tunisia |
| 37 Bahrain | 46 Morocco | 55 Turkey |
| 38 Egypt | 47 Oman | 56 U.A.E. |
| 39 Iran | 48 Pakistan** | 57 Yemen |
| 40 Iraq | 49 Palestine | |
| 41 Jordan | 50 Qatar | |

* Saudi Arabia is the host country where the headquarters of the IsDB is located, however it is included in the regional groupings to ensure all member countries are covered.

** These member countries are geographically located in other regions but are grouped under Middle East, North Africa and Europe for convenience of coordination and managing operations

NOTE: For all maps in this publication, the designations employed and the presentation of material in the maps do not imply the expression of any opinion on the part of the IsDB concerning the legal or constitutional status of any country, territory or sea area, or concerning the delimitation of frontiers.

THE WORK OF THE **IsDB** TOUCHES THE LIVES OF

1 IN 5

OF THE WORLD'S POPULATION, SUPPORTING

1.78BN

PEOPLE THROUGHOUT ITS CORE REGIONS

2019 IN NUMBERS

TOTAL NET APPROVALS (2019)

ID **5.6** BN
US\$ **7.8** BN

TOP-5 RECIPIENTS OF ISDB GROUP FINANCING IN 2019

PAKISTAN

US\$ **1.36** BN

BANGLADESH

US\$ **1.01** BN

EGYPT

US\$ **0.88** BN

BURKINA FASO

US\$ **0.41** BN

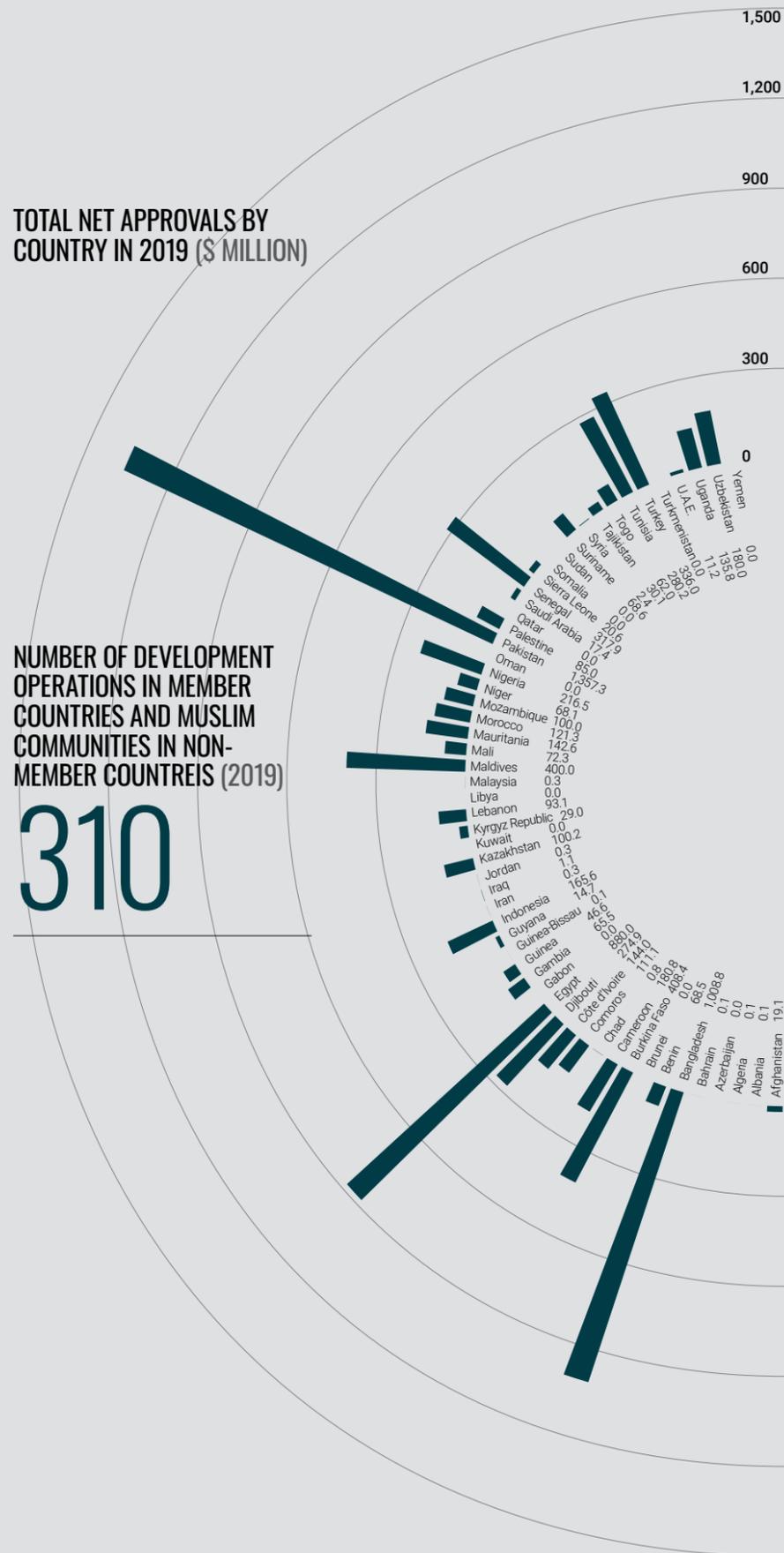
MALDIVES

US\$ **0.40** BN

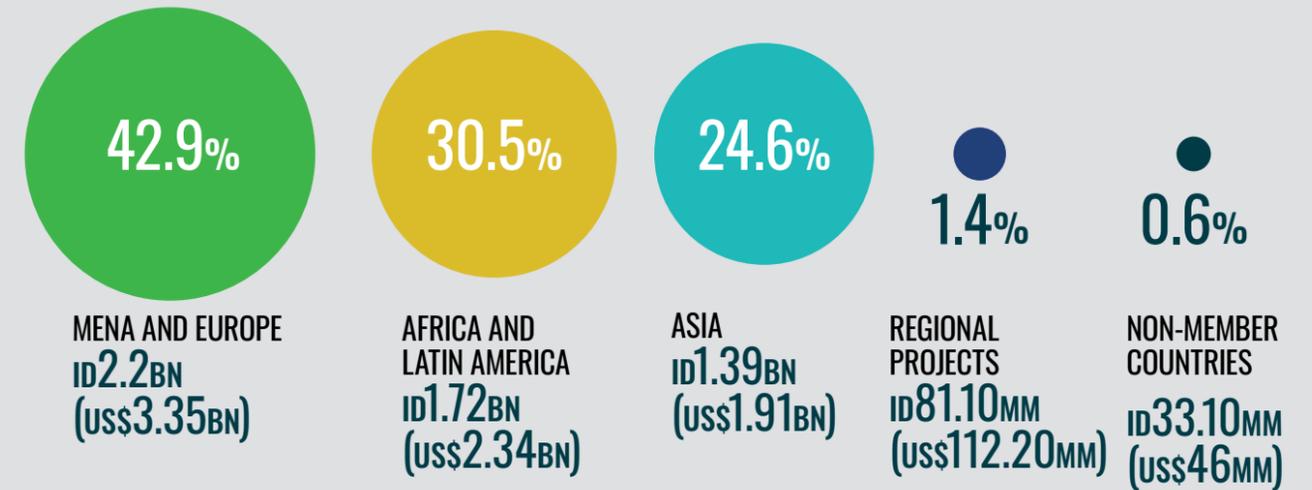
TOTAL NET APPROVALS BY COUNTRY IN 2019 (\$ MILLION)

NUMBER OF DEVELOPMENT OPERATIONS IN MEMBER COUNTRIES AND MUSLIM COMMUNITIES IN NON-MEMBER COUNTRIES IN 2019

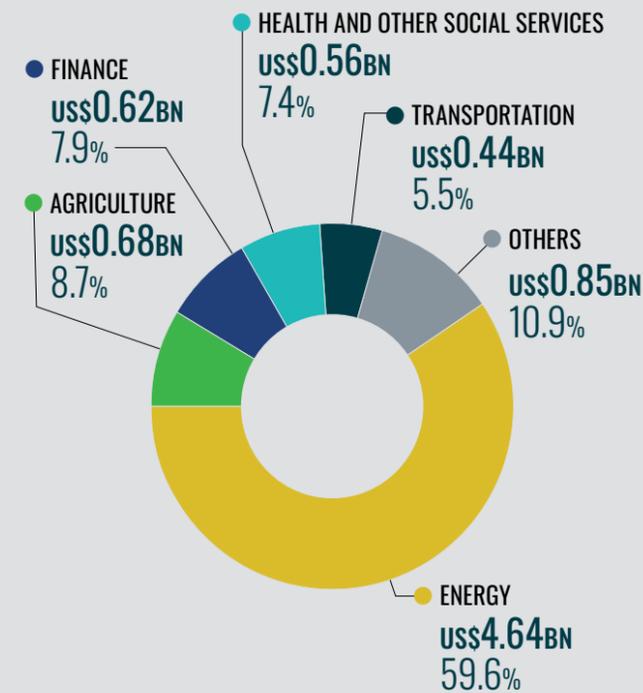
310



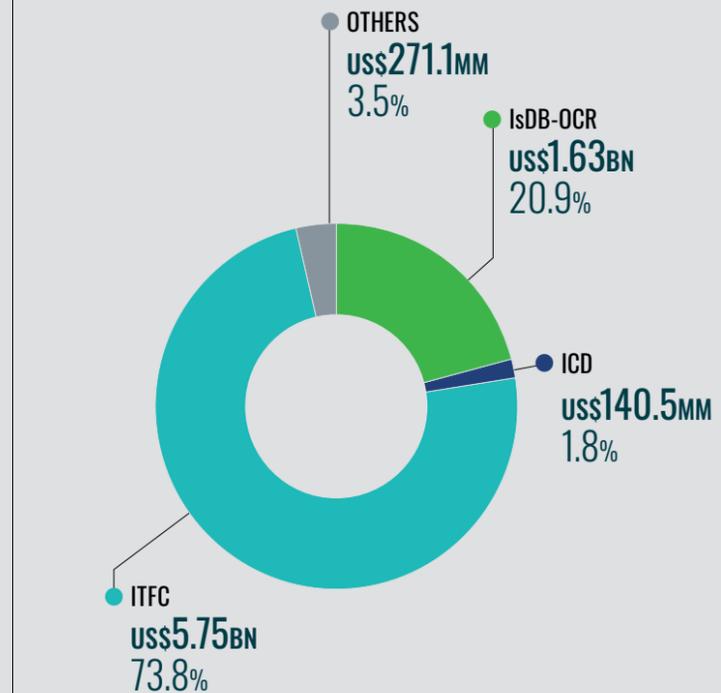
REGIONAL DISTRIBUTION OF ISDB GROUP NET APPROVALS IN 2019



NET ISDB GROUP APPROVALS BY SECTOR IN 2019



2019 BREAKDOWN BY ENTITY



ISDB-OCR APPROVALS WAS

US\$ **1.63** BN

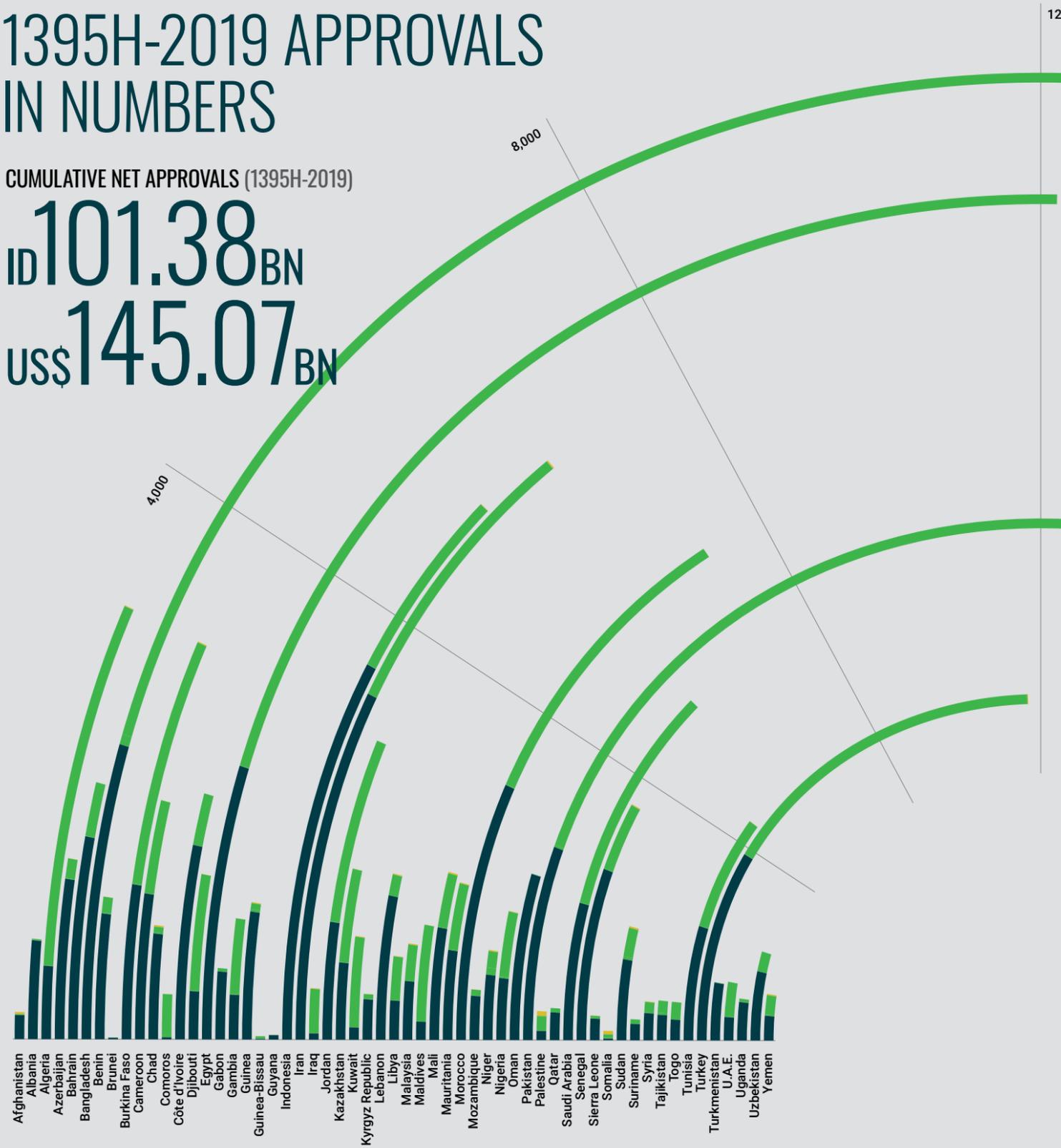
A 28.6 PERCENT INCREASE FROM THE US\$1.27 BILLION APPROVED IN 2018

“The significant increase in ISDB-OCR approvals reflects additional commitment to deliver projects for supporting sustainable development in member countries.”

1395H-2019 APPROVALS IN NUMBERS

CUMULATIVE NET APPROVALS (1395H-2019)

ID **101.38** BN
US\$ **145.07** BN



TOTAL IsDB GROUP NET APPROVALS GREW OVER

10%

IN 2019 AS THE INSTITUTION EMBARKED ON THE IMPLEMENTATION OF ITS STRATEGY AND NEW BUSINESS MODEL

BY MAJOR MODE OF FINANCING (1395H-2019)

TRADE FINANCING

ID **58.93** BN
US\$ **83.44** BN

PROJECT FINANCING

ID **39.85** BN
US\$ **57.88** BN

TECHNICAL ASSISTANCE OPERATIONS

ID **1.42** BN
US\$ **2.08** BN

SPECIAL ASSISTANCE OPERATIONS

ID **1.18** BN
US\$ **1.68** BN

BY NUMBER OF OPERATIONS (1395H-2019)

10,482





1 OVERVIEW OF IsDB GROUP DEVELOPMENT ACTIVITIES

The IsDB Group comprises the Islamic Development Bank (IsDB), which focuses on mainstream development financing; the Islamic Research and Training Institute (IRTI), responsible for knowledge dissemination and capacity development in Islamic economics and finance; the Islamic Corporation for the Development of the Private Sector (ICD), the private sector entity; the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), which provides insurance services; and the International Islamic Trade Finance Corporation (ITFC), which focuses on trade financing.

This chapter presents a synopsis of the development activities of the IsDB Group in cumulative terms and separately for the main IsDB Ordinary Capital Resources (OCR) financing as well as for each of the entities. The basic development activity is about project delivery, hence the predominance of approvals of amounts for various projects to be implemented with relative analytical coverage of some aspects of development activities such as knowledge and strategic partnerships. In addition, progress on major initiatives of the IsDB are highlighted. Global economic trend is the context for the development challenges facing member countries, hence brief analysis of the recent global economic issues and performance is presented before the approvals and other development activities.

SIX MEMBER COUNTRIES REGISTERED HIGH ECONOMIC GROWTH IN 2019

BANGLADESH 7.8%	BENIN 6.6%
COTE D'IVOIRE 7.5%	GAMBIA 6.5%
MAURITANIA 6.6%	MALDIVES 6.5%

“In the context of the deceleration of the global economy, economies of member countries in the Asia as well as Africa and Latin America regions showed relatively strong resilience to the global headwinds that subdued the global economy during 2019.”

1.1 RECENT GLOBAL ECONOMIC ISSUES AND PERFORMANCE

The uncertainties of the global economy in 2018, especially trade tensions, continued in 2019 even though they subsided in the latter part of the year. This contributed in weakening trade and investment and, coupled with tightened financial conditions amid high levels of global debt, subdued global economic growth which decelerated from 3.3 percent in 2018 to 2.9 percent in 2019. Other factors that contributed in slowing down the global economy are the decline in growth of major emerging economies of India and China, reduced global capital and investment, weakened global trade and tightening global financing conditions. The sudden outbreak of coronavirus (COVID-19) at the end of 2019, which is fast spreading worldwide to become a global pandemic, would have serious impacts on the global economy and exacerbate the uncertainties in 2020 and beyond. There are concerns that this could push the global economy into a recession as global economic activities is weakened by lock down in many parts of the world.

In tandem with the global trends, IsDB member countries growth slowed down, recording an average growth rate of 2.2 percent in 2019, lower than the 3 percent rate of 2018, reflecting a 0.8 percent deceleration. Of the three IsDB regional groups, the economies of member countries in the Asia region recorded an aggregate growth rate of 5.2 percent in 2019, a slight deceleration from 5.3 percent in 2018. Member countries of the Africa and Latin America region recorded economic growth rate of 3.4 percent in 2019, a slight increase from 3.2 percent growth rate in 2018. Economies of member countries in the MENA and Europe region decelerated very sharply from 1.8 percent in 2018 to 0.5 percent in 2019. In the context of the deceleration of the global economy, economies of member countries in the Asia as well as the Africa and Latin America regions showed relatively strong resilience to the global headwinds that subdued the global economy during 2019. However, economies of member countries in MENA and Europe decelerated sharply even more than the deceleration of the global economy. Six member countries registered high growth in 2019. These are Bangladesh (7.8%), Cote d'Ivoire (7.5%), Mauritania (6.6%), Benin (6.6%), Gambia (6.5%) and Maldives (6.5%).

1.2 CONSOLIDATING DEVELOPMENT ASSISTANCE (CUMULATIVE APPROVALS)

In accordance with its mandate to deliver development assistance to support member countries achieve sustainable development, the IsDB Group, has, from inception to 2019, achieved cumulative net approval of ID101.38 billion, which is equivalent to US\$145.07 billion for various development projects and programmes in member countries and Muslim communities in non-member countries. Total IsDB Group net approvals grew over 10 percent in 2019 as the institution embarked on the implementation of its strategy and new business model.

Of the total cumulative approvals, IsDB-OCR, the main financing window, accounted for US\$52.72 billion (36.3%); followed by ITFC at US\$48.69 billion (33.6%); ICD with US\$5.39 billion (3.7%) while other specialized funds accounts for US\$38.27 billion which is 26.4 percent of total cumulative approvals. In addition, ICIEC has cumulatively insured business amounting to US\$63.65 billion with new insurance commitments at US\$46.30 billion. Recent trends of IsDB Group approvals are presented in Chart 1.1 in billions of Islamic Dinar (ID).

The energy sector is the largest beneficiary of IsDB Group net approvals, at 40.1 percent of the cumulative approvals amounting to US\$58.10 billion, followed by industry and mining sector with 16.6 percent amounting to US\$24.09 billion and Agriculture with 11.1 percent at US\$16.07 billion, Transportation at 8.4 percent (US\$12.21 billion), Water, Sanitation & Urban Services at 5.2 percent (US\$7.50 billion) while the remaining were spread among other sectors.

In terms of regional classification, 56.4 percent of the cumulative approvals, amounting to US\$81.80 billion went to member countries in the Middle East, North Africa and Europe (MENAE) region, followed by Asia region at 23.9 percent (US\$34.66 billion) while 15.8 percent (US\$22.96 billion) went to member countries in the Africa and Latin America (ALA) region. The remaining 3.9 percent were for Muslim communities in non-member countries and regional projects.

Among member countries, Bangladesh is the biggest beneficiary of net cumulative IsDB Group approvals with total cumulative approvals of US\$21.43 billion (14.8%), followed by Pakistan with US\$12.43 billion (8.6%), Egypt with US\$12.16 billion (8.4%), Turkey with US\$11.7 billion (8.1%) and Morocco with US\$7.11 billion (4.9%).

In 2019, the IsDB Group approved a total of ID5.64 billion, equivalent to US\$7.80 billion for various operations in member countries in continuation of its support to member countries to achieve sustainable development. In terms of regional distribution (chart 1.2), 42.9 percent of the approvals by IsDB Group were for member countries in

CHART 1.1 RECENT TRENDS IN ISDB GROUP NET APPROVALS



IN 2019, THE ISDB GROUP APPROVED A TOTAL OF

ID 5.64 BN

EQUIVALENT TO

US\$ 7.8 BN

FOR VARIOUS OPERATIONS IN MEMBER COUNTRIES IN CONTINUATION OF ITS SUPPORT TO MEMBER COUNTRIES TO ACHIEVE SUSTAINABLE DEVELOPMENT

CHART 1.2 REGIONAL DISTRIBUTION OF ISDB GROUP NET APPROVALS IN 2019

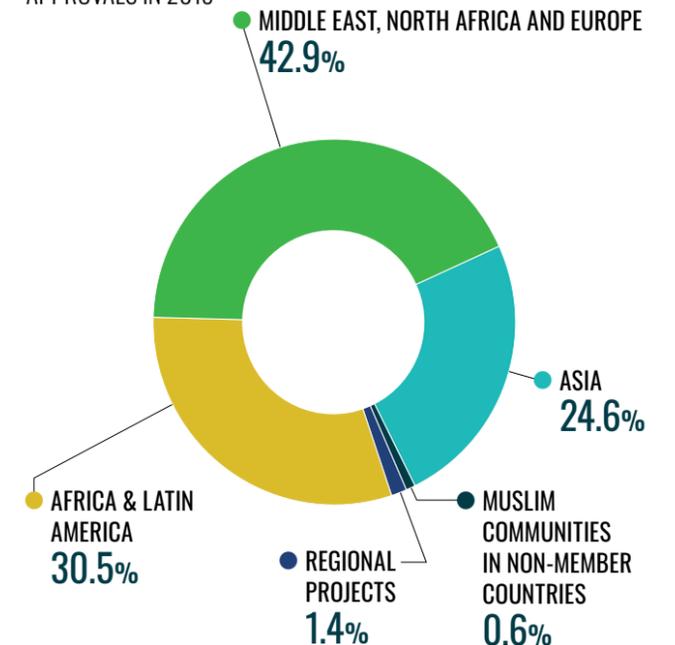
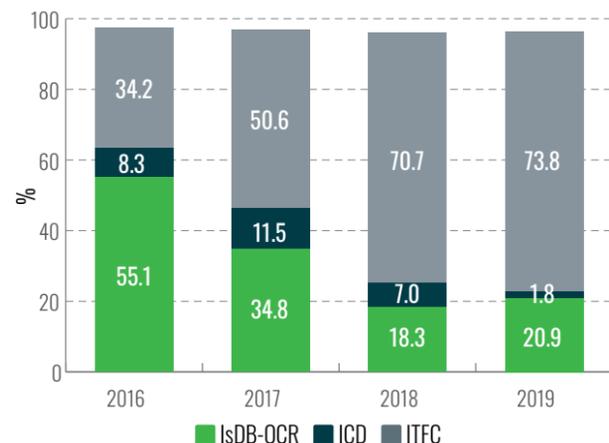


CHART 1.3 TRENDS IN PERCENTAGE SHARE OF ENTITIES IN TOTAL IsDB GROUP NET APPROVALS



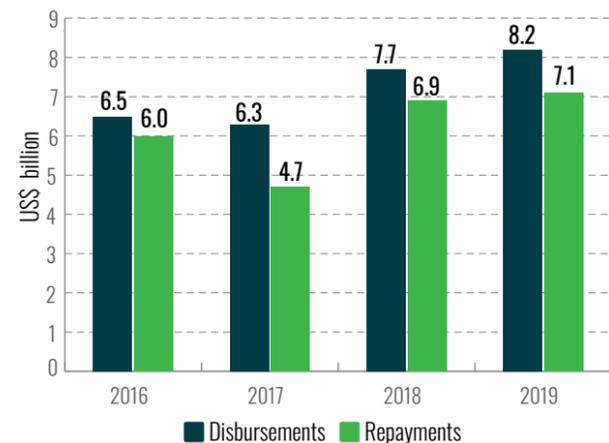
the MENAE, 30.5 percent for ALA member countries while 24.6 percent were for member countries in Asia. The remaining were for regional projects (1.4%) and 0.6 percent for non-member countries.

According to approvals by entities, the ITFC has the largest share of about 73.8 percent amounting to US\$5.75 billion, which is a 17.2 percent increase from the US\$4.91 billion approved the previous year. The increase in trade financing is laudable given the global trade challenges and is testimony to the key role of ITFC in propelling trade in member countries which is in turn opening frontiers for achieving sustainable development. IsDB-OCR approvals constituted 20.9 percent of total IsDB Group approvals in 2019 amounting to US\$1.63 billion.

On its part, the ICD approved US\$140.50 million in 2019, which is 1.8 percent of total IsDB Group approvals while 3.5 percent were approvals for Special Funds, comprising ICD Funds, APIF, STI, Special Assistance Operations (SAO), ISFD Trust Funds and Waqf. In addition, the ICIEC insured businesses worth US\$10.86 billion with new commitments amounting to US\$4.77 billion in 2019, sustaining the strong performance of the previous year with a marginal decrease in new commitments but with 20.1 percent increase in the value of business insured. The pattern of recent trends of approvals by entities (chart 1.3) shows that over the past three years, ITFC provided the largest share of IsDB Group net approvals. Since 2017, efficiency and effectiveness of project implementation has significantly improved as evident from the higher level of both disbursements and repayments (chart 1.4).

In terms of sectoral distribution of the IsDB Group net approvals in 2019, the energy sector accounted for about 59.6 percent (US\$4.64 billion), followed by agriculture with 8.7 percent (US\$0.68 billion). The large share of the energy sector is due to the large percentage of ITFC approvals as trade financing activities are largely concentrated in the energy sector. Energy is a key input in socio-economic

CHART 1.4 TRENDS IN BANK GROUP DISBURSEMENTS AND REPAYMENTS



development and member countries are facing serious challenges in the sector. Hence, the large approvals in the sector could help remove obstacles to open frontiers for achieving sustainable development.

1.3 PROGRESS IN IsDB INITIATIVES AND PROGRAMS

1.3.1 PRESIDENT'S FIVE-YEAR PROGRAM AND IsDB NEW BUSINESS MODEL

In 2019, efforts were made to consolidate the President Five-Year Program (P5P), which was conceived to re-strategize the intervention mechanism of the Bank to help member countries respond more appropriately to the dynamics of development challenges. In this context, the Bank developed a New Business Model that is focused on stimulating and expanding economic activities through value-adding production that leverage Global Value-Chains (GVCs). This approach is the viable route for gaining strong and sustainable economic growth that becomes the springboard for achieving sustainable development. Essentially, it seeks to use project interventions to connect member countries to global markets and attract high impact investors to add valuable financial and non-financial resources to multiply the benefits in a manner that "Make Markets Work For Development".

Partnership is key to the success of the New Business Model, hence, partnership activities were strengthened in form of doing more with existing partners as well as seeking new partners with common goal of commitment to greater development effectiveness. The main operating principle is integrating value chain activities in the delivery of development projects and programmes to member countries based on catalyst role of the Bank and to transform from an on-balance sheet funding provider to

a development enabler, market creator and investment facilitator with effective private sector participation.

In the wake of the 4th Industrial Revolution (4IR), industrialization, the backbone for rapid economic growth, has become even more imperative for member countries, to which leveraging GVCs can provide the requisite impetus. The key driver of industrialization is manufacturing, which is a reliable source of demand for raw materials, employment and technological progress. Strategies for GVC-driven industrialization requires identification of critical industries for which countries have comparative and strategic advantage. Hence, as part of the implementation of the IsDB New Business Model of P5P, five core industries have been identified, which are: Food and Agribusiness; Textile, Clothing, Leather and Footwear; Petroleum and Chemicals; Construction; and Islamic Finance. The IsDB Board of Governors endorsed the five selected industries during the 44th IsDB Annual Meeting. The five selected industries are common to the 57 member countries with varying levels of comparative advantages and relevant to adaptation the 4IR emerging challenges. Investments in these industries in member countries will create a "win-win" for both firms and member countries.

The New Business Model aims to meet critical developmental needs for more effective and efficient project implementation and by extension, more developmental impact for member countries. Member countries have indicated overwhelming interest in the New Business Model, which is based on GVC approach. Progress is being made as GVC-related policy dialogue (MCPS) are ongoing in four member countries (Gabon, Maldives, Morocco, and Turkey) while seven (Senegal, Guinea, Nigeria, Niger, Indonesia, Saudi Arabia and Malaysia) will start in 2020 and 10 are being planned for 2021. The overwhelming support of the member countries indicates that the Bank is becoming more proactive in efforts to expand the frontiers of development. In response to increasing requests by the BED to develop the new skills and knowledge required for the New Business Model within the Bank and for member countries, the President officially launched the GVC-Community of Practice (GVC-CoP) in November 2019 with a remarkable support from 260 staff members.

"The overwhelming support of the member countries indicates that the Bank is becoming more proactive in efforts to expand the frontiers of development."

1.3.2 PROJECTING IsDB AS A GLOBAL BRAND

Effective communication is a key component of the P5P. In 2019, several initiatives and activities were undertaken to build on the 2018 achievements in projecting the Bank as a global brand. Extensive coverage of IsDB participation in high-level global events were undertaken. The IsDB's outreach efforts covered by the global and social media is attracting significant worldwide audiences. The key messages in all external communications through the mainstream media, web casting, social media channels, and by fostering third party support were tailored to:

- Enhance the IsDB's profile on the global stage through flagship events and initiatives.
- Communicate the real impact of IsDB projects through effective profiling of the beneficiaries.
- Scale up digital footprint of IsDB to increase international media coverage.

In a bid to strengthen resources, the Bank has taken measures to expand its database of films, images and publications as well as building a robust Communications Team.

These efforts have helped to significantly increase the visibility of IsDB in regional and international media as well as in social platforms. Additional global new audiences were attracted through effective organization of major events such as the Annual Meeting in Morocco, Public Private Partnership (PPP) Summit in North Africa, Sukuk Summit in Europe (UK and Luxembourg), Transformers Summit in West Africa, further to rolling out the Transformers Roadshows across four continents; and by identifying strategic communications opportunities at the World Economic Forum, Davos, the United Nations General Assembly (UNGA) meeting, the World Bank Annual/IMF Meetings and Paris Peace Forum among others. Specifically, these activities have helped to raise the profile of IsDB among its MDB peers, boosting the global brand and promoting the strategic priorities of the IsDB President in accordance with the P5P focusing on GVCs, STI, PPP, and Islamic finance. In addition, the communication activities have helped the Bank in creating new partnerships with business, governments and Non-Governmental Organizations (NGOs).



SINCE LAUNCHING IN 2010, THE ISDBG HAS FORMULATED

27 MCPSs,
OUT OF WHICH 18 HAVE BEEN IMPLEMENTED,
FOUR ARE UNDER IMPLEMENTATION WHILE
FOUR ARE UNDER PREPARATION BASED ON
THE NEW GVC APPROACH

DURING 2019, FOUR GVC-BASED MCPS WERE
STARTED FOR TURKEY, MOROCCO, MALDIVES
AND GABON



1.3.3 STRATEGIC COOPERATION WITH MEMBER COUNTRIES

The Member Countries Partnership Strategy (MCPS) is the main instrument for medium-term engagement between IsDB Group and its member countries that guides project selection and implementation. Since it was launched in 2010, the IsDB Group has formulated 27 MCPSs, out of which 18 have been implemented, four are under implementation while four are under preparation based on the new GVC approach. As part of the P5P, a New Business Model has been devised to enhance competitiveness through investments in strategic industries to create local supply chains and integrate GVC. This has necessitated adjustments leading to GVC-based MCPS. During 2019, four GVC-based MCPS were started for Turkey (Second MCPS), Morocco (Second MCPS), Maldives and Gabon.

Regional Cooperation and Integration (RCI) has been one of the core strategic pillars of fostering socio-economic development in member countries. RCI provides a platform for connecting member countries to cooperate with each other and with the rest of the world. In 2019, a new RCI Policy and Operational Strategy, in accordance with the P5P and 10YS, was approved. The RCI Policy seeks to enable IsDB become a primary connecting platform for member countries, Regional Cooperation Organizations (RCOs) and relevant communities to cooperate with each other. It aims to strengthen economic cooperation among member countries to facilitate greater trade and investment with the global economy.

During 2019, the IsDB continued its initiative on the Geographic Information System (GIS) of Regional Infrastructure Networks. This GIS mapping provides the IsDB and its partner institutions with a modern and strong instrument for analysis, dissemination and visualization of data/information on transport infrastructure, international transit operations and trade flows in the region. The GIS initiative has already mapped the Eurasian set of countries in collaboration with the United Nations Economic Commission for Europe (UNECE). In 2019, the mapping of the Middle East and North Africa (MENA) group of countries in collaboration with the United Nations Economic and Social Commission for Western Asia (UNESCWA) was completed. Currently, the IsDB is undertaking negotiations with United Nations Economic Commission for Africa (UNECA) to do the same across the rest of Africa in 2020.

During 2019, the IsDB supported a study to help Senegal elaborate a National Green Export Review with the United Nations Conference on Trade and Development (UNCTAD). It is aimed at boosting green production and exports, increasing value added, and generating employment while making positive environmental impacts. The expected results include, among others, the identification of green export sectors in which the country holds a comparative

advantage, creating an enabling environment for the development of green sectors and green exports, setting national actions to advance green production and trade, and strengthening of value chain production activities.

The IsDB Technical Assistance Programme (TAP) for Global and Regional Integration in Trade was established in 1997 as an offshoot of the previous World Trade Organization (WTO) Programme. It seeks to help member countries upgrade their human and institutional capacities to adjust to the new multilateral trading system. The aim is to provide greater awareness to the IsDB member countries on WTO Agreements and their implementation to facilitate the process of their accession to the WTO. It also serves as a forum where relevant officials from member countries can exchange views and discuss various multilateral trade issues. In recent years, the focus of the Programme has been more on helping member countries with their accession to the WTO, strengthening their negotiation skills and issues related to negotiations within the framework of the Doha Work Program.

The IsDB has implemented its trade integration/WTO program, in close collaboration with the relevant international, national and OIC institutions such as WTO, UNCTAD, regional economic organizations and others.

Through the Investment Promotion Technical Assistance Programme (ITAP), the IsDB continued its support to investment promotion agencies of member countries. In 2019, the Bank facilitated the participation of forty-eight officials from twenty-five member countries in four investment promotion capacity building programs and high-level events. The activities were organized or co-organized in partnership with renowned regional and international development partners such as the UNCTAD, the World Association of Investment Promotion Agencies (WAIPA), the OIC, the D-8 Organization for Economic Cooperation (D-8) and Annual Investment Meeting. The events focused on several investment promotion and investment policy making topics.

IN 2019, THE BANK FACILITATED THE PARTICIPATION OF

48 OFFICIALS

FROM 25 MEMBER COUNTRIES IN
FOUR INVESTMENT PROMOTION
CAPACITY BUILDING PROGRAMMES
AND HIGH LEVEL EVENTS

1.3.4 LEVERAGING SCIENCE, TECHNOLOGY, AND INNOVATION FOR SUSTAINABLE DEVELOPMENT

Harnessing the power of Science, Technology and Innovation (STI) can drive higher economic growth to be springboard for achieving sustainable development. Hence, the IsDB has adopted and formulated policies, strategies and programs that promote a robust STI ecosystem to achieve economic growth and sustainable development in member countries. In this context, a New STI Policy was developed and approved by the Board of Executive Directors (BED). The Policy strives to mainstream STI into operational activities of the Bank and provide strategic support to member countries to enhance their national STI ecosystems through capacity building, policy support and international collaboration.

In order to leverage global success stories, the following partnerships and initiatives have been established to provide new frontiers for achieving sustainable development in member countries:

Partnership with the United Nations Educational, Scientific and Cultural Organization (UNESCO) This collaboration aims to create synergy to support STI efforts and strengthen inclusive STI systems in member countries. The partnership has started yielding results in the form of development of STI profile of the IsDB “GO-SPIN”, which has contributed to the development of the IsDB STI Policy. In addition, the partnership is currently supporting STI ecosystems in two-member countries-Mozambique and Uzbekistan. The project focuses on reviewing the existing STI landscape in these two countries to develop a comprehensive STI profile and determine strategic areas for investment and recommend policies to improve the existing STI ecosystem. The projects in the two countries will serve as a pilot to set a framework that could be replicated in other member countries.

Partnership with Barefoot College to implement projects that improve the lives of the rural poor, particularly those in remote and inaccessible villages that are off the energy grids. Projects are ongoing in nine-member countries comprising Afghanistan, Cameroon, Mali, Senegal, Somalia, Syria, Jordan, Burkina Faso, and Indonesia. The target is to supply communities with clean, low-cost household lighting from solar energy using a proven model for self-sustaining community development with active involvement of women in the rural communities.

Partnership with the Whitaker Peace and Development Initiative (WPDI) to support member countries achieve the SDGs through initiatives that promote peace, social inclusion, reconciliation, along with equipping people in conflict affected communities in Uganda with tools to make them employable. About 168 youths will be empowered

as partners and leaders in the promotion of peace and sustainable development in the most vulnerable districts of the Karamoja sub region in Northern Uganda, through the WPDI flagship Programme called “Youth Peacemaker Network”.

Partnership with Maritime Investment Initiatives (MII) to leverage emerging opportunities from the ocean, which is estimated to have the potential of contributing about US\$2.5 trillion to the global economy. Some of the initiatives are as follows:

- **Blue Economy investing policy (MII for the IsDB)** to guide current and future blue economy investment activities by the IsDB.
- **Memorandum of Understanding** with the Republic of Senegal signed during the Transformers Summit in Senegal in December 2019. It is aimed at providing wide range of activities to create an enabling environment for MII to evolve and lead to maritime investments that in turn will propel the blue economy.
- **Pilot Projects for MII in Member Countries;** one has been finalized for implementation in Morocco and Mozambique while the other for Somalia and Pakistan is at a nascent stage. In Morocco, the project aims to develop the aquaculture industry and boost the seafood sector to support economic diversification. Similarly, in Mozambique, the project invests in a Chicoa Fish Farm, a successful tilapia farm in northwestern Mozambique, to transform it into a model farm for Mozambique’s aquaculture sector.

THE TRANSFORM FUND

The IsDB-STI Fund was established in 2017 with an initial capital of US\$500 million to support member countries adopt STI for achieving sustainable development as well as mainstream STI into IsDB operational activities. After the successful outcome of the Innovation Competition in 2018, the 2nd Call for Innovation was launched in April 2019. About 5,055 submissions were received from 173 countries, out of which 1,417 applications from 91 countries were considered at the final stage. This reflects a 73 percent increase in outreach and visibility and 16 percent increase in the number of applications compared to the 4,361 submissions from 100 countries in 2018. Noteworthy is the increase in the gender ratio as 58 percent of the submissions in 2019 came from women scientists and women-led institutions compared to 41 percent in 2018.

Following a rigorous and a very comprehensive selection process that involved screening by specialized SDGs Reviewers against established criteria, the Scientific Advisory Board validated 34 proposals. The Board of Trustees selected 34 proposals as winners of the 2nd Innovation Competition (2019) of the Transform Fund. The winners are eligible to receive funding from operational

budget allocation of US\$4.5 million with US\$3.6 million to be distributed as grant and US\$0.9 million as equity.

The winning portfolio consisted of three equity investment proposals (for Start-ups and Small Enterprises) and 31 grants (new ideas with proof of concept and institutional capacity building in STI). Those proposals were submitted from 20 countries worldwide.

The SDGs distribution among the winning proposals was: 15 proposals addressing challenges related to Good Health and Well-being (SDG-3), seven are related to Industry, Innovation and Infrastructure (SDG-9); five are related to Quality Education (SDG-4); four are related to Clean Water and Sanitation (SDG-6); two are related to “No Hunger” (SDG-2) and one is related to Affordable & Clean Energy (SDG-7).

MULTI-STAKEHOLDER FORUM

In December 2019, the Republic of Senegal hosted the second “Transformers Summit” under the patronage of His Excellency Macky Sall, President of the Republic of Senegal and His Excellency Bandar Hajjar, President of the IsDB Group. The summit followed a week-long comprehensive and customized training for the Transform Fund winners, which was conducted by a group of specialized professionals and covered a wide range of topics in project management, investment, financial management and communication.

Under the title “Make Cities and Human Settlements Inclusive, Safe, Resilient and Sustainable”, the Summit in Dakar, Senegal, brought together investors, entrepreneurs, innovators, NGOs and global leaders to discuss the role of STI in achieving SDG-11, which is Sustainable Cities and Communities.

TRANSFORMERS ROADSHOWS

During 2019, seven Transformers Roadshows took place in Uzbekistan, Bosnia, Niger, Pakistan, Bangladesh, Kazakhstan and Egypt. The purpose of the roadshows are to accelerate STI-led initiatives in member countries and Muslim communities in non-Member countries. As part of the roadshows, innovative proposals were considered with 22 of the submitted proposals emerging as winners and given award of US\$3,000 prize each to develop their ideas. The winning innovators pitched concepts supporting the SDGs. The roadshow winners were invited to attend the Transformers Summit held in Senegal to give them the opportunity to connect and network with other innovators, investors and scientists.

THE ENGAGE PLATFORM

Engage is an on-line platform, which is at the centre of all STI initiatives. Through Engage, the world’s developing communities including innovators, SMEs, private sector,

NGOs, companies and governments will benefit from tailored mentoring services, access to financial resources and experts to help develop ideas of higher levels in accordance with international standards.

The platform provides up-to-date information about global STI trends to enable stakeholders appreciate impact and achievements of the STI activities. In addition, the platform facilitates meeting between innovators and investors as well as online learning serving as information centre for Intellectual Property. IsDB-STI activities such as the Innovation Competition, STI Prize and Transformers Roadshow are hosted and processed through the Engage transform. In 2019, about 55,000 new users visited the platform, indicating a 73.6 percent increase from 2018 while page reviews increased by 13 percent.

ISDB INNOVATE (CROWDFUNDING PLATFORM)

The Platform targets donors worldwide to raise additional resources, implement more development projects and enhance development activities of IsDB in member countries. The donations are channeled directly to development projects. Currently, the IsDB-Innovate platform is active in nine member countries showcasing 20 projects. All winning Transformers’ projects will be posted on the platform to ensure the IsDB’s continued support. In 2019, the crowdfunding platform achieved more than 700,000-page views, and about eight million social media posts all over the world. There are 1003 donors on the platform with the top ten countries in terms of fund raising being Bangladesh, Algeria, Turkey, Guinea, Indonesia, Morocco, Egypt, Côte d’Ivoire, Tunisia, and Libya.

DIGITIZATION ENTERPRISE PROJECT

One important STI initiative is the Digitization of IsDB functions, which started in 2018 and recorded significant progress in 2019. All 49 business units are currently on JIRA platforms for coordinating their activities. In 2019, required infrastructure and processes were completed to set the basis for IsDB to become a paper-light organization. An “eMemo” Solution has been introduced and being implemented. Thus far, digitization solutions have been rolled out to more than 1000 users within the IsDB, including the RHs, which has substantially improved the responsiveness and transparency leading to:

- **Efficiency:** reducing average period of dealing with issues from 38 to three days
- **Effectiveness:** enabling business units to monitor their project delivering process as well as budget utilization
- **Cost-saving:** due to reduction in use of papers and printer ink, time spent in meetings, preparing documents and effective time tracking and project management.

As a result of digitization, all IsDB Request Forms are now Electronic with timely processing of Service Level Agreements. Furthermore, the Office of the President is now functioning with improved efficiency due to the digitization processes such as eMemo and electronic signature that has enabled a functional "One Virtual Team". In addition, digitization has led to simplification of processing invoice and related functions. The efficiency of quarterly updates of relevant documents for internal and external engagements of the President and other members of the Management in the IsDB Group has also improved and moreover, the President Briefing Portal has been a landmark achievement in terms of paperless meetings.

1.3.5 BRIDGING DEVELOPMENT GAPS THROUGH SOUTH-SOUTH COOPERATION AND REVERSE LINKAGES

The IsDB has demonstrated strong commitment to promoting and strengthening exchange of knowledge, expertise and resources, through South-South and Triangular Cooperation (SSTrC). The Technical Cooperation Programme (TCP), which was established in 1983, is the IsDB's flagship Programme for SSTrC. It is a tripartite scheme involving three partners: a technical donor, a beneficiary and the IsDB as a facilitator to support the transfer of expertise, know-how and resources across member countries to address their development challenges. In recent years, the Bank has added the Reverse Linkage modality to the TCP as a long-term technical cooperation mechanism.

In 2019, US\$ 850,000 in grant was allocated for the TCP to provide financing to the Bank's member countries for short-term technical cooperation interventions such as (i) the organization of seminars and conferences, (ii) the provision of on-the-job training courses and study visits and (iii) the recruitment of experts. During the year, 35 TCP operations were approved for 42 member countries. Priority was given to Least Developed Member Countries (LDMCs) and regional courses and workshops. In 2019, these interventions addressed instant capacity development needs of member countries and upgraded the skills of more than 275 experts in various sectors such as agriculture, climate change actions, health, water, technical and vocational education, as well as administration and governance. Through these projects, the Bank strengthened its partnerships with Resource Centres in member countries and with regional and international institutions.

The Bank's Reverse Linkage activities continued to connect the member countries to facilitate the exchange of expertise, technology and resources. In 2019, a US\$2.5 million grant was allocated for Reverse Linkage interventions, 96 percent of which was utilized. Two of the Reverse Linkage

interventions were mainstreamed in the Bank's ordinary operations amounting to US\$1 million in the health and agriculture sectors. These projects will benefit Indonesia and Sierra Leone. There were three standalone Reverse Linkage projects amounting to US\$1.06 million for Chad, Mauritania and The Gambia in water management, agriculture and energy respectively. These Reverse Linkage projects will benefit more than 830,000 children, women and men.

Through these Reverse Linkage interventions, eight countries were connected to help each other overcome development challenges. In these projects, Sudan, Palestine, and Morocco are the providers of expertise. This reinforces cooperation among member countries. In addition, the Bank mobilized an additional US\$13 million from the Arab Bank for Economic Development in Africa (BADEA) and Morocco in the form of co-financing for these Reverse Linkage projects.

The Bank, for the first time, opened a new avenue of collaboration with the private sector by leveraging its Reverse Linkage mechanism, which culminated into the establishment of funding mechanisms with a total financial contribution of US\$45 million for member countries. The Bank signed an agreement with Serba Dinamik Group Berhad, an energy sector private company in Malaysia, to set up a US\$30 million Reverse Linkage Fund that provides financial and technical resources to help IsDB member countries to establish vocational training centres in the oil & gas sector that would boost employment, among others. In addition, the Bank signed an agreement with Warisan Quantum Management, a Malaysian Shariah-compliant private equity management company, to allocate a US\$15 million to Reverse Linkage Fund that supports Malaysian SMEs interested in participating in Reverse Linkage activities and in potential business opportunities as a result of Reverse Linkage projects.

In the context of Agenda 2030 and at a time when development partners are all looking for ways to maximize the engagement of the private sector in achieving the SDGs, these new partnerships provide examples of how the Bank is looking for innovative ways through its Reverse Linkage mechanism to forge result-oriented partnerships and mobilize technical and financial resources to achieve development in member countries. The new approach is, also, fully aligned with the P5P, which aims to Make Markets Work for Development.

Furthermore, the Bank continued its efforts to consolidate and leverage global opportunities to deepen its SSTrC activities, which are highlighted as follows:

Involvement in the Second-High Level United Nations Conference on SSTrC, by supporting member countries to participate in the 2nd High-Level United Nations (UN) Conference on SSTrC also known as the Buenos Aires Plan of Action (BAPA) +40, held on 20-22 March 2019, in Buenos Aires, Argentina.



IN 2019,

US\$ 2.5 MM

GRANT WAS ALLOCATED FOR REVERSE LINKAGE INTERVENTIONS, 96% OF WHICH WAS UTILIZED

US\$ 45 MM

WAS MOBILIZED FROM THE PRIVATE SECTOR FOR REVERSE LINKAGE

BOX 1.1 DEVELOPMENT OF RURAL ELECTRIFICATION IN THE GAMBIA THROUGH SOLAR ENERGY

This project was developed under the Bank's Reverse Linkage modality to leverage the experience and technical expertise of Office National de l'Electricité et de l'Eau Potable (ONEE) as the Reverse Linkage technical partner to boost rural electrification to support The Gambia in achieving its goal of universal access to electricity as contained in its National Development Plan (2018 – 2021) and Electricity Sector Roadmap. Both the plan and roadmap aim to reduce to less than 60 percent by 2025 the energy generation from Heavy Fuel Oil (100 percent in 2017), and to expand access to rural areas, with the objective of achieving universal access, from a current level of 6 percent of the population in the outlying provinces.

The target of this project is to improve access to electricity in the rural areas by providing reliable and affordable energy to the villagers, using renewable energy sources and reducing fossil fuel consumption and CO₂ emissions for electricity generation. The implementation arrangement comprises: (i) operationalization of the cooperation agreement between the IsDB and the Ministry of Economy & Finance of Morocco and the Moroccan Agency for International Cooperation (AMCI); and (ii) implementation of the roadmap related to the IsDB/ONEE Facility for rural electrification development in Africa.

Capacity Development Program for Enhancing National Ecosystems for SSTrC, by commissioning a study in partnership with the South Centre to analyze the dynamics of existing national institutional arrangements entitled "Developing National Ecosystems for South-South and Triangular Cooperation to Achieve Agenda 2030 for Sustainable Development", which was launched on the sidelines of the UN General Assembly Meetings in September 2019.

Expanding the Network of Developers and Partners through Reverse Linkage, in accordance with the New Business Model of becoming "Bank of Development and Developers". In 2019 the Bank established cooperation with the Technical Cooperation Agencies (TCAs) of twelve member countries. In addition, the Bank co-organized the 11th High-Level Forum for Directors General for Development Cooperation (DG Forum) with about 100 participants from various development cooperation agencies for the first time since the 2nd High Level UN Conference on South-South Cooperation (BAPA+40).

1.4 DISSECTING IsDB GROUP PERFORMANCE IN 2019 BY ENTITIES

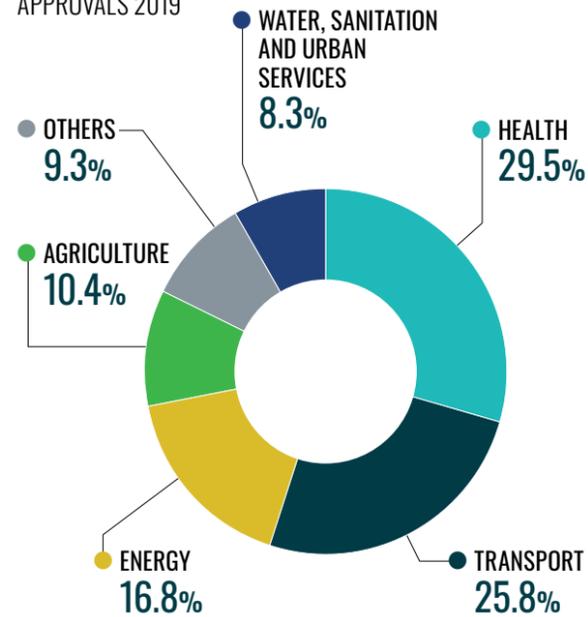
1.4.1 MAIN DEVELOPMENT OPERATIONS

In 2019, IsDB-OCR approvals, the mainstream development financing of the Group, was US\$1.63 billion, representing 20.9 percent of total IsDB Group approvals and a 28.6 percent increase from the US\$1.27 billion approved in 2018. The significant increase in IsDB-OCR approvals reflects strong commitment to development financing in 2019 while the previous year was predominantly dedicated to restructuring and re-strategizing to re-tool for more effective and efficient delivery of development interventions to help member countries cope and adapt to new frontiers for achieving sustainable development.

Sectoral distribution of 2019 IsDB-OCR approvals (chart 1.5) shows that Health and Other Social Services got 29.5 percent with US\$482.10 million, followed by Transportation Sector with 25.8 percent (US\$420.72 million), Energy Sector with 16.8 percent (US\$274.19 million) and Agriculture with 10.4 percent (US\$169.27).

The regional distribution of IsDB-OCR approvals for 2019 (chart 1.6) indicates 49.9 percent of the approvals (US\$814.3 million) for member countries in the Africa and Latin America region, 30.3 percent (US\$494.5 million) for member countries in the Middle East, North Africa and Europe region and 19.5 percent (US\$318.7 million) for member countries in the Asia region and 0.3 percent (US\$5 million) for regional projects and Muslim communities in non-member countries.

CHART 1.5 SECTORAL DISTRIBUTION OF IsDB-OCR NET APPROVALS 2019



IN 2019, IsDB-OCR APPROVALS, THE MAINSTREAM DEVELOPMENT FINANCING OF THE GROUP, WAS

US\$ 1.63 BN,
REPRESENTING 20.9 PERCENT OF TOTAL IsDB GROUP APPROVALS AND A 28.6 PERCENT INCREASE FROM THE US\$1.27 BILLION APPROVED IN 2018

CHART 1.6 REGIONAL DISTRIBUTION OF IsDB-OCR APPROVALS 2019

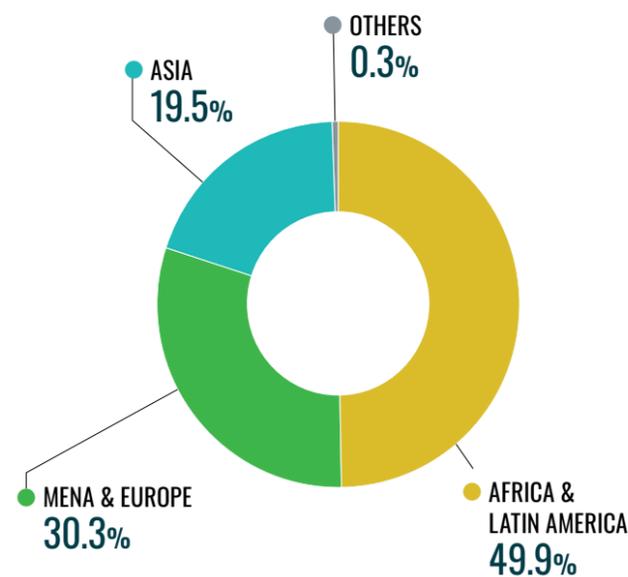
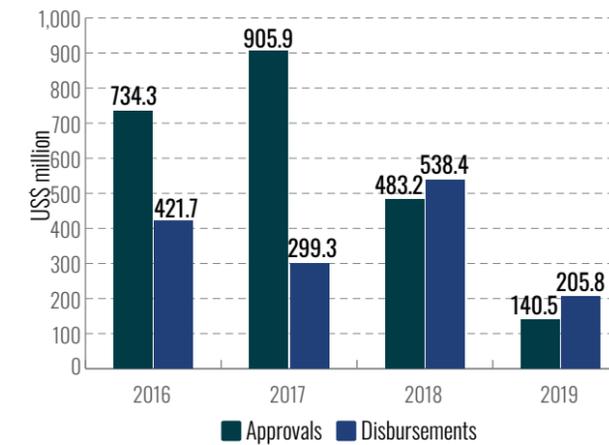


CHART 1.7 TRENDS IN ICD NET APPROVALS & DISBURSEMENTS



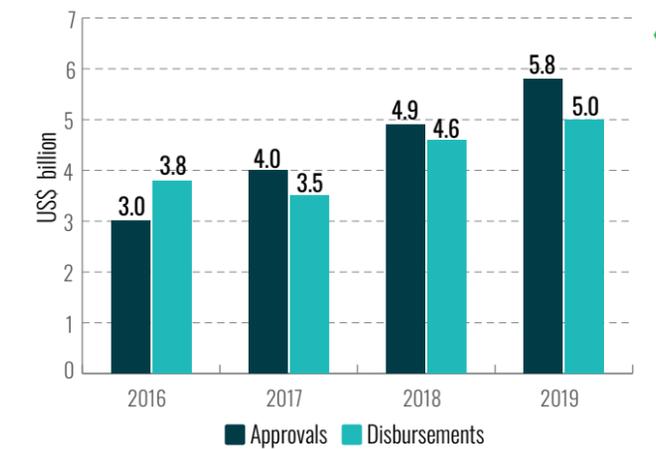
1.4.2 SUPPORTING PRIVATE SECTOR DEVELOPMENT

Due to the transitional period in 2019, the Islamic Corporation for the Development of the Private Sector (ICD) witnessed a slowdown in the implementation of its ambitious and growth-oriented business plan by approving US\$140.50 million worth of operations. This amount brings the cumulative approvals since inception to US\$5.40 billion. On the other hand, the Corporation was able to scale up its disbursements to US\$205.80 million in 2019 (including disbursements of approvals in previous years). This high disbursements in 2019 has brought disbursement/approval ratio to 146.5 percent.

After creating new channels of operations in member countries, the ICD approved US\$63.4 million for lines of financing, while disbursements to financial institutions stood at US\$78 million in 2019. On the real sector side, US\$65 million of financing was approved and US\$101 million disbursed (including disbursements for approvals of previous years). The disbursements were mainly in high impact sectors such as energy, industrial and healthcare. In addition, Asset Management continued to be an important tool for the ICD in its efforts to deliver its development mandate with total assets under management of over US\$350 million.

In terms of regional distribution, 35 percent of the ICD's approvals went to Sub-Saharan Africa, 33 percent to Asia, 16 percent to Europe and Central Asia and 16 percent to the Middle East and North Africa region. The approval and disbursement performance of the ICD in 2019 slowed down, especially in the context of its performance in recent years (see chart 1.7). This is mainly due to its corporate re-organization to prepare for stronger performance to face the emerging global development challenges and their effects on member countries.

CHART 1.8 TRENDS IN ITFC NET APPROVALS & DISBURSEMENTS



1.4.3 ADVANCING TRADE TO IMPROVE LIVELIHOOD

The International Islamic Trade Finance Corporation (ITFC) commenced operations in 2008 with a mandate to promote intra-OIC trade and support trade development activities in member countries, by financing imports and exports and acting as a conduit in facilitating trade. Since inception, the ITFC has been financing both public and private sector trade activities using mainly the Murabaha mode of financing. The financing activities of the ITFC cover various sectors, prominent amongst which are the energy (crude oil and refined petroleum products), agriculture (fertilizers, cotton, groundnuts, coffee, wheat, etc.), finance, manufacturing, and textile sectors.

From inception to date, the ITFC has been recording robust growth in its operations with cumulative approvals reaching US\$48.69 billion as of the end of 2019. Total approvals in 2019 amounted to US\$5.75 billion, reflecting a 17.2 percent increase from the 2018 total approval of US\$4.91 billion. The growth in approvals was due to higher demand for financing from member countries (owing to increases in oil prices), as well as the ITFC's efforts to diversify its portfolio by targeting new member countries and new clients, with the focus on extending lines of financing to Banks. In addition, the ITFC's financing for the agriculture (mainly cotton and groundnuts) and energy sectors in Africa has continued to expand and is becoming an important part of its growth strategy. Disbursements grew by 9.2 percent in 2019 to US\$5 billion from the US\$4.58 billion recorded in 2018. This is in line with the recent trend of increased approvals and disbursements (chart 1.8).

The high-level of total approvals in 2019 meant that the ITFC needed to mobilize resources from external partners in order to fund this level of trade financing commitments. Accordingly, the ITFC, through existing and new partners, mobilized more than US\$3.5 billion in 36 syndicated operations in favour of 15 member countries. This level of

mobilized funds represent 71.4 percent of the total trade financing provided by ITFC to its clients in 2019.

In terms of Credit Rating, the Moody's Investor Service assigned a first-time long-term issuer rating of A1 to ITFC with a stable outlook. The credit rating is a stellar achievement, which will enable the ITFC to gain better access to borrowing from the external markets at attractive rates. At the same time, it would facilitate resource mobilization from financial institutions. Moody's, also, assigned first-time short-term issuer rating of P-1. This historic milestone reflects the ITFC's strong capital position, moderate leveraging scenarios, prudent treasury investment practices and adequate liquidity management policies.

In addition, the ITFC is undertaking Trade Development activities in member countries in accordance with its assigned mandate, which is the basis of its slogan, "Advancing Trade, Improving lives". For this purpose, Trade Programs are implemented through the Model interventions titled Flagship Programs, Integrated Trade Solutions and Targeted Interventions (FIT).

1.4.4 INSURING CREDIT AND COUNTRY RISKS

The Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC) is the IsDB Group's arm that is mandated to expand trade and encourage foreign investment into member countries using credit enhancement and political risk insurance instruments in accordance with Shariah principles. ICIEC is rated Aa3 by Moody's with a Stable Outlook. ICIEC's shareholders are the IsDB and 47 of the 57 IsDB member countries.

ICIEC provides risk mitigation solutions to exporters as well as entities undertaking foreign investments in its member countries. On a selective basis and depending on the developmental impact on importing member countries, non-payment risk mitigation solutions are offered to non-member countries' exporters for supply of essential commodities and capital equipment.

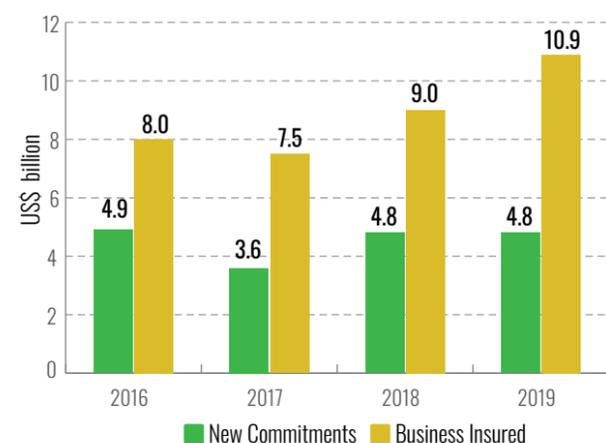
Since inception, ICIEC's intermediation has facilitated participation of international investors and financiers in numerous infrastructure projects with high developmental impact in member countries. It is important to highlight that those projects would not have materialized without ICIEC's intervention owing to perceptions of high risks due to political and other trends.

Consistent with the Group's objective of crowding in private sector investment and increasing ICIEC's capacity to support critical development projects in member countries, the Corporation transfers significant portions of its insurance exposure to the global reinsurance market and multilateral partners. Since inception, ICIEC has supported business to the tune of US\$50.69 billion in Export Credit Insurance and US\$12.96 billion in Foreign Investment Insurance.

TABLE 1.1 SUMMARY OF ICIEC OPERATIONAL RESULTS 2019

Business Indicators (US\$M)	2019G	2018G	Change %
New Commitments	4,765	4,837	-1.5
Total Business Insured	10,864	9,030	20
Total Exposure	3,735	4,665	-20

CHART 1.9 TRENDS IN ICIEC'S BUSINESS INSURED AND NEW COMMITMENTS



Since inception, ICIEC's insurance approvals reached US\$46.29 billion and business insured amounted to US\$63.65 billion. The claims ratio (claims paid over premium earned), which is the main indicator of credit insurance operations performance, stood at 0.15 percent in 2019 and 23 percent cumulative since inception, which is lower than the industry average.

The top ten member countries benefiting from ICIEC services since inception are Saudi Arabia (19.4%), UAE (13.7%), Turkey (12.9%), Bahrain (7%), Algeria (6.5), Egypt (6.3%), Jordan (5.2%), Pakistan, (5.1%), Bangladesh (3%), and Côte d'Ivoire (2.2%). ICIEC's business insured increased by 20 percent from US\$9.03 billion in 2018 to US\$10.86 billion in 2019, while new commitments decreased marginally by 1.5 percent from US\$4.84 billion in 2018 to US\$4.77 billion in 2019.

1.4.5 DISSEMINATING KNOWLEDGE IN ISLAMIC ECONOMICS AND FINANCE

As there is growing realization of the essence of Islamic finance, the IsDB considers its strategic advantage in knowledge of Islamic economics and finance as useful in shaping new frontiers for achieving sustainable development. The Islamic Research and Training Institute (IRTI) was founded in 1981 as a member of the IsDB Group mainly to support IsDB in developing and disseminating knowledge in Islamic economics and finance to underpin socio-economic development in member countries and Muslim communities worldwide.



In 2019, IRTI achieved the following major accomplishments:

- Launched the 'Smart Economy Initiative', with the aim to formulate innovative knowledge-based solutions to address development challenges facing member countries. Under this initiative, the Smart Economy Lab was established in the IsDB Regional Hub in Jakarta, Indonesia. The Lab will start operations in 2020 and will focus on supporting patentable research and creative ideas leading to start-ups that can contribute to the sustainable development of the member countries.
- Submitted applications for two fintech patents for 'Smart Credit Management System' and 'Smart Voucher'. These are innovative solutions that, once completed and operationalized, will be of great value to the Islamic finance industry as well as to the economies of member countries.
- Initiated the Awqaf (Islamic endowments) Specialist Certification Program, as part of the certification programs to be developed by IRTI with the aim of building human and institutional capacities in the IsDB member countries. The Awqaf certification program will be delivered in partnership with specialized institutions and will lead to the award of international professional certification accredited by the world's leading universities.
- Started a project to develop an electronic platform for the protection and verification of Awqaf properties. The "Ish'had" platform will use modern financial technologies to ensure the verifiability of Awqaf records,

so that Awqaf can achieve their objectives and maintain their sustainability across generations.

- Delivered 16 training courses and workshops in various aspects of Islamic Economics, Banking, and Finance. These include a new online course in Islamic Trade Finance, developed jointly with the ITFC and the International Chamber of Commerce Academy (ICCA). The course is available through the ICCA's innovative online learning platform.
- Issued 19 publications in Islamic Economics, Banking, and Finance, including monographs and conference proceedings, a flagship report, journals, and research papers.
- Launched the Djibouti Islamic Finance Country Report, the latest in the series of IRTI's Islamic Finance Country Reports. The work, also, reached an advanced stage during the year on the Kingdom of Saudi Arabia Islamic Finance Country Report and the 4th issue of the Islamic Social Finance Report, both of which are expected to be launched in 2020.
- Supported the development of the field of Islamic Economics and Finance through the provision of hundreds of copies of publications in Islamic Economics, Banking, and Finance.
- Organized the 14th IsDB Global Forum on Islamic Finance, held during the 44th Annual Meeting of the IsDB Group in Marrakech, Morocco in April 2019. The forum was held under the theme "Developing Smart Economies for Sustainable Development".

1.4.6 FORGING SOLIDARITY FOR POVERTY REDUCTION

Due to concerns about the impact of poverty in member countries, the Islamic Solidarity Fund for Development (ISFD) was established as a Special Fund within the IsDB Group, by a decision of the Extraordinary Summit of the Organization of Islamic Cooperation (OIC), held in Makkah, Saudi Arabia, in December 2005. The ISFD was officially launched during the 32nd Annual Meeting of the IsDB Board of Governors (BOG), held on 29-30 May 2007 in Dakar, Senegal. The Fund is dedicated to financing poverty reduction projects and programs in member countries with emphasis on projects that promote pro-poor growth and human development (health and education) to enhance the productive capacity of the poor for effective poverty reduction.

Since inception, the ISFD has approved US\$722.40 million, including US\$39.60 million in 2019 for various poverty reduction projects and programmes in pro-poor sectors such as water supply, health, education, and rural development. As per the decision of the ISFD Board of Directors, 30 percent of ISFD paid-in capital should be allocated to projects with significant impact on poverty alleviation through "Development WAQF/Trust". In this context, the ISFD contributed US\$52 million to the US\$500 million "Economic Empowerment Fund for Palestinian People".

As part of its efforts to improve effectiveness, the ISFD adopted new approaches to project implementation, which lays less emphasis on size and number of projects and more on impact-oriented programs through partnerships. An example under this new approach is the "Enrollment and Retention of Out-of-School Children programme in partnership with Education Above All (EAA), an international Civil Society Organization (CSO), dedicated to supporting educational attainment of out of school children. In 2019, a programme was approved for implementation to support 2.4 million out of school children in participating member countries. The programme will start initially in Mali and subsequently to extend to Pakistan, Nigeria, Burkina Faso, Niger and Côte d'Ivoire.

Another high impact oriented programme is the Alliance to Fight Avoidable Blindness (AFAB). It is a global partnership of 32 partners that seeks to carry out 1.5 million cataract operations and 10 million consultations in addition to the distribution of eye glasses and many other capacity building services. Significant progress has been achieved as 15,000 cataract operations and 60,000 eye consultations have been conducted in six member countries since implementation started in late 2018. Moreover, capacity-building programmes were organized in Turkey and Tunisia for young African ophthalmologists from 13 member countries. The total cost of AFAB is



US\$250 million. Considering the success of this program, the Fund plans to expand its geographical coverage and resource mobilization through non-conventional means such as crowd funding.

Resource mobilization is essential to implementing poverty reduction projects in member countries and the ISFD has adopted a new approach based on partnership with the private sector. In this context, Ihsan Waqf Investment Funds (IWIFs) was established as an innovative resource mobilization tool through which the ISFD seeks to collaborate with donors using the Islamic Waqf (endowment) concept and principles. The first IWIF has been approved for Al-Quds with a target capital of US\$100 million, to which the ISFD will contribute US\$20 million. In addition, the ISFD is in the process of establishing an IWIF with Investcorp, Bahrain, for US\$250 million, and several similar funds are being considered for other member countries. Another innovative resource mobilization instrument the ISFD has

developed is the Cash Waqf Sukuk (CWS), which seeks to partner with qualified financial institutions to mobilize resources for poverty reduction. Plans are underway to issue a CWS of US\$1 billion, with the first issuance of US\$100 million by Malaysian organizations.

1.4.7 EXPANDING THE FRONTIERS OF ISLAMIC FINANCE FOR SUSTAINABLE DEVELOPMENT

In line with its core mandate, the IsDB has since inception been undertaking various activities to support the development of the Islamic Financial Services Industry (IFSI). Over the past 40 years, the IsDB Group has supported the development of IFSI through various initiatives, such as (i) equity investments in Islamic financial institutions; (ii) technical assistance activities for capacity building; (iii) establishment of Islamic infrastructure institutions; (iv) development of financial products/funds; and (v) the joint development of the "Ten-Year Framework for Developing the IFSI".

Technical Assistance projects and other initiatives have been making significant impact on the development of Islamic finance in general, and to the beneficiaries. Out of 85 approved Technical Assistance projects since inception, totaling US\$15.50 million, 36 were completed, and the remaining are at various stages of implementation. The outcomes of the completed projects have seen expanded Islamic finance offering to new countries and new institutions. Moreover, the support provided by the IsDB has strengthened the infrastructure institutions to nurture the development of this vibrant industry. In 2019, 10 Technical Assistance projects amounting to US\$2.1 million were approved (see Table 1.2).

Furthermore, eleven awareness events were organized in 2019 at a total amount of US\$262,100. As part of the activities of the IsDB in supporting Islamic infrastructure institutions, the management of IsDB has approved different requests from Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Al-Madinah University, Bayero University Kano Nigeria, the UNDP and other beneficiaries.

To complement the TA and awareness activities, advisory services on Islamic finance are being provided in kind and where possible on a cost recovery/fee-based model. In 2019, advisory services were provided to Islamic financial institutions to enhance their capacity, to provide new financial products and to promote the development of the Islamic finance industry. Beneficiaries include the Islamic Financial Services Board (IFSB) and the AAOIFI, which were supported to develop and launch new standards in Islamic Economics and Finance. In 2019, eight new standards were approved, nine on-going standards amended, and 11 new standards launched. In addition, five Working Papers were approved and five new ones introduced. Furthermore,

TABLE 1.2 TECHNICAL ASSISTANCE PROJECTS APPROVED TO SUPPORT IFSI IN 2019

#	Recipient	Scope	US\$ '000'
1	Uzbekistan	Creating an Enabling Legal, Regulatory and Supervisory Environment for Awqaf	270
2	Regional	IF-CAF - Islamic Finance Country Assessment Framework
3	Russia	IFSB Russian Translation	180
4	Regional	Sukuk Model Law	275
5	UAE	UAE Economic Department	200
6	Tunisia	Implementation of Capacity Building Programs for Zitouna Tamkeen	200
7	Indonesia	Zakat Mechanisms for National Zakat Board	265
8	Somalia	Regulatory Framework for Islamic Finance	275
9	Pakistan	Operationalization of EXIM Bank	280
10	Senegal	Operationalization of High Authority for Waqf	150
Total Approved			2,095

BOX 1.2 YOUTH EMPLOYMENT SUPPORT PROGRAM-CATTLE FATTENING INCUBATOR FOR THE POOR IN EGYPT

The Youth Employment Support program has been successful in creating an incubator for poor youth, among whom 80 percent women. An MoU was signed between the Ard El Khair and Micro Small and Medium Enterprise Development Agency as Executing Agency of the project to agree on the roles and responsibilities pertaining to the selection and implementation of the incubator. On average, 150 youths are selected out of 2000 applicants for each of the three rounds that have been conducted. The selected youths would be incubated for a period of six to nine months and would receive training on how to fatten cattle. Each youth receives a Murabaha loan of EGP500,000 (US\$30,900) with a 5 percent per annum mark up to acquire 30 ruminants from Brazil, which would be channeled directly to Ard El Khair to purchase. The calves would be tagged so that each beneficiary would be responsible for his/her own calf. They would be required to work for three hours a day, four days a week and be monitored during the incubation period. Ard El Khair would monitor their progress as well as the progress of the cattle and sell the cattle to markets including hotels, wholesalers and retailers. Each beneficiary is expected to earn about US\$1,500 during the incubation period in addition to the technical expertise and certification received. This initiative has helped 450 youths come out of poverty to date. Based on the success of this pilot scheme, this model is currently being planned for replication in other parts of the country.



ISDB HAS BEEN ACHIEVING ENCOURAGING DEVELOPMENT IMPACTS THROUGH ISLAMIC MICROFINANCE PROJECTS WITH 56 ACTIVE PROJECTS WITH A TOTAL APPROVAL OF

US\$ 466.72MM

financial and technical support were provided to the 7th Waqf Conference as well for the IsDB Second European Sukuk Summit, which was held in Luxembourg and the 14th AAOFI/World Bank Conference that held in Bahrain.

The participation of IsDB in the equity portfolios of Islamic Financial Institutions (IFIs) has been one of the ways of propping Islamic banks to ensure the growth of IFIs. Currently, the Bank has equity participation in 34 IFIs in 22 countries across different regions worldwide with a total disbursed amount of ID297.50 million (US\$411.30 million) with an estimated value of ID386.30 million (US\$534 million). There are 18 Islamic banks out of the 34 IFIs, constituting about 53 percent of the equity portfolio of the IFIs. New investments in IFIs are expected to focus on financial inclusion namely in microfinance and Islamic banks where the sector is not yet developed. This portfolio is not only promoting the Islamic Financial Services Industry but has, also, generated around ID109.40 million (US\$151.25 million) in cumulative dividends. Each US\$1 of IsDB equity investment has generated US\$140 of financial assets.

Furthermore, the IsDB has been achieving encouraging development impacts through 56 active Islamic microfinance projects with a total approval of US\$466.72 million. The portfolio is segmented into 17 standalone projects (US\$333.14 million) and 39 agriculture projects with a microfinance component (US\$133.58 million). The significance of the impacts of Islamic microfinance projects is illustrated with the recently completed Youth Employment Support (see Box 1.2) project in Egypt and the Rural Income and Employment Enhancement Project in Uganda. The first project has created 20,257 jobs for the youths to date. The second has provided financing to 458,956 rural individuals and created employment opportunities for 1.2 million people throughout the country. In order to further enhance Islamic microfinance, knowledge dissemination activities on Islamic microfinance were undertaken. For instance, a workshop was organized on "Value Chain Financing at the Heart of Microfinance: How to do it and How to Measure its Impact". In addition, Islamic Microfinance for Women's Financial Inclusion Report and Toolkit was launched to provide mechanisms for financial inclusion through Islamic microfinance.

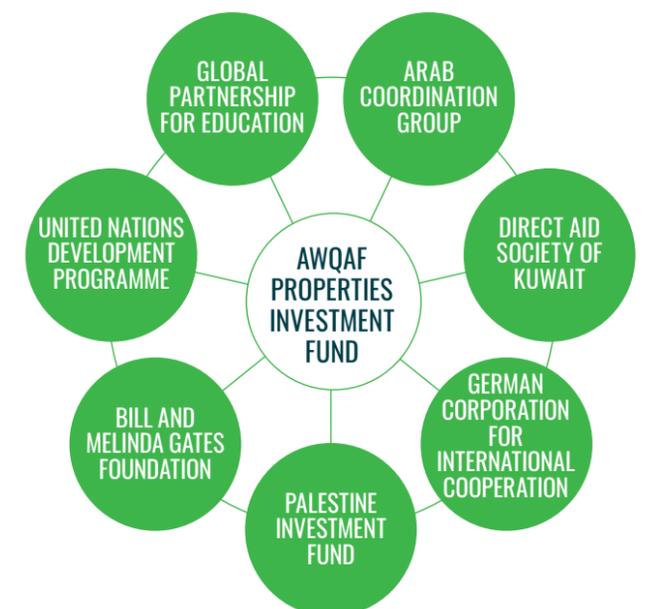
1.4.8 IMPLEMENTING AWQAF PROJECTS FOR SUSTAINABLE DEVELOPMENT

As Islamic finance principles continue to grow globally as an emerging frontier for achieving sustainable development, Awqaf projects have proven to be effective in delivering tangible development outcomes. The IsDB has for several years invested in Awqaf properties under the Awqaf Properties Investment Fund (APIF), which finances both sovereign and non-sovereign Awqaf projects. In 2019, APIF, in partnership with the IsDB line of finance, approved financing of seven projects with other partners totaling US\$77.80 million in four different IsDB member and non-member countries with APIF contributing US\$38.53 million.

Since inception, APIF has approved 57 projects in 19 countries worldwide at a total value of US\$459.10 billion. Currently, the total assets of the Fund are valued at US\$94.85 million, an increase by US\$0.74 million from US\$94.11 million in 2018. The Fund, also, achieved satisfactory financial results with a net income of US\$3.10 million.

The outreach and partnership activities of APIF were scaled-up in 2019 by reaching out to the Global Partnership for Education (GPE), the Arab Coordination Group (ACG), the Direct Aid Society of Kuwait, the German Corporation for International Cooperation (GIZ), the Palestine Investment Fund (PIF), the Bill and Melinda Gates Foundation (BMGF), and the United Nations Development Programme (UNDP). As a result of these efforts, an additional US\$5 million was mobilized for APIF's capital from the Direct Aid Society.

THE OUTREACH PARTNERSHIP ACTIVITIES OF APIF WERE SCALED UP IN 2019





2 FOSTERING DEVELOPMENT IN MEMBER COUNTRIES

This chapter presents the activities of the IsDB in 2019 to foster sustainable development in member countries. These are achievements during the year and are mainly about approvals for implementation of development projects, in addition to other achievements.

IsDB'S PPP INTERVENTIONS HAVE GROWN TO

US\$4.25BN
SINCE 2004

A NEW PARTNERSHIP FRAMEWORK IS BEING FORMULATED TO EMPHASIZE THE RENEWED DRIVE FOR LEVERAGING PARTNERSHIPS TO FOSTER SUSTAINABLE DEVELOPMENT IN MEMBER COUNTRIES. THE TWO MAIN CATEGORIES ARE

OFFICIAL FINANCING PARTNERS

AND

COMMERCIAL FINANCING PARTNERS

IN 2019, BANK OFFERED

1,201

SCHOLARSHIPS IN REPUTABLE UNIVERSITIES ACROSS THE WORLD TO SUPPORT THE ACHIEVEMENT OF THE SDGs TAILORED TO THE NEEDS OF BOTH MEMBER COUNTRIES AND MUSLIM COMMUNITIES WORLDWIDE

THE TOTAL NUMBER OF SCHOLARSHIPS AWARDED OVER THREE DECADES IS

17,107

THE IsDB SCHOLARSHIP PROGRAMME HAS PRODUCED

87

MEDICAL DOCTORS, ENGINEERS AND SCIENTISTS:

60
UNDERGRADUATE

17
MASTERS

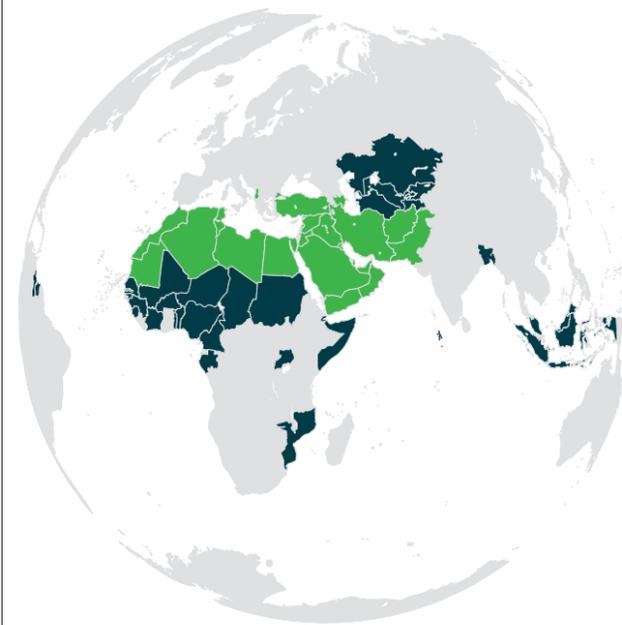
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PhD

2.1 APPROVALS AND DEVELOPMENT ACHIEVEMENTS OF THE IsDB IN 2019

The IsDB's commitment to supporting member countries in achieving sustainable development continued in 2019 with total OCR approvals of US\$1.63 billion for implementation of various development projects. Of the total approvals, 49.9 percent (US\$814.25 million) were for member countries in the Africa and Latin America (ALA) region, 30.3 percent (US\$494.52 million) were for member countries in the Middle East, North Africa and Europe (MENA) region, 19.5 percent (US\$318.69 million) for member countries in the Asia region and 0.3 percent (US\$5 million) for regional projects and Muslim communities in non-member countries.

Descriptions of project approvals and development (implementation) achievements in 2019 according to the three regional groupings are presented in the sections that follow.

2.1.1 MIDDLE EAST, NORTH AFRICA AND EUROPE REGION



APPROVALS IN 2019

 **Supporting Diversification of Export Markets in Turkey** through a US\$100 million project with Türk Eximbank, which seeks to increase Turkey's value-added exports. The project will enhance productivity, export capacity, economic growth and participation of the end-beneficiary companies in Global Value Chains (GVCs). It is relevant to achieving SDG-8 (Decent Work and Economic Growth) and SDG-9 (Industry, Innovation and Infrastructure).

 **Improving Urban Railway in Turkey** through US\$43 million Kayseri and Gaziray Light Rail Transit Project. The IsDB is contributing US\$33.01 million and the Kayseri Metropolitan Municipality contributing US\$9.92 million. The project seeks to improve railway network capacity and efficiency, enhance connectivity within urban areas, contribute in meeting transportation demand of over 30 million passengers by 2030, support the climate change mitigation by reducing GHG and establish a balanced multi-modal urban public transport system. It is relevant to achieving SDG-11 (Sustainable Cities and Communities) and SDG-13 (Climate Action).

 **Strengthening the Role of the Jordanian Parliament in Realizing 2030 Agenda** through a Technical Assistance project that seeks to enhance the capacity of the House of Representatives to effectively and transparently enact legislation, adopt budgets, and monitor effective implementation of the SDGs. The total cost of the project is US\$217,000 with IsDB contributing US\$131,000 through a Technical Assistance grant. It is relevant to achieving SDG-16 (Peace, Justice and Strong Institutions).

 **Improving Wastewater Management and Sanitary Services in Lebanon** through the Al-Ghadir Drainage Basin project, the total cost of which is US\$183.10 million with US\$87.5 million financing from the IsDB. The project seeks to improve the wastewater management and sanitary services for the population in Al-Ghadir drainage basin area (Greater Beirut) by upgrading and increasing the capacity of the existing wastewater treatment plant at Al-Ghadir, constructing new sewerage networks and connecting the already built networks to the Al-Ghadir wastewater treatment plant. It is relevant to achieving SDG-6 (Clean Water and Sanitation).

 **Providing Access to Safe, Reliable and Sustainable Drinking Water in Iraq** to rehabilitate existing Water Treatment Plant in Yathrib for water supply in the post-conflict area of Ishaq, in the Republic of Iraq. It will help to provide 35,000 people with access to safe, reliable and sustainable drinking water. The total cost of the project is US\$1.39 million, and it is financed by a US\$200,000 Technical Assistance grant from the IsDB, US\$1.05 million from the ISFD, and US\$140,000 from the Government of Iraq. It is relevant to achieving SDG-6 (Clean Water and Sanitation).

 **Supporting Polio Eradication in Pakistan** through a US\$100 million Polio Eradication Program in Pakistan (Phase III), which aims at stopping Wild Poliovirus transmission in Pakistan and maintaining 'Polio Free' status for the subsequent three years. The project consists of mass Polio vaccination campaigns targeting all children below five years of age, along with extensive community sensitization and mobilization as well as high-standard surveillance activities. The IsDB is contributing US\$100 million, of which US\$10 million is grant from the

Lives and Livelihood Fund (LLF) and US\$90 million from OCR. The project is a partnership with the Bill & Melinda Gates Foundation (BMGF) using the innovative 'Triple-Win' financing mechanism. It is relevant to achieving SDG-3 (Good Health and Well-Being).

 **Providing Access to Reliable and Affordable Electricity to Pakistan and Afghanistan** through the Central Asia-South Regional Electricity Trade Project (Casa-1000) in partnership with the World Bank Group, the United States Agency for International Development (USAID), and the European Investment Bank (EIB). The total cost of the project is US\$1.2 billion with the IsDB contributing US\$35 million. The project will provide Pakistan with access to 1000 MW of economical hydropower generation capacity, installed in Tajikistan and Kyrgyz Republic, through Afghanistan, via a High Voltage Direct Current Transmission Line. It is relevant to achieving SDG-7 (Affordable and Clean Energy).

 **Supporting the Development of a Power Project in Pakistan**, the landmark Jamshoro Power Plant project, in partnership with the Asian Development Bank (ADB), the Saudi Fund for Development (SFD), the OPEC Fund for International Development (OFID) and the Kuwait Fund for Arab Economic Development (KFAED). The IsDB is contributing US\$100 million for the development of the second 600 MW unit, whose total cost is US\$313 million. It is relevant to achieving SDG-7 (Affordable and Clean Energy).

 **Enhancing Agricultural Productivity in Pakistan** through a Technical Assistance grant for the use of efficient irrigation systems to improve farm productivity through piloting innovative, resource-efficient water and farm management techniques. The total cost of the project is US\$378,000 out of which the IsDB is contributing US\$280,000. It is relevant to achieving SDG-1 (No Poverty) and SDG-2 (Zero Hunger).

 **Improving Access to Health in Afghanistan** by establishing a Cardiology Centre and four Comprehensive Health Centres in remote areas of Afghanistan. The total cost of the project is US\$300,000 from the IsDB as a Technical Assistance grant. The project seeks to increase the number of Comprehensive Health Centres in four provinces of Afghanistan, where there is urgent need to serve the marginal population in remote areas with low to no access to primary essential health care services. It is relevant for achieving SDG-3 (Good Health and Well-Being)

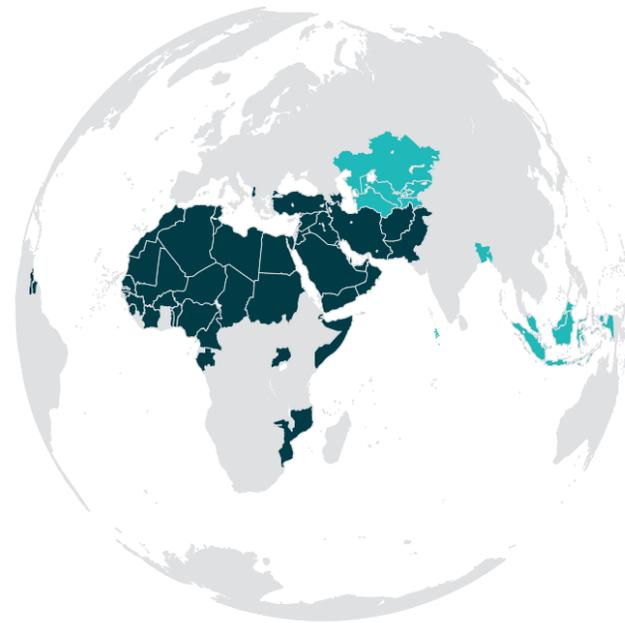


Supporting Agriculture Transformation in Mauritania, through a project to construct sustainable irrigation schemes, provide adequate rural infrastructure and strengthen technical capacity of the Executing Agency. The project seeks to increase smallholder agricultural productivity and commercialization through a value chain approach. This will include raising agricultural productivity and commercialization through greater access to production inputs and access to markets. The total cost of the project is US\$58.34 million and IsDB is contributing US\$37.28 million. It is relevant to achieving SDG-1 (No Poverty), SDG-2 (Zero Hunger), SDG-5 (Gender Equality), SDG-8 (Job Creation and Economic Growth), SDG-9 (Innovation and Infrastructure Development) and SDG-17 (Partnership for the Goals).

Supporting Inclusive Social Development in the Eastern Region of Morocco, through project for expanding access to quality healthcare and education services to poor rural population in the Eastern Region of Morocco. The key target objectives are increasing access to quality health services from 70 percent to 100 percent and increasing the number of children completing equitable and quality primary education from 52 percent to 100 percent. The total cost of the project is US\$75 million and IsDB is contributing US\$67.51 million. It is relevant to achieving SDG-3 (Good Health and Well-Being) and SDG-4 (Quality Education).

Supporting Human Development in Morocco, by contributing to the National Initiative for Human Development-Phase III. The project is meant to improve the social conditions of the targeted populations through the development of human capital, promoting the condition of the future generations and supporting people facing vulnerability. The IsDB is providing a Technical Assistance grant of ID1.08 million (US\$1.5 million) to support the Government of Morocco in designing and implementing a comprehensive approach to improve the employability and entrepreneurship spirit of young generations. The target outcome is to improve employability of 200 youth, establishment of 80 SMEs that leverage value chains in three selected sectors with arrangements to enhance the capacity of the stakeholders. It is relevant to achieving SDG-1 (No Poverty) and SDG-10 (Reduce Inequalities).

2.1.2. ASIA REGION



APPROVALS IN 2019

Contributing to the Development of an Integrated Farming System in Indonesia in partnership with the International Fund for Agricultural Development (IFAD). The project is meant to improve the lives of smallholder farmers in seven provinces of the country through an integrated approach that develop each aspect of the commodity value chain specific to the respective location. The IsDB component comprises a blended LFL-OCR financing of US\$66 million, US\$4 million ISFD Loan and US\$0.5 million Reverse Linkage Grant while IFAD is co-financing with US\$50 million. About 250,000 people are expected to directly benefit from the project, including 30,000 smallholder households with at least 15,000 women and 10,000 youths from the beneficiary communities. It is relevant to achieving SDG-1 (No Poverty), SDG-2 (Zero Hunger), SDG-5 (Gender Equality) and SDG-10 (Reduced Inequality).

Enhancing Zakat Management for Effective Poverty Reduction in Indonesia through a Technical Assistance grant of US\$0.52 million for integrating Zakat and Community Driven Development (CDD) to support the National Board of Zakat (BAZNAS) in developing an IT platform for collecting and utilizing Zakat funds in a transparent and accountable manner. The project is expected to increase Islamic Social Funds channeled to community-based poverty reduction programs by 25 percent and bring an additional US\$0.4 million to be mobilized through Zakat contributions for project match-funding, which will help in achieving SDG-1 (No Poverty), SDG-4 (Quality Education) and SDG-10 (Reduced Inequality).

Supporting Universal Basic Education in Tajikistan, through partnership with the Global Partnership for Education (GPE) to support the implementation of the National Education Development Strategy of the Republic of Tajikistan. The total cost of the project is US\$46 million with IsDB/ISFD contribution of US\$30 million and GPE grant of US\$10 million while the Government of Tajikistan is providing US\$6 million. The target is to enhance access to student-friendly education by constructing 68 schools of 752 classrooms for 18,000 students and five administrative buildings in 18 districts/cities of the Khatlon Region and Dushanbe. It also involves curriculum roll-out and learning assessment reforms, training of teachers/mentors/professionals, development and printing of 250,000 sets of new teaching/learning materials and stocktaking of competency-based education activities. It is relevant to achieving SDG-4 (Quality of Education) and SDG-5 (Gender Equality).



Improving Rural Livelihood in Kyrgyz Republic, through a rural irrigation project to enhance agricultural productivity in Issyk-Kul and Naryn Regions of the Kyrgyz Republic. The US\$20 million project is meant to improve the livelihood of the rural population through sustainable agriculture development and water resources management with adaptation to climate change. It will increase economic returns in the value chain for rural people through a surge in post-harvest capacities and enhancing integration and market links. The target beneficiaries comprise about 13,200 smallholders' farmers. It is relevant to achieving SDG-1 (No Poverty), SDG-2 (Zero Hunger), SDG-6 (Clean water and sanitation), SDG-9 (Industry, Innovation and Infrastructure), SDG-10 (Reduced inequality) and SDG-13 (Climate Action).

Empowering Women in Tajikistan by Enhancing Care Work in Rural Areas, through a US\$135,000 Technical Assistance grant to provide time-efficient resources to women in the Khatlon region of Tajikistan. The project is meant to improve social norms and increase the time women are to engage in productive activities. The project will support: (i) provision of cooking stoves and installation of water taps in two villages; (ii) development of sensitization materials and conducting awareness campaigns to shift perceptions around care work at the local community and government levels; (iii) developing local capacity to generate data on care work through rapid care analysis methodology, and (iv) provide project management support and develop a monitoring and evaluation strategy to generate knowledge and lessons learned from the project. It is relevant to achieving SDG-1 (No Poverty) and SDG-5 (Gender Equality).

DEVELOPMENT IMPLEMENTATION ACHIEVEMENTS

Empowering Women in Livelihood Skills and Human Rights in Bangladesh, through a Technical Assistance grant of US\$100,000. The 'Women Empowerment Program through Livelihood Skills Training and Human Rights Awareness' in Bangladesh produced significant results in 2019. The project provided skills training to 400 disadvantaged and poor women in rural areas on fashion garments and computer education. After completing the training, most of the women were either self-employed or acquired new jobs. In addition to the training, about 11 thousand community members were educated in human rights issues to raise awareness about women's rights and to eliminate gender-based violence. It is relevant to achieving SDG-1 (No Poverty), SDG-5 (Gender Equality), and SDG-10 (Reduced Inequality).

Enhancing the Madrassa Learning Environment in Bangladesh, through the construction of 93 Madrassas in the various districts of the country, mainly covering remote areas and targeting poor segments of the population. With IsDB contribution of US\$10.47 million and Government of Bangladesh's US\$ 2.81 million, each building is accommodated with a ramp for the physically challenged students, three classrooms, a staircase and a toilet block, including internal electrification and water supply, as well as desk computer(s), one laptop and one multimedia projector. The capacity of each madrassa is 150 students, hence the total number of students could reach 14,000 for the entire project. It is relevant to achieving SDG-4 (Quality Education), SDG-5 (Gender Equality) as girls have equal chance in enrolment and SDG-6 (Clean Water and Sanitation) as each school is provided with standard sanitation facilities.

Building Schools and Clinics in Rural Areas of Bangladesh. Under the Fael Khair Programme, there were remarkable achievements in 2019 as 19 schools along with cyclone -proof facilities completed and handed over to the Government of Bangladesh by August 2019. The total number of schools built reached 172, while 14 additional centres approved by the IsDB are under planning/construction stages. In addition, two mobile medical units with boats have been constructed and equipped while three are under construction under the 'Purchase and Operation of Mobile Clinics in Rural Areas of Bangladesh'. It is relevant in achieving SDG-3 (Good Health and Well-Being) and SDG-4 (Quality Education).

2.1.3 AFRICA AND LATIN AMERICA REGION



APPROVALS IN 2019

Contributing to Provide Reliable and Affordable Electricity in Suriname, through partnerships with the Caribbean Development Bank (CDB), the Kuwait Fund for Arab Economic Development (KFAD), and the OPEC Fund for International Development (OFID) to implement the Power Generation. It is a Transmission and Distribution Systems project in which the IsDB is contributing US\$41.32 million. The objective is to provide adequate, reliable and affordable electricity and thus improve the welfare and living conditions of the people of Suriname. It is relevant to achieving SDG-7 (Affordable and Clean Energy).

Supporting the Preparation of a Feasibility Study and a Detailed Engineering Design in Suriname, through a Technical Assistance loan of US\$2.20 million. The objective is to facilitate the construction of a hospital on the existing AZP premises, to provide health services to a large segment of the population in Suriname. It is relevant to achieving SDG-3 (Good Health and Well-Being).

Providing Access to Electricity in Guyana, by financing Hydro Power Plants project in Moco Moco, Kumu & Ikuribisi worth US\$14.63 million. The project is expected to generate additional power supply and provide access to electricity. It would enhance economic activities and improve livelihoods. It is relevant to achieving SDG-7 (Affordable and Clean Energy).

Contributing to Malaria Elimination in Nigeria by co-financing the Malaria Elimination Project with US\$100 million, which is part of the National Malaria Strategy (2014-2020). The project involves the acquisition and distribution of antimalaria materials such as long-lasting insecticide nets, rapid diagnostic tests, and antimalaria drugs. The target is to reduce malaria burden to pre-elimination levels and bring malaria-related mortality to zero in 13 states of Nigeria and reduce the overall burden from the current level of 27 percent to less than 15 percent. It is relevant to achieving SDG-3 (Good Health and Well-Being).

Providing Road Infrastructure to Boost Economic Activities in Nigeria, through the reconstruction of the Abakaliki Ring Road in Ebonyi State of Nigeria at an amount of US\$80 million. The objective is to support the upgrade of road infrastructure which in turn would improve business activities through access to a quality road that ensures smooth movement of goods, services and persons. Increasing economic activities resulting from access to good roads would lead to improvement in socio-economic development in the state and the region. It is relevant to achieving SDG-9 (Industry, Innovation and Infrastructure) and SDG-15 (Life on Land).

Supporting Social Housing in Benin, through a US\$68.5 million project with three strategic objectives comprising the construction of housing facilities in the main cities of Benin, the voluntary support to ensure beneficiaries pay according to their capacity, and the adoption of professional standards that create jobs through Public-Private Partnerships (PPP). The project would help to create "new towns" in Abomey-Calavi, Porto-Novo, Seme-Kpodji, Parakou, Abomey, and Bohicon as well as new neighborhoods in Natitingou, Djougou, Kandi, Malanville, Dassa-Zoumè, Lokossa, Aplahoué, Azovè, Pobè, Ouidah, Pahou, and Allada. The implementation will make effective use of domestic raw materials to stimulate demand and boost economic activities thereby improving livelihoods for the local communities. It is relevant to achieving SDG-11 (Sustainable Cities and Communities), SDG-10 (Reduced Inequality), SDG-8 (Decent Work and Economic Growth) and SDG-15 (Life on Land).

Boosting Agricultural Productivity to Reduce Rural Poverty in Burkina Faso, through the Dangoumana Region Hydro-agricultural Development project at the cost of US\$15 million. The overall objective is to reduce rural household poverty and food insecurity through increased agricultural production, productivity, and commercialization in Dangoumana areas. The components of the project include the development of hydro-agricultural infrastructure, land development, and supporting value addition. Implementation is focusing on irrigation of agricultural land of about 2,000 hectares along with community-managed irrigation pumping station and irrigation system. The project would create commercial opportunities for agro-entrepreneurs to enhance their access to markets. It is relevant to achieving SDG-1 (No Poverty), SDG-2 (Zero Hunger) and SDG-10 (Reduced Inequality).

Improving Road Infrastructure in Uganda, through the Upgrading of the Muyembe Nakapiripirit Road, stretching from the eastern to the northern regions of Uganda, at the cost of US\$110 million. The impact is expected to reduce travel time, operational cost for business and improve travel comfort, safety and reliability. Apart from helping to meet current and future transport demands of the area, the project would stimulate economic activities due to improved access to social amenities, market places and businesses, thereby creating employment opportunities. It is relevant to achieving SDG-1 (No Poverty), SDG-8 (Decent Work and Economic Growth) and SDG-10 (Reduced Inequalities).

Expanding Infrastructure for Sustainable Energy in Mozambique, through the Temane Transmission Line Project in Mozambique at the cost of US\$99.7 million, leveraging about US\$700 million private sector investments in a cleaner fuel of 400 MW gas power plant in Mozambique. The project will expand infrastructure and upgrade technology to supply modern and sustainable energy services. The project is meant to provide additional reliable electricity supply to increase the overall access rate of electricity from 27 percent in 2018 to 100 percent by 2030 in accordance with the National Development Plan target to integrate the country's national electricity grid and increase the electricity transmission capacity by 900 MW through mobilization of about US\$700 million of private sector investments by 2025. It is relevant to achieving SDG-7 (Affordable and Clean Energy).

Increasing Access to Information and Communications Technology in Djibouti, through the Regional Submarine Cable Project in Djibouti, worth US\$38.83 million to bring additional traffic to Southeast Asia, the Middle East, and the Western Europe Submarine Cable project, which was completed in 2017. The Bank participated in financing the core and the subsidiary part for Bangladesh and Djibouti. The objective of the project is to significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020. It is relevant to achieving SDG-9 (Industry, Innovation and Infrastructure).

Improving Sanitation of Cities in Côte d'Ivoire, through a US\$48 million project to help achieve sustainable improvement in the provision of sanitation services in Abidjan and 11 secondary cities. The project will build 14 fecal sludge treatment plants with a total capacity of 839,500 cubic meters (m³) per year. The target is to reduce the mortality rate for children under 5 from 96 per thousand in 2016 to 90 per thousand in 2025. In addition, the illness rate from diarrhea would be reduced from 15.2 percent in 2016 to 7 percent in 2025. Furthermore, it is estimated that about 363 permanent and temporary jobs would be created for the youths and women, with 27 percent for women during the implementation and operation phases and 14 private operators established for collection and transportation of sludge. It is relevant to achieving SDG-3 (good Health and Well-Being), SDG-5 (Gender Equality) and SDG-6 (Clean Water and Sanitation).

Providing Renewable Clean Energy for Rural Electrification in The Gambia, through Solar Energy Project of US\$10 million along with US\$5 million as grant. The project is for the development of rural electrification by leveraging expertise from Morocco through Reverse Linkage. It supports the government's renewable energy drive to develop a greener economy by providing affordable and reliable electricity to rural communities, which currently use indigenous energy sources, in addition to reducing fossil fuel consumption and CO₂ emissions for electricity generation. It is relevant to achieving SDG-7 (Affordable and Clean Energy).



THE KEY EXPECTED OUTCOME [OF THE AGRICULTURE TRANSFORMATION PROJECT, SOUTH AGROPOLE] IS THE EMERGENCE OF A STRONG AGRO-INDUSTRIAL VALUE-ADDED PRODUCTION THAT INSPIRES SUSTAINABLE HIGH-LEVEL PRODUCTIVITY, ESPECIALLY IN MANGO AND CASHEW NUTS, LEADING TO AN ESTIMATED

10,000
DIRECT JOBS

 **Providing Road Infrastructure in Guinea**, through the construction of the 45 km Boké -Dabiss section of Boké -Quebo Road in Guinea at the cost of US\$46.3 million. The project would deliver 45 km of asphalt concrete roads with 7-metre-wide pavements and two 1.5-meter-wide shoulders built to meet ECOWAS standards. In addition, it would rehabilitate 30 km feeder roads, construct 10 boreholes and sheds by 2024. The project is meant to improve road infrastructure, enhance access to rural areas, promote all year all-weather market and boost high-level agricultural value chain as well as national and regional integration. It is relevant to achieving SDG-9 (Industry, Innovation and Infrastructure).

 **Boosting Agricultural Production in Senegal** through the South Agropole Agriculture Transformation Project, at a cost of US\$31 million. The project is meant to create favorable conditions for private investments in the processing of agricultural produce, as well as the supply of inputs and services. It would strengthen the capacity of value chain actors to sustainably increase agricultural productivity, and improve access to markets, knowledge, inputs, and services. The key expected outcome is the emergence of a strong agro-industrial value-added production that inspires sustainable high-level productivity, especially in mango and cashew nuts, which is estimated to create 10,000 direct jobs. It is relevant to achieving SDG-1 (No Poverty), SDG-2 (Zero Hunger), SDG-8 (Decent Work and Economic Growth) and SDG-10 (Reduced Inequalities).

 **Reducing maternal, infant and child mortalities in Sierra Leone**, through a US\$20.50 million project to improve the quality and utilization of Reproductive, Maternal, Newborn, Child and Adolescent Health and Nutrition (RMNCAH-N) services in four districts and support health system building and reforms for future health challenges. The project involves capacity building of the health workforce and create demand to increase utilization of RMNCAH-N services. The delivery includes, upgrading of 12 Primary Healthcare Centres into Basic Emergency Obstetric Care, construction and equipping of three district hospitals in Pujehun, Moyamba, and Karene districts as well as rehabilitation of Obstetric fistula centre at Bo District Hospital. The target objective is to increase the percentage of women aged 15 to 49 years with live birth which receive antenatal care four times or more from 55 percent to 91 percent and increase in percentage of live births attended by skilled personnel from 46 percentage to 78 percentage. It is relevant to achieving SDG-3 (Good Health and Well-Being).

2.2 STRENGTHENING PARTNERSHIPS AND RESOURCE MOBILIZATION FOR DEVELOPMENT

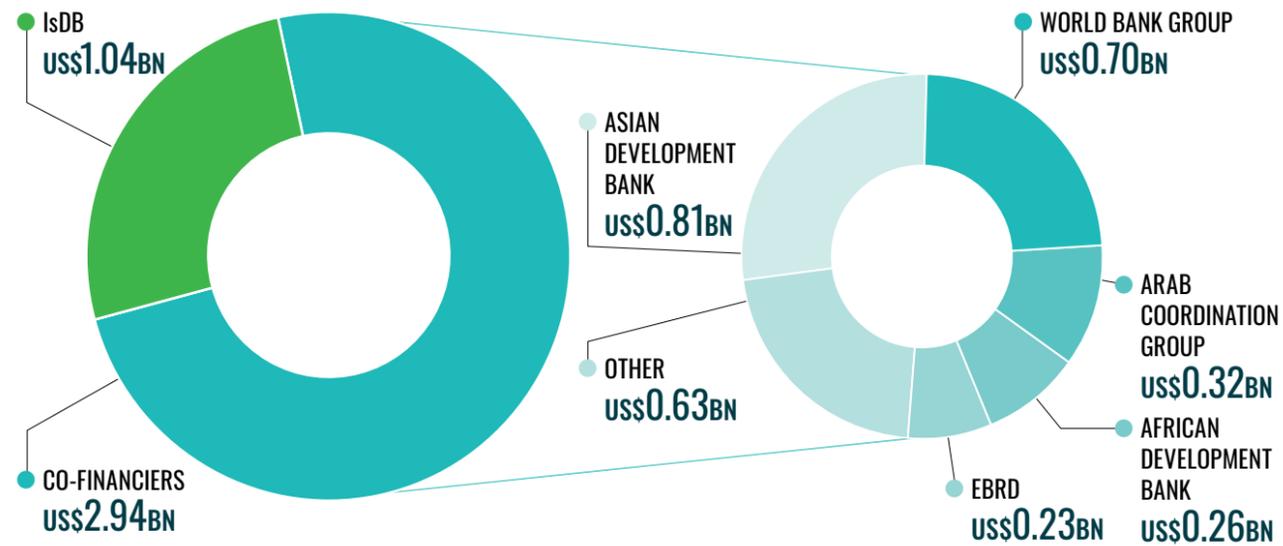
2.2.1 PARTNERSHIPS AND CO-FINANCING

In the context of the P5P, partnerships for resource mobilization seek to deliver more development projects to member countries. The IsDB has continued efforts to strengthen its partnership for development activities by consolidating existing partnerships and forging new ones. A new partnership framework is being formulated to give new impetus for stronger sustainable development in member countries. There are various categories of partners and the IsDB engages with all the categories in accordance with their modus operandi. The two main categories are official financing partners (multilateral and regional development finance institutions, etc.) and commercial financing partners (private financial institutions, investment funds, sovereign funds, and other commercial return seeking investors). In addition, the Bank is scaling up engagement with International Governmental Organisations (UN system, OIC, OECD) and not-for-profit international and regional organisations, private foundations and philanthropists.

To enhance co-financing volume and achieve its broader catalytic role, the Bank is working on a more meaningful and structured engagement with development partners and financiers. This involves the development of new agreements and cooperation frameworks with official partners to create multi-year co-financing targets for projects in member countries, and the enhancement of existing cooperation arrangements with multi-year action plans. The Bank is also actively pursuing stronger engagement with philanthropic organisations, foundations, bilateral and multilateral organisations to scale up concessional financing programmes that target poverty alleviation, youth and women's economic empowerment, human development, rural development, as well as fragility and resilience.

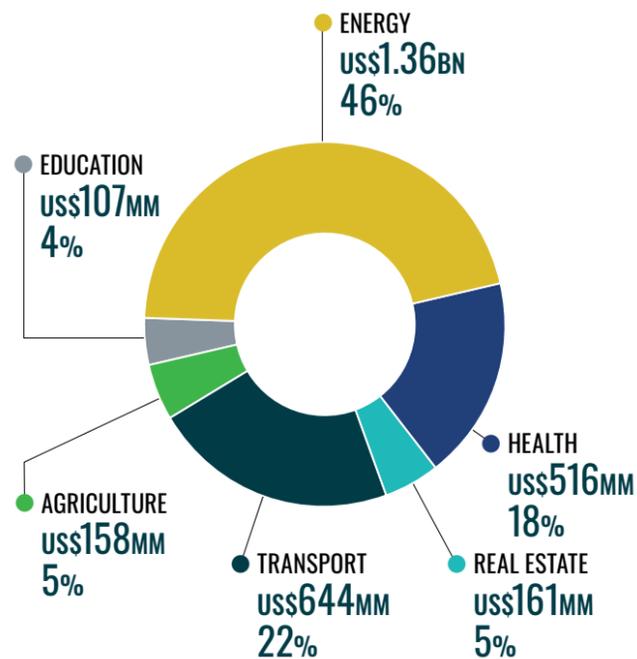
“A new partnership framework is being formulated to emphasize the renewed drive for leveraging partnerships to foster sustainable development in member countries.”

CHART 2.1 MAJOR CO-FINANCIERS IN 2019



In 2019, US\$1.04 billion of total approvals was on co-financing basis with other development partners contributing US\$2.94 billion. Charts 2.1 and 2.2 illustrate major co-financiers and sectoral distribution of co-financing in 2019 respectively.

CHART 2.2 SECTORAL DISTRIBUTION OF CO-FINANCING IN 2019



PARTNERSHIP ACTIVITIES IN 2019

Department for International Development (DFID), United Kingdom committed a contribution of GBP£20 million to the Lives & Livelihoods Fund (LLF), a blending facility managed by the IsDB.

Al-Ghurair Foundation, United Arab Emirates, is contributing US\$10 million to the IsDB-administered Global Muslim Philanthropy Fund for Children, which was jointly established by the IsDB and UNICEF.

European Investment Bank (EIB) partnership agreement with the IsDB to provide US\$2 billion in combined co-financing (US\$1 billion from each institution) over the five-year period 2020-2024 for development projects in member countries

European Bank for Reconstruction and Development (EBRD) is in partnership with the IsDB to set up operational syndication function to facilitate mobilization of private investment for Bank-financed PPP projects under A/B financing structures. With the help of the EBRD, the IsDB has now formally joined the MDB Syndication Forum, an inter-agency coordination platform aimed at unifying syndication practices and standards amongst MDBs.

World Bank-IsDB partnership is revised to scale-up co-financing with more focus on fragility and resilience, including climate change, to crowd in private finance and to enhance country diagnostic and policy dialogue integrating global value chain approach and STI-led solutions.

Japan Bank for International Cooperation (JBIC) is in partnership with the IsDB to explore innovative off-balance sheet financing arrangements to benefit African member countries.

Japan International Cooperation Agency (JICA) is in partnership with the IsDB to operationalize the cooperation mechanism among East Asian Countries for Palestinian Development (CEPAD) to facilitate the IsDB-led triangular cooperation to support Palestine.

Nippon Export and Investment Insurance (NEXI), Japan's official export credit agency is partnering with the IsDB to promote and increase Japanese FDI in IsDB member countries, especially in Africa.

United Nations Children's Fund (UNICEF) partnered with the IsDB to launch the Global Muslim Philanthropy Fund for Children, a multi-donor-trust fund to be administered by the IsDB, with the aim to mobilize US\$250 million in grant funding over three years (2020-2022).

United Nations Development Programme (UNDP) and the IsDB developed a Joint Action Plan on project design and implementation, Islamic finance, and MCPS alignment with SDGs.

International Fund for Agricultural Development (IFAD) is in partnership with the IsDB on co-financing target of US\$500 million for the period 2020-2024 (\$250 million from each institution).

Inter-American Development Bank (IDB) and the IsDB firmed up a Joint Action Plan in 2019, culminating in the identification of a Water and Sanitation Project in Guyana to be co-financed by IsDB, IDB and the European Union in 2020.

The Deutsche Gesellschaft für international Zusammenarbeit GmbH (GIZ) and the IsDB jointly implemented, in 2019 twelve training sessions in MENA, Central Asia and Africa on approaches and solutions on how to establish and finance sustainable urban transport projects, in addition to a project in 2019 that supports the livelihood of vulnerable groups in Jordan, including Syrian refugees.

Indonesian Hajj Funds Management Agency (BPKH) and the IsDB developed a strategic relationship in 2018, which culminated into an investment by the BPKH in 2019 in a trade finance vehicle that was launched for funding trade finance operations in IsDB member countries by the ITFC, an IsDB entity.

International Atomic Energy Agency (IAEA) and the Bank signed an MoU in September 2019 to jointly raise funds for projects helping countries tackle cancers that affect millions of women every year. This initiative is for 17 countries, which are both members of the IAEA and the IsDB.

Global Partnership for Education (GPE) and the IsDB co-organized a meeting during the Fall Meetings of the World Bank in 2019 to boost developing countries' access to financing for strengthening their education systems.

The meeting convened by Ministers of Finance of joint member states and representatives of Arab sovereign funds and a joint project for Tajikistan garnered a grant of US\$10 million from GPE in addition to contributions by the IsDB, the ISFD and the local government. The UNICEF is providing technical assistance to the project.

The United Nations Office for Project Services (UNOPS) supported the Bank in 2019 in its operational decentralization efforts with technical assistance across various areas including development of integrated quality assurance framework, business procedures, project management guidelines etc. It will also be providing procurement services to Support the Malaria Elimination Project in Nigeria.

2.2.2 RESOURCE MOBILIZATION

FUND MANAGEMENT FRAMEWORK

As part of the P5P and the New Business Model, the Bank is intensifying resource mobilization efforts to increase off-balance sheet resources for concessional project financing to support member countries in achieving sustainable development. A key aspect of this is establishment of trust funds and other forms of special funds. The success of such efforts require the confidence of potential partners and other stakeholders in the the Bank's capacity in fund management. It is therefore necessary for the Bank to build its capacity in external funds' management.

In response to this challenge, a review of existing trust funds and special funds was carried out and international best practices were studied, based on which the IsDB Fund Management Framework was formulated in accordance with best practices, anchored on strong and transparent governance as well as operating arrangements. The development phase of the Fund Management Framework was completed and approved by the Management in December 2019.

“As part of the P5P and new business model, the Bank is intensifying resource mobilization efforts to increase off-balance sheet resources for concessional project financing to support member countries in achieving sustainable development. “

By establishing this framework, the IsDB is enhancing its engagements with international development partners to mobilise more off balance sheet resources to finance more projects in member countries. The framework ensures that all current and future trust funds and special funds operate on stable foundations and sustained donor support.

The next steps, including an IT based solution that would ensure effective and efficient operational and governance management of the funds, will be the implementation of this new Fund Management Framework. The implementation of the major components is expected to be completed in 2020 and 2021 and finetuning would be done as may be required.

APART FROM ESTABLISHMENT OF THE FUND MANAGEMENT FRAMEWORK, THE FOLLOWING RESOURCE MOBILIZATION ACTIVITIES WERE ACHIEVED IN 2019

Cash Waqf Sukuk (CWS) is a new instrument designed to support ISFD's resource mobilisation effort with a target of US\$1 billion. The principle is that the proceeds from the Sukuk issued are channeled into Shariah-compliant investments, and the net returns from those investments are forfeited by the Sukuk holders in favour of IsDB projects. After approval by the BED in February 2019, the first issuance of US\$200 million was made, work is currently underway to finalise the legal documentation and launch of the programme.

Ihsan Waqf Investment Fund (IWIF) is another innovative resource mobilisation instrument that is based on the temporary cash waqf concept. It is designed to pool capital resources from benefactors through an externally managed fund to be used for a pre-determined term as a temporary Waqf. The proceeds from the invested capital will be used to support IsDB programmes. Upon maturity, the capital is either returned to its owners or kept on permanently based on each benefactor's decision regarding the portion corresponding to their initial investment. The first fund, IWIF for Jerusalem Empowerment, worth US\$100 million (US\$20 million from ISFD) was established following the BED approval in September 2019 while the Agreements for the second fund, IWIF with Investcorp for US\$250 million, is expected to be signed in January 2020.

Awqaf Capital (ACAP) is an initiative to mobilise, manage and invest Awqaf resources. The purpose is to establish a global platform of Cash Waqf donors, charity organizations and investors. The contributions will be invested and managed to generate income for social causes in member countries and Muslim communities in non-member countries. Apart from its developmental impact, it will also complement the Bank's efforts in the development of Awqaf assets where the potentials are huge (conservative estimates of a size of US\$3 to 4 trillion). In 2019, the feasibility study was completed, and the establishment is expected in 2020.

“In line with the P5P philosophy, the IsDB continued building and strengthening relationships in 2019 with the private sector, especially commercial financial and investment institutions with a view to create awareness as well as to leverage the growth of the Bank's non-sovereign (PPP) transactions.”

TRINE, a Sweden-based crowd funding platform is in partnership with the Bank to develop Islamic structured crowd-funding platforms and provide financing for off-grid clean, sustainable energy solutions in IsDB member countries. The proposal was approved by the BED in July 2019 and implementation is expected to begin in 2020. This project is aligned with the core principle of the P5P and the new business model of increasing off-balance sheet financing. Apart from leveraging three times from the Bank's US\$1 million contribution, the project provides an opportunity to enhance development impact by delivering renewable energy to member countries and enabling transfer of valuable knowledge both in crowd-funding and renewable energy to IsDB and member countries.

Furthermore, innovative resource mobilization mechanisms were strengthened during 2019. Building on the partnership with the International Federation of Red Cross and Red Crescent (IFRC), the Bank and IFRC unveiled a major new initiative, the Water, Sanitation and Hygiene (WASH) Fund, to combat cholera and other diarrheal diseases in 29 member countries. The Fund will seek to cut cholera-related deaths by 90 per cent and improve the lives of 5 million people. The Fund is a scalable outcome fund model that uses an innovative financing mechanism designed to attract new philanthropic and private investor capital by combining Islamic social finance contributions with traditional humanitarian donor financing.

In line with the P5P philosophy, the IsDB continued building and strengthening relationships in 2019 with the private sector, especially commercial financial and investment institutions with a view to raising awareness and leveraging the growth of the Bank's non-sovereign (PPP) transactions.



THE
WASH
FUND WILL ATTEMPT TO CUT
CHOLERA DEATHS BY
90%
AND IMPROVE THE LIVES OF
5 MILLION
PEOPLE



IsDB SCHOLARSHIPS
THE RATIO OF FEMALE APPLICANTS ROSE
FROM 28% IN 2018 TO

36%

IN 2019 FOR MASTER, AND

52%

FOR PhD. THIS INCREASE IN FEMALE
PARTICIPATION IS ENCOURAGING TOWARDS
ACHIEVING SDG-5 (GENDER EQUALITY).

FOR THE FIRST TIME, PROGRAMMES REACHED
TO MUSLIM COMMUNITIES IN FINLAND,
TAIWAN, UKRAINE AND THE UNITED KINGDOM.

2.3 SPECIAL DEVELOPMENT SERVICES IN EDUCATION AND HEALTH

2.3.1 IsDB SCHOLARSHIP PROGRAMMES

The IsDB Scholarship Programmes have been redesigned under the framework of the new Scholarship Strategy to attract talented male and female students and build the right competences required to empower communities with a special focus on “Sustainability Science” to support the achievement of the P5P and SDGs.

In 2019, a new Scholarship portal was launched as part of the new strategy to ensure the programmes’ visibility, transparency, clarity, fast and easy communication in scholarship awarding process worldwide. With the improved brand and increased communication through the portal, the Bank received 187,000 applications from 192 countries all over the world, compared to 2,000 applications from 79 countries in 2018. Out of the total number of applications received, 41 percent were for undergraduate degree, 26 percent for Master’s degree, and 53 percent for doctorate degree. The ratio of female applicants rose from 28 percent in 2018 to 36 percent in 2019 for Masters, and 52 percent for PhD. This increase in female participation is encouraging in terms of efforts to achieve SDG-5 (Gender equality). The Muslim Communities in Finland, Taiwan, Ukraine and the United Kingdom benefitted from the scholarship programme for the first time.

In 2019, for the first time, the Bank appointed an International Selection Committees to advise the Bank on the conceptualization and implementation of Scholarship Programmes. The International Selection Committee is composed of a multi-disciplinary panel with expertise in broad areas of science, technology, innovation and education in general to encourage greater community participation and ensure a more transparent selection process and identify the candidates with the highest potential to achieve higher development impact in areas related to **Sustainability Sciences** to support the achievement of the P5P and SDGs.

In 2019, the Bank offered 1,201 scholarships to most qualified students and scholars to pursue higher education in most needed and advanced fields based on “Sustainability Sciences” in reputable universities across the world to support the achievement of the SDGs tailored to the needs of development of both member countries and Muslim Communities worldwide. With this, the total cumulative scholarships awarded over the past three decades stands at 17,107. So far, the IsDB Scholarship Programme has produced 87 medical doctors, engineers and scientists (60 Undergraduate, 17 Masters’ and 10 PhD and Post-Doctoral researchers) bringing the total of IsDB graduates since inception to 12,715 well-trained development professionals and researchers transforming

“The Scholarship Programmes have been redesigned under the framework of the new Scholarship Strategy to attract talented male and female students and build the right competences required to empower communities with a special focus on “Sustainability Science” to support the achievement of the P5P and SDGs.”

their countries and positively impacting future generations. This is testimony to the success of the IsDB Scholarship Programme in developing competencies required to tackle the development challenges facing member countries and Muslim communities worldwide. Currently, 2,354 are pursuing their studies at reputable universities worldwide.

IsDB-ISFD SCHOLARSHIP PROGRAMME

A new Scholarship Programme funded by the Islamic Solidarity Fund for Development (ISFD) for Least Developed Member Countries (LDMCs) was launched in 2019 with the specific aim of reducing poverty. The ISFD has agreed to provide \$1 million annually for 10 years for at least 75 scholarships annually to financially challenged but academically meritorious students to study vocational education and training courses up to undergraduate levels so that they become empowered to escape from poverty and contribute to the development of their countries. Using the same budget allocated to the programme, the Bank was able to award 135 scholarships instead of the 75 annually as planned. This is due to efforts to scale-up partnership with member countries such as Malaysia, Morocco and Turkey.

ISDB-TWAS SCHOLARSHIP PROGRAMME

As part of the efforts to increase support to the LDMCs, a joint programme with The World Academy of Science (TWAS) in Trieste, Italy, was launched in 2019 for capacity building and human development in critical areas of STI. The collaboration has helped to achieve the following:

1. Scholarships to 20 scientists from LDMCs to undertake post-doctoral research;
2. A joint research and technology transfer project on topics related to sustainability challenges relevant to SDGs;
3. Supported nine refugee scientists from conflict affected areas in member countries.
4. A high-level workshop on the Science-Policy-Diplomacy Nexus was held in Jeddah from 16 to 18 December 2019.

SCALING-UP THROUGH JOINT SCHOLARSHIP PROGRAMMES

As a strategy to enhance the IsDB's competitive edge and strengthen its leading role within a joint development framework and leverage additional funding to scale-up the programmes to empower communities, three agreements on a cost-sharing basis were signed in 2019 with three reputable educational institutions, i.e. University of Cambridge, University of Oxford, in United Kingdom and the Moroccan Agency of International Cooperation (AMCI) bringing to a total of 14 agreements.

The purpose of these agreements is to achieve cost sharing and has so far helped in saving US\$27 million, significantly increasing the number of scholarship recipients from 380 in 2018 to 1,201 in 2019. Furthermore, 286 additional scholarships were awarded as a result of the new effective management strategy of the IsDB Education Trusts in Muslim communities in non-member countries, which has improved loans repayment by the graduates.

SCHOLARSHIP ALUMNI: CONVERTING SCHOLARSHIP OUTPUTS AND OUTCOMES TO LONG-TERM IMPACT

A new Alumni platform was developed in 2019 to bring together the graduates through a network for their interaction, professional development and exchange of ideas, success stories and best practices. This Platform would help to:

1. increase focus on crowd-sourcing of the Alumni by pooling their expertise and talents to promote knowledge-based economies in member countries and Muslim communities in non-member countries
2. exhibit Alumni projects and ideas and link their research work with industry and investors through the Engage & Transform Fund
3. utilize the Alumni's expertise to build capacities for job creation in member countries and Muslim communities in non-member countries.

2.3.2 PROVIDING ACCESS TO EDUCATION FOR OUT-OF-SCHOOL CHILDREN

The IsDB is collaborating with Global Partnership for Education (GPE) to optimize education investments for greater efficiency and impact. This has led to the selection of the IsDB as Grant Agent for GPE's allocation of US\$10 million to Tajikistan, the first project under this cooperation framework with a blended financing of US\$30 million from the IsDB to unlock the GPE allocation. The main objective of this collaboration is to provide access to education for out-of-school children with a slogan "*Leaving No Child out Of School In OIC Member Countries by 2030*". As part of preparations for effective implementation of the programme, the IsDB hosted a forum of stakeholders at the IsDB Annual Meeting in Marrakech, Morocco, on 4 April 2019. The main outcome of the event was a Declaration by the IsDB and participating development partners to work together to leverage resources and return 28 million children to school for the achievement of SDG-4 (Quality Education) through a Global Coalition for Education.

The Common Arabic Framework of Reference for Language (CAFRL) is to harmonize and standardize the curriculum contents, instructional practices, assessment methods, and accreditation or certification procedures for teaching and learning of the Arabic language worldwide. The Stakeholders Consultative meeting was held in November 2019 by the Arab League Education Cultural and Scientific Organization (ALECSO) at its headquarters in Tunisia. The meeting, unanimously, agreed to select ALECSO to coordinate the preparation of a detailed project proposal for the initiative to submit before the IsDB for consideration and funding as a Technical Assistance grant.



2.3.3 IMPROVING HEALTH SERVICES

In recognition of the need to step up provision of health services, the IsDB developed a new Health Sector Policy with six main pillars as follows:

1. Target the "last mile" focusing on the most vulnerable, hard-to-reach and poor population groups to deliver health services from a 'Rights Perspective';
2. Support the provision of Primary Health Care services, both at the community and facility levels, through routine, new and innovative means to ensure access to a minimum package of services for all;
3. Support schemes for adequate and sustainable financing of the delivery of universal availability of affordable, efficient and quality Public Health Centres;
4. Integrate social development efforts by implementing impact investment;
5. Explore and pilot the ever growing Islamic Finance for health and seek new innovative and data-driven tools and mechanisms to ensure the highest impact of investments; and
6. Support the improvement of governance and capacity building for health within the Bank and its member countries.

WOMEN'S CANCER PARTNERSHIP INITIATIVE

A partnership between the IsDB and the International Atomic Energy Agency (IAEA) culminated in the launching of the Women's Cancer Partnership Initiative on September 17, 2019 in Vienna, Austria. It is based on the IAEA-IsDB joint funding proposal entitled "Improving Diagnosis and Treatment of Women's Cancer in Low-and Middle-Income Countries (LMICs)". An assessment of the funding needs of member countries was compiled to inform interventions. The partnership aims to achieve improved maternal and reproductive health in LMICs by developing capacities for the effective, safe and sustainable delivery of cancer control services in 17 member countries (Albania, Azerbaijan, Bangladesh, Benin, Burkina Faso, Djibouti, Iraq, Ivory Coast, Kyrgyzstan, Libya, Malaysia, Morocco, Niger, Sierra Leone, Senegal, Tajikistan and Uzbekistan).

REPRODUCTIVE HEALTH PROJECT IN SIERRA LEONE

This is a joint project by the IsDB, the World Bank and the Global Financing Facility (GFF) with the Government of Sierra Leone on Reproductive Maternal Newborn Child & Adolescent Health (RMNCAH). Sierra Leone had a maternal mortality ratio of 1,360 per 100,000 live births and an under-five mortality rate of 120 per 1,000. The project is to provide access to high-impact and cost-effective RMNCAH at a total cost of US\$72.48 million, out of which US\$27.50 million is from the IsDB, US\$1.98 million from the government of Sierra Leone, US\$40 million from the World Bank and US\$10 million from the GFF. The World Bank and the GFF financing will cover the same project components in seven separate districts.

2.4 LEVERAGING PUBLIC-PRIVATE PARTNERSHIPS

The IsDB's Public-Private Partnership (PPP) strategy is based on private sector inclusiveness in member countries to support infrastructure development. The PPP model is a mechanism for attracting market resources to support economically and financially viable infrastructure investments and to bring about inclusive and sustainable development. The IsDB's PPP interventions have grown to US\$4.25 billion since 2004 as direct financing in 20 member countries with fifty-nine transactions covering sectors such as transportation (airports and toll roads), energy (electricity, petrochemicals & refinery), healthcare, mining and industry as well as water desalination. These interventions include four transactions of line of financing of US\$630 million that were provided to financial institutions to support Islamic banking and SMEs in member countries. The regional and sectoral distribution of the PPP portfolio are illustrated with Chart 2.3.

Apart from project implementation, the IsDB has established PPP Technical Advisory Services to assist member countries develop capacity and create an appropriate enabling environment to attract private sector finance for economic and social infrastructure projects. There are currently two ongoing advisory services as follows:

MINISTRY OF HEALTH, SAUDI ARABIA

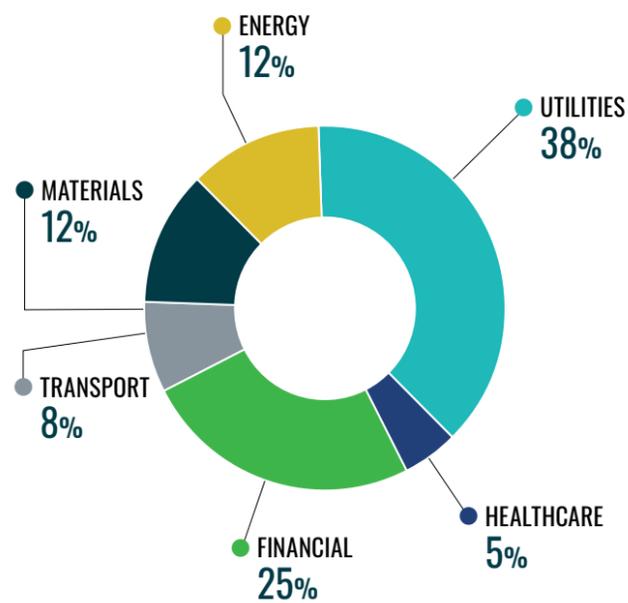
As the first initiative under this umbrella, the Bank was mandated by the Ministry of Health, Kingdom of Saudi Arabia, to assist with the private sector participation programme, specifically to design and tender for private sector participation in laboratory services in the Kingdom. The initial focus will be on the Riyadh and Jeddah regions. This initiative is part of an extensive health sector reform and transformation currently under way as part of the Kingdom of Saudi Arabia's Vision 2030. This advisory mandate builds upon the IsDB's strong credentials in PPP financing in the health sector and will pave the way for future engagements in social sector PPP advisory assistance to our member countries.

MINISTRY OF TRANSPORT, INDONESIA

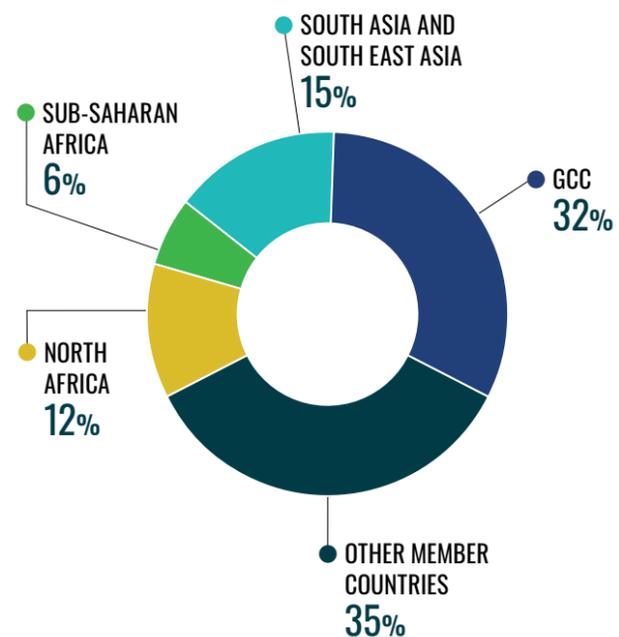
The IsDB is providing a Technical Assistance facility to support PPPs in the transportation sector in Indonesia. It is aligned with the MCPS for Indonesia (2016-2020) to reduce regional disparities through sustainable support for economic and social infrastructure. It also supports the strategic plans of the government of Indonesia, which gives priority to the development of border areas to reduce inequality and improve infrastructure to support economic growth. This Technical Assistance is aligned with the IsDB Group's 10-year strategy through the pillars of Private Sector Development, Economic and Social Infrastructure Development, as well as the cross-cutting pillar of Capacity Development.

CHART 2.3 REGIONAL AND SECTORAL DISTRIBUTION OF THE PPP PORTFOLIO

SECTORAL CLASSIFICATION (OCR)



REGIONAL CLASSIFICATION



BOX 2.1 SCATEC 50 MW SIX SOLAR POWER PROJECTS IPP IN ASWAN, EGYPT, US\$446 MILLION

The project is meant to support the country's effort to increase power generation capacity and increase the share of renewables in its energy mix. The government embarked on constructing six solar plants. The project is part of the 1.8 GW Benban Solar Park – one of the world's largest solar parks.

In April 2017, Scatec Solar and partners KLP Norfund and Africa 50 signed a 25-year Power Purchase Agreement with the government for delivery of electricity from six solar plants located near Aswan in Upper Egypt with a total generation capacity of 300 MW. It is the world's largest solar plant that utilizes bi-facial solar modules, capturing the sun from both sides of the panel to increase the clean energy generation. The estimated annual electricity production is 870 GWh, enough to provide energy for more than 420,000 households in Egypt. The solar plants will also contribute to reduction of about 350,000 tons of CO2 emissions per year.

The IsDB approved a total of US\$80 million for six independent 50 MW solar power projects under the Egyptian renewable energy Feed-in-Tariff program. These Projects form **13 percent of the solar Feed-in-Tariff program in Egypt.**

These projects have been linked to the grid feeding electricity and four of them have started billing their produced energy to the Off-Taker Egyptian Electricity Transmission Company. SCATEC Project forms part of the IsDB's commitment to support SDG-7 (Affordable and Clean Energy) in member countries. SCATEC projects are in line with the government's strategy **to achieve 20 percent of its power generation from renewable energy by 2020** and will help the government to free up its hydrocarbon resources for other productive uses or reduce imports.

BOX 2.2 MANISA TRAINING AND RESEARCH HOSPITAL PROJECT, REPUBLIC OF TURKEY

To meet the needs of its large and rapidly urbanizing population, the Government of Turkey launched a comprehensive transformation and restructuring programme of its healthcare system in 2003. The main objective is to mobilize private sector investment to provide its citizens with comprehensive and quality healthcare services. An important element of Turkey's long-term vision is to improve access to modern healthcare. In order to support the government's vision to enhance access to higher quality healthcare services, the IsDB financed the Manisa Training and Research Hospital Project and arranged the financing as the Mandated Lead Arranger for the first time in Turkey. About 80 percent of the financing arrangement was from Islamic Financial Institutions which ensured that the transaction was Shariah-compliant. The IsDB approved participation of EUR 95 million out of which EUR 35 million was provided by OFID under the IsDB's B-finance umbrella with a total tenure of 18 years.

Manisa Training and Research Hospital Project successfully started operations with 558 beds in October 2018, three months earlier than initially planned. The average occupancy rate has already reached 76 percent within the first six months of 2019. On a monthly basis, outpatients treated reached over 100,000; inpatients reached over 13,000 and the number of surgical operations reached almost 2,000 within this short period. The Hospital, also, scored 96 points out of 100 in the Quality Standards for Health Audit (Sağlıkta Kalite Standardı) carried out by the Ministry of Health in July 2019.

The Hospital serves 1.4 million people living in the city of Manisa and those living in nearby cities and surrounding villages. Currently, the hospital is ready to serve around 2 million people with its fully equipped facilities. This intervention by IsDB is in line with its commitment to support the SDGs.



2.5 SUPPORTING INCLUSIVE SOCIAL DEVELOPMENT AND RESILIENCE

2.5.1 EMPOWERING WOMEN AND YOUTH FOR INCLUSIVE DEVELOPMENT

The first-ever IsDB Women's Empowerment Policy was approved in February 2019, focusing on four pillars: improving access to resources and services, mainstreaming women's needs, promoting women's agency and participation, and fostering learning and capacity development. Similarly, the Youth Development Strategy was approved in December 2019, which provides a coherent framework for future youth development programs, projects and activities to be carried out by the IsDB, focusing on three pillars, which are Education, Economic Empowerment and Engagement (3Es). The implementation of the Youth Development Strategy would contribute to the realization of SDG-8 (Decent Work and Economic Growth) and SDG-4 (Quality Education).

Gender and Youth Country Profiles have been developed to understand the peculiar challenges of member countries. In 2019, such profiling was developed for six member countries namely Afghanistan, Benin, Burkina Faso, Jordan, Mali, and Pakistan, bringing the total to 17 profiles to date. This effort provides guidance for identification and design of appropriate development interventions. In addition, the Islamic Microfinance for Women Report and Resource Guide was developed in 2019 to form the basis of implementing microfinance projects for economic empowerment of women. Furthermore, the Youth Employability Platform was launched in 2019 (<https://yep.isdb.org>) to achieve among other things, the improvement of youth employability skills in the five industries that the IsDB is championing, which are: Food and Agribusiness; Textiles, Clothing, Leather and Footwear; Petrochemicals and Petroleum; Construction; and Islamic Finance.

Mainstreaming of women's and youth empowerment in IsDB projects increased significantly in 2019 with 21 projects and integration of women's and youth perspective in the new generation MCPS. Moreover, women and youth empowerment training sessions were organized at the Regional Hubs (RHs) of Ankara, Rabat, Dhaka and Jakarta in addition to two training workshops held in Jeddah. The objectives of the workshops were to familiarize the RH staff with the Women's Empowerment Policy and the Youth Development Strategy.

In 2019, six NGO grant operations worth US\$1 million were approved for women and youth related activities. They include grants to two NGOs that promote girls' education in Pakistan, Burkina Faso, Senegal and Togo for a total amount of US\$378,000. Three NGO projects were approved to support entrepreneurship, microfinance, and financial

inclusion of women and youths in Azerbaijan, Indonesia, and Tajikistan with a total amount of US\$472,000. In addition, collaboration and synergies among the entities of the IsDB Group reinforced the "She Trades" programme, with IsDB's contribution of US\$150,000 to support businesswomen in the food processing sector in Morocco with the goal to sustain and grow their businesses as well as connect women entrepreneurs with the global value chains.

The *BRAVE Women programme* is a five-year US\$32.2 million grant awarded under the Women's Entrepreneurs Finance Initiative (WE-FI) to be implemented in three countries. The programme seeks to enhance the resilience of women-owned and led SMEs in fragile contexts by recognizing their untapped economic potential. It will increase business growth opportunities for women entrepreneurs by boosting investment and providing capacity-building. In 2019, progress was made in the capacity development components of the program in the Sanaa, Aden, Ibb, Hadramout, and Taiz provinces of Yemen. To date, 1,220 women attended 30 workshops and 500 firms have been trained. In addition, the program is being extended to Nigeria and after a thorough selection process, it identified the Bank of Industry as the local implementing agency. The program aims to reach around 1,500 women Micro, Small, and Medium Enterprises (MSMEs) with specialized business training and to help 1,200 other MSMEs qualify for a combined grant that matches support and technical assistance.

2.5.2 STRENGTHENING RESILIENCE FOR INCLUSIVE SOCIAL DEVELOPMENT

In a renewed commitment to address fragility and disaster management to strengthen resilience in affected member countries, the IsDB approved in 2019, two policies on "Fragility and Resilience Policy and Civil Society Engagement" and "Disaster Risks and Resilience". In partnership with the ISFD and the UNDP, a programme on innovative and transformative NGO Empowerment for Poverty Reduction has been designed and approved for implementation. It aims at empowering national CSOs to improve the socio-economic well-being of the hard-to-reach communities through refugees' education, job creation, building resilience and community livelihoods development. The total cost of the program is US\$21 million with contribution by different development partners including the ISFD, the IsDB and the UNDP. The Program was launched in September 2019 during the UN General Assembly meeting in New York, USA.

Through partnership engagements, an aggregated international crowdfunding platform called Tadamun (Solidarity) was launched to share knowledge, experience, and lessons learned and in addition, crowdfunding platforms to mobilize resources for CSOs. Over 21

development partners, including the African Development Bank (AfDB), United Nations High Commissioner for Refugees (UNHCR), Save the Children International, Plan International and Spark have signed declarations to support the Program with a total contribution of approximately US\$11.5 million.

In 2019, the IsDB approved Emergency Response Projects worth US\$1 million in four-member countries, namely Iran (US\$300,000), Sierra Leone (US\$100,000), Mozambique (US\$300,000) and Mali (US\$300,000). These approvals essentially consisted of direct emergency support to help save lives of local communities mostly women and children affected by the floods in Iran, cyclone IDAI in Mozambique (March 2019 in the Beira Region) and flash flood in Bamako (May 2019). The affected population received food items (rice, millet, milk, oil) and non-food items (mosquito nets, blankets). These approvals are in line with the policy objective of tailoring emergency response projects to support affected populations by providing relief items, sensitization on disaster incidents, hygiene messages and psychological support as well as prevent or reduce the impact of potential flooding incidents on the local population.

For NGO and Civil Society engagements, the Bank approved and processed three operations worth US\$420,383 for Chad, Yemen and Somalia under the Bank's NGO Programme. These operations mainly focused on building the resilience of hard-to-reach communities through skills development for local farmers, capacity development for local NGOs in war-affected communities and enhance employability of internally displaced youth to access labour market opportunities.

In order to keep abreast of, and sustain best practices, a knowledge dissemination process was introduced and the first "IsDB Resilience Report" was published with plans to make it a regular publication of the Bank focusing on the resilience of IsDB member countries. The Report would help stakeholders to understand resilience better, make smart investments in viable ventures, and ensure that the interventions are efficiently implemented.

In addition, the Bank introduced in 2019, the Fragility and Resilience Assessment mechanism, an important tool for assessing levels, drivers and root causes of fragility and conflict in member countries. The outcome and recommendations of the Fragility and Resilience Assessment are critical input for the MCPS process. In collaboration with the African Development Bank, the Bank conducted a series of events with development partners and CSOs to help mainstream civil society, formulate a capacity building programmes and promote policy dialogue and advocacy.

COMMUNITIES OUTREACH PROGRAMME

The Communities Outreach Programme is a special programme that provides interventions to Muslim communities in non-member countries to assist in basic requirements and support their inclusive development achievements. From inception to date, the programme has approved a total amount of US\$883.09 million for the implementation of 1,800 operations in education, capacity development and health services. Of the total cumulative approval, US\$763.45 million, which is 86.5 percent, has been disbursed for implementation of various related projects, most of which have been completed. The projects are in 84 countries across the geographical regions of Asia & Oceania, Africa, America and Europe.

In 2019, US\$5.10 million was approved for the communities and outreach operations, representing 0.3 percent of the total IsDB-OCR approvals. The programme has helped targeted communities in non-member countries to access basic development needs.

2.5.3 MAINSTREAMING CLIMATE CHANGE FOR RESILIENCE AND SUSTAINABILITY

The IsDB considers climate change a serious challenge to sustainable development. It has therefore adopted strategic initiatives to tackle climate change risks and harness opportunities. The IsDB Climate Change Policy, which was approved in February 2019, comprises the following four policy action pillars; mainstreaming climate action plans of member countries into IsDB Group activities; promoting resilience to climate change; supporting transition to a green economy; and leveraging resources. In addition, the Bank approved the Climate Change Policy Implementation Framework, which sets out how climate considerations are incorporated into the Bank's various business processes as well as the different roles and responsibilities in implementing the policy. The Bank also prepared its Five-Year Climate Change Action Plan (2020 – 2025), which is scheduled for release in early 2020, with a 35 percent climate finance target of total commitments by 2025.

As part of the Bank's mainstreaming effort, over 30 projects received climate change input in 2019 at various stages of the project cycle across the 11 Regional Hubs (Table 2.1). These projects have been screened against climate risks and contributions/input provided by climate experts to enhance climate resilience, harness climate co-benefits and account for the reduction of GHG emissions. Similarly, the Bank mainstreamed climate change risks and opportunities partnership strategy formulation in four member countries, which are Gabon, Maldives, Morocco, and Turkey. The sectoral contribution and level of screening for climate change compliance contribution to project/programs is illustrated in chart 2.3.



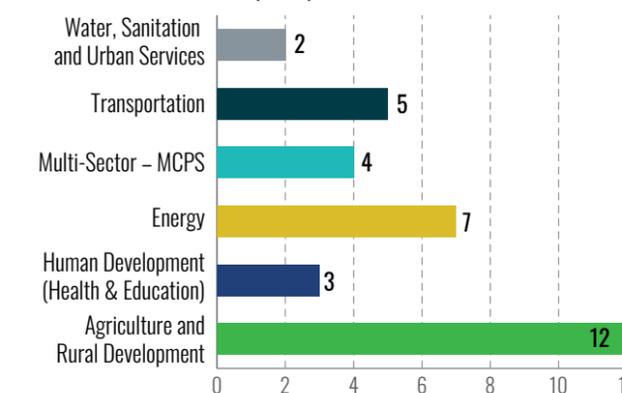
TABLE 2.1 CLIMATE CHANGE MAINSTREAMING IN IsDB PROJECTS (2019)

Level of Involvement	Number of projects/programs
Level 1 (No contribution)	Nil
Level 2 (Climate Risk Screening + Review and Validation of Project Documents)	Nil
Level 3 (Climate Risk Screening + direct contribution to project documents)	22
Level 4 (Climate Risk Screening + Participate in appraisal and contribute to project document)	11
Total	33

In 2019, the IsDB started applying the climate risk screening tool "Aware for Projects" on all its projects. The tool assesses climate and geological risks and screens projects against climate risks so that project teams can ensure that any climate risks are adequately considered in project design. The Bank also released climate change sector guidance notes for four key sectors (Agriculture, Energy, Transport, and Water) for the use of its project teams, development partners, and relevant member country stakeholders.

Furthermore, the Bank organized four climate change training programs for member countries and three capacity building programs for IsDB staff to enhance capacity development, awareness, and increase their climate change skills and know-how. In addition, the Bank participated and actively engaged in various regional and global fora on climate change, including the One Planet Summit at the United Nations General Assembly, and the United Nations Framework Convention on Climate Change (UNFCCC) COP25, where it was part of the joint MDB pavilion and co-organized 12 side events with MDBs and different development partners.

CHART 2.3 SECTORAL INVOLVEMENT OF CLIMATE CHANGE IN PROJECTS/PROGRAMMES (2019)



AS PART OF THE BANK'S MAINSTREAMING EFFORT, OVER

30 PROJECTS
RECEIVED CLIMATE CHANGE INPUT IN 2019

2.6 OTHER DEVELOPMENT ACTIVITIES

2.6.1 IMPROVING QUALITY AT ENTRY FOR EFFECTIVE AGRICULTURE AND RURAL DEVELOPMENT

Agricultural productivity is crucial to effective poverty reduction. Hence, the IsDB has continued to increase financing of agriculture and rural development projects. Ensuring quality at entry to maximize impact of the projects is important, and as such, the bank adopted best practices to strengthen its agricultural and rural development

CHART 2.4 AGRICULTURE AND RURAL DEVELOPMENT INVESTMENTS PROJECTS (US\$ MILLION)

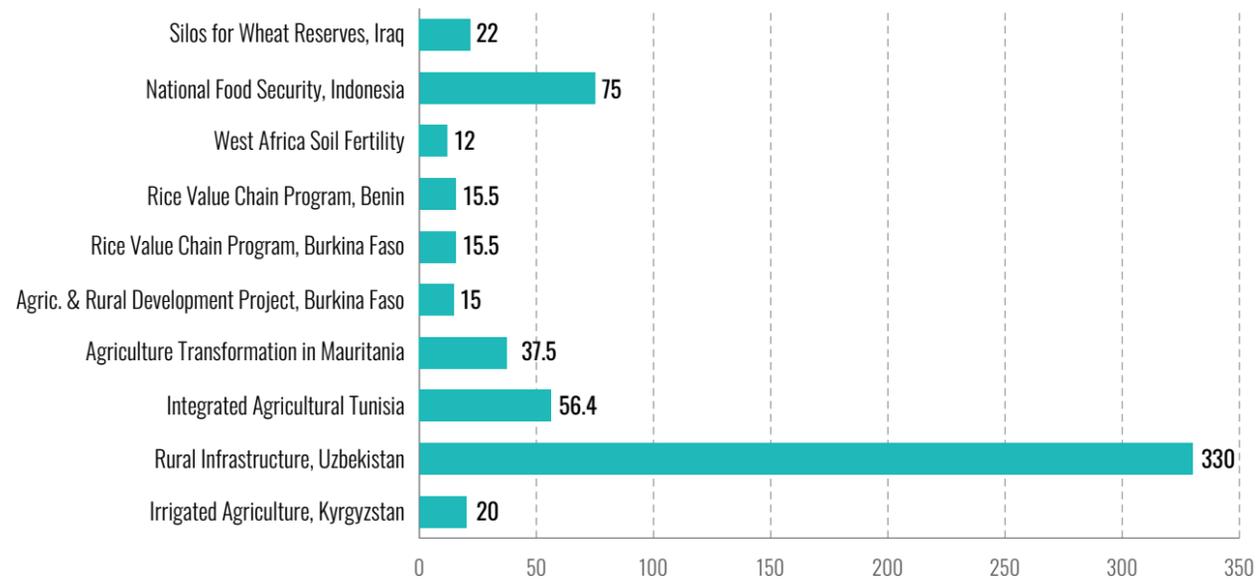
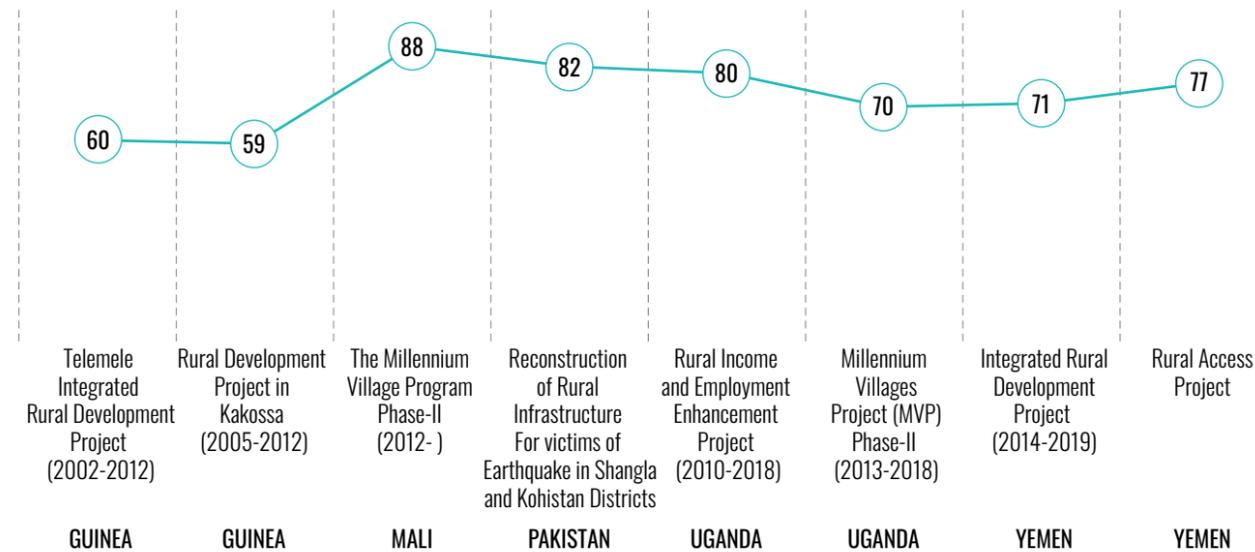


CHART 2.5 COMPLETED PROJECTS PERFORMANCE SCORE (%)



interventions. As part of efforts to improve project design and quality at entry, the Global Practice collaborated closely with the RHs in 2019, to design 10 new agriculture projects with a total financing amount of US\$596.9 million. This collaborative effort facilitated the adoption of cross-regional best practices and know-how.

Furthermore, eight completed projects in five countries were reviewed in partnership with beneficiaries. The projects had achieved disbursement levels between 65 and 100 percent by the end of the 5th year of the implementation period, as nearly all of them required an extension of three months to 4 years to complete (see Chart 2.5). The review process, also, generated valuable global knowledge that will improve significantly the performance of other projects in the future.

2.6.2 THE KINGDOM OF SAUDI ARABIA PROJECT FOR UTILIZATION OF HADY AND ADAHI

The government of the Kingdom of Saudi Arabia entrusted the IsDB with the management of Hajj sacrifices (Hady and Adahi) to ensure conformity with requirements as well as effective utilization of the meat and other by-products in the service of humanity. The project involves arrangements to help pilgrims perform one of the Hajj rituals (slaughtering of animals), then processing and distributing the meat to the needy and poor through charity organizations in Saudi Arabia and other countries.

TABLE 2.2 DISTRIBUTION OF SACRIFICIAL HAJJ MEAT FOR THE YEARS 1437H-1440H

	Country	1437H	1438H	1439H	1440H
1	Azerbaijan	5,000	5,000	5,000	5,000
2	Bangladesh	60,000	60,000	50,000	40,000
3	Burkina Faso	2,500	2,500	3,000	3,000
4	Chad	5000	5000	5000	5000
5	Comoros	3,000	3,000	3,000	3,000
6	Djibouti	7,000	7,000	7,000	7,000
7	Palestine	-	15,000	25,000	30,000
8	Guinea Bissau	5,000	5,000	5,000	5,000
9	Guinea	5,000	5,000	7,000	7,000
10	Jordan	20,000	20,000	20,000	20,000
11	Lebanon	15000	15000	15000	10000
12	Mali	5,000	5,000	5,000	5,000
13	Mauritania	10,000	10,000	10,000	10,000
14	Mozambique	4,000	4,000	5,000	5,000
15	Niger	2,500	2,500	3000	3000
16	Pakistan	10,000	10,000	10,000	15,000
17	Senegal	10,000	10,000	10,000	10,000
18	Sierra Leone	5,000	5,000	5,000	5,000
19	Sudan	10,000	10,000	10,000	15,000
20	Tanzania	6,000	6,000	5,000	5,000
21	Gambia	5,000	5,000	5,000	5,000
22	Afghanistan	-	-	5000	5000
23	Egypt	-	60,000	20,000	20,000
24	Yemen		20000	20000	20,000
Total Distribution Outside the Kingdom		195,000	275,000	233,000	233,000
Total distribution to the Poor at Haram and charities in the Kingdom		517,842	652,480	675,000	674,137
Total		712,842	927,480	908,000	907,138

Even though it is a special service that is not part of the Bank's mainstream development activities, it provides the opportunity to help the extremely poor and needy, especially those affected by conflicts and reside in refugee camps.

THE HAJJ MEAT DISTRIBUTION

In 1439H 908,000 heads of sheep and 328 cows were sacrificed. Out of these, 675,000 sheep and all the cows were distributed amongst the poor and needy people of the Haram area in Makkah Al-Mukarrama and charities inside the Kingdom. The remaining 233,000 sheep were distributed outside the Kingdom of Saudi Arabia. The distribution of meat in various countries from 1437H to 1440H are shown in Table 2.3.

GELATIN PROJECT

An additional initiative that has emerged from the Hady and Adahi project is the processing of the skins and bones of the animals into gelatin. There is a huge market opportunity for gelatin from halal sources globally as a significant portion of the gelatin available in the global market for pharmaceutical and food ingredients originates from porcine. Consequently, the Saudi Gelatin and Capsules company was established with Chinese contractors to produce approximately 500 tonnes of Halal Gelatin (extracted from skins & bones of cows and sheep). The company, which is fully owned by the Hady & Adahi project, recently upgraded the capsules factory with the latest technology, leading to a substantial increase in capacity to two billion hard gelatin capsules as primary packaging material for pharmaceutical companies. The products are of different sizes (00,0,1,3), and it is envisaged that it would be upgraded to 3 billion in the last quarter of 2020.

The capsules factory has successfully conducted three trials, and it is now preparing necessary procedures and documents to get the final approval for an operational license from the Saudi Food and Drug Authority. The factory is expected to be in operation by the second quarter of 2020 with about 400 tons of raw materials from the Hady and Adahi project.

ON LINE RITUALS (NUSUK) FOR PILGRIMS AND OTHER MUSLIMS

In order to simplify the ritual sacrifice for pilgrims and even non-pilgrims, the Hady and Adahi project created an online platform that can be accessed and used from all over the world. Through this platform, pilgrims and non-pilgrims can pay and request for sacrifice in the form of Hady and Fidyah nusuk (devotion) as well as Udhiyah, Sadaqah and Aqiqah and the required sacrifice will be done on their behalf.

The on-line platform allows the IsDB to build up a central information database that would assist in planning for the best utilization of Hajj meat, and in serving the pilgrims by meeting all Shariah and health requirements, in addition to preserving cleanliness and protection of the places around the holy sites. Moreover, the IsDB manages and controls the distribution of sacrificed animal meat among the poor and beneficiaries (internally and externally). The total number of sold coupons in the Hajj season of 1440H (2019) was around 938,731 coupons. These were sold via several channels (Adahi, website, Marketers, etc.).



3

ENHANCING INSTITUTIONAL AND DEVELOPMENT EFFECTIVENESS

This chapter presents IsDB's activities in the area of institutional and development effectiveness focusing on Board of Governors, Board of Executive Directors, Audit, Risk Management, Evaluation, Development Effectiveness Results and Human Resources Management, among others.

THE BOARD OF GOVERNORS (BOG) IS COMPOSED OF THE REPRESENTATIVES OF THE

57 MEMBER COUNTRIES

MOSTLY AT MINISTERIAL LEVEL

A GOVERNOR AND AN ALTERNATE GOVERNOR REPRESENT EACH MEMBER COUNTRY ON THE BOG. EACH MEMBER HAS

500

BASIC VOTES PLUS ONE VOTE FOR EVERY SHARE SUBSCRIBED

THE BOG IS THE HIGHEST POLICY-MAKING BODY BUT DELEGATE POWERS TO THE BOARD OF EXECUTIVE DIRECTORS (BED)

THE BOARD OF EXECUTIVE DIRECTORS (BED) COMPRISES

18 MEMBERS

9

APPOINTED MEMBERS REPRESENTING EACH OF THE

9

MAJOR SHAREHOLDERS

9

ELECTED MEMBERS, EACH REPRESENTING A GROUP OF

4-7

COUNTRIES

THE CURRENT TOTAL REGULAR ISDB STAFF (INCLUDING IRTI AND ISFD) IS

918

737 STAFF ARE LOCATED IN THE HEADQUARTERS

181 STAFF ARE IN THE REGIONAL HUBS AND CENTRE OF EXCELLENCE IN MALAYSIA

3.1 BOARD OF GOVERNORS

The Board of Governors (BOG) is composed of representatives of the Bank's 57 member countries, mostly at the ministerial level. A Governor and an Alternate Governor represent each member country on the BOG. Each member has five hundred basic votes plus one vote for every share subscribed. In general, decisions are taken by the Board of Governors based on the majority of the voting power represented at the meeting. The BOG meets annually to review the Bank's activities for the previous year and deliberate on future strategies and policies. At its annual meeting, the BOG designates a chairman, who holds office until the election of another Chairman at the next Board meeting.

The BOG is the highest policy-making body but delegate powers to the Board of Executive Directors (BED) for the general operations of the Bank with the exception of issues relating to membership, increase or decrease of the Bank's authorized capital, admission or suspension of member countries, changes in the authorized capital stock, election of the President of the IsDB and the Executive Directors and determining their terms of service, approving the external auditor's report and financial statements, as well as determining the reserve and distribution of net income. Pursuant to the Articles of Agreement, the Board of Governors may also adopt such rules and regulations and establish such subsidiary institutions as may be necessary to conduct the business of the Bank.

IsDB 44TH ANNUAL MEETING

The Forty-Fourth Annual Meeting of the BOG was held at the Palmeraie Conference Centre, Marrakech, Kingdom of Morocco on 29 Rajab – 1 Sha'baan 1440H corresponding to (5 – 6 April 2019), under the theme; "Transformation in a Fast-Changing World: The Road to SDGs". It was preceded by three days full of substantive meetings on topics of major importance such as: the 14th IsDB Global Forum on Islamic Finance, the 1st Islamic Finance Development Symposium: SDGs – Role of Islamic Infrastructure Institutions (IIIs), Enhancing the Role of MDBs and Technical Cooperation Agencies in Promoting South-South and Triangular Cooperation for Achieving SDGs: Morocco-IsDB Case, IsDB Group Private Sector Forum, Science, Technology and Innovation Fostering Action for All, and the 8th Youth Development Forum (2019): "Transformation through Sustainable Employability for All: Bridging the Gap".

- The Board of Governors took note of the 2018 IsDB Annual Report, approved the Statements of accounts, and endorsed the appointment of the external auditors.

- The Board, also, took note of the:

- Update on the implementation of the IsDB Group Ten-Year Strategy and the IsDB P5P
- Report on the allocation to be made from IsDB net income for Technical Assistance for the years 1440H/1441H (2019).
- Report on utilization of Special Allocation to develop Islamic Financial Services Industry for 1440H/1441H (2019).
- Date and venue of the 45th Annual Meeting of the IsDB Board of Governors.
- Election of the Chairman and the two Vice-Chairmen of the IsDB Board of Governors for the 1441H/1442H (2020) Session.
- Appointment of the Procedures Committee for the 45th Annual Meeting of the IsDB Board of Governors.

Furthermore, the BOG convened a roundtable meeting to discuss with the IsDB President the future strategic direction of the Bank under the P5P to confirm the role of national governments in creating favorable conditions for the Bank's action, the latter being an effective tool that can bring about the desired transformation in IsDB member countries. The Roundtable also discussed the "Quest for Transformation: Future-Proofing our Countries in a Fast-Changing World", during which the IsDB Governors highlighted and shared their experiences and lessons learnt from previously adopted transformation processes through several interventions.

3.2 BOARD OF EXECUTIVE DIRECTORS

The Board of Executive Directors (BED) comprises 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 current BED is serving its 15th term and holds five meetings a year. The BED is responsible for the direction of the Bank's general operations and exercises all powers delegated to it by the BOG such as taking necessary decisions concerning the Bank's business and operations, approving the Bank's budget and submitting the accounts of each financial year for the approval of the BOG at each Annual Meeting.

Members of the BED work according to the following four Board committees:

- Governance and Administrative Committee (GAC)
- Operations and Development Effectiveness Committee (ODEC)
- Finance and Risk Management Committee (FRMC)
- Audit Committee (AC).

During 2019, the BED approved 32 projects and adopted 97 resolutions on financing, policy and administrative matters. Table 3.1 provides more detailed information about the BED meetings held in 2019.

TABLE 3.1 DATA OF THE BED MEETINGS DURING 2019

Date of BED Meeting	No.	Projects (*)	Special Assistance operations	Strategic & Policy items	Other Items	Follow-up Reports	Items Approved by the President and submitted to BED for information. (**)	Total Number of Agenda items	Resolutions Adopted
Sunday, 19 Jumad Thani 1440 (24 February 2019)	329 th	2	-	12	19	2	5	40	15
Sunday, 27 Rajab 1440 (3 April 2019)	330 th	3	-	-	8	2	2	15	20
Sunday, 4 Dhul Qa'da 1440 (7 July 2019)	331 st	6	-	9	15	2	1	33	15
Sunday, 9 Muharram 1441 (8 September 2019)	332 nd	7	-	6	17	2	-	32	15
Sunday, 18 Rabi' Thani 1441 (15 December 2019)	333 rd	14	-	4	23	2	-	43	32
Total	5	32	-	31	82	10	8	163	97

(*) Projects + T.As.

(**) This column also includes T.As Projects approved by the President, IsDB.

NOTE: Out of 163 items considered by the Board, Resolutions were adopted on 97 items while eight items were approved by the President, as indicated above. The remaining items which were considered by the Board pertain to Reports of BED Committees, Executive Sessions, standing items such as Adoption of the Agenda, Adoption of the Minutes, Brief Oral Report of the President, IsDB, Investment Operations, and other items for information.

“The Bank maintains a sound risk profile, strong financial standing and creditworthiness consistent with maintaining IsDB’s AAA credit ratings from all the three international rating agencies.”

3.3 RISK MANAGEMENT

In carrying out its mandate, the Bank is exposed to various kinds of risks, including credit, market, liquidity and operational risks. The degree of risks the Bank is willing to take to achieve its development mandate is limited by its risk-bearing capacity and its commitment to maintaining a prudent risk profile consistent with the highest credit rating. The Bank uses only specifically authorized financial instruments and follows a well-defined risk management decision-making process.

The Bank conducts its operations within the risk management framework, capital adequacy and exposure limit management framework, credit policy and guidelines, risk management governance framework, asset and liability management framework, operational risk management framework and an end-to-end credit process. The Bank monitors the credit profile of existing transactions in the operations portfolio, conducts the risk assessments of new operational transactions, and monitors market and credit risks in treasury operations.

While managing risks, due consideration is given to the prudential rules anchored to the Bank’s capital adequacy and exposure management framework. Risk oversight is performed at different levels with the Board of Executive Directors and its Finance and Risk Management Committee approving the risk strategy, policies, and guidelines. In addition to approving all risk management policies, the Board of Executive Directors regularly reviews trends in the Bank’s risk profile and performance to ensure compliance with the underlying policies. The IsDB Management, supported by the Risk Management Committee and Asset and Liability Management Committee, ensures the execution of the activities in accordance with an approved risk governance framework.

The Bank maintains a sound risk profile, strong financial standing and creditworthiness consistent with maintaining the IsDB’s AAA credit ratings by all the three international rating agencies.

The Bank attaches great importance to the consolidation of its internal risk management capacity in addition to fiduciary controls and safeguards. Over the past few years, the Bank has undertaken several initiatives to enhance the

risk management framework and governance processes. Some of these enhancements include formulation of risk appetite framework, implementation of the enterprise risk management project, credit risk management related improvements (implementation of risk analyst platforms, loss given default modeling, equity risk assessment modeling), enhancement of market risk and liquidity risk oversight, implementation of International Financial Reporting Standards IFRS-9 project, and improving risk review function at the portfolio levels. It is, also, making continuous efforts to enhance risk culture, implement its operational risk framework and strengthen internal controls.

3.4 INTERNAL AUDIT ACTIVITIES

The internal audit function is the third line of defense in the risk management framework. Through the Audit Committee, it provides independent and objective assurance, as well as advice, to the Management and the Board on the overall effectiveness of the main governance, risk management, and internal control processes and systems including how the first and second lines of defense reach their control and risk management objectives. The internal audit process uses a risk-based approach to develop its Annual Audit Plan, which is aligned with the IsDB’s strategic priorities and its most significant risks. Whenever observations are made, the internal audit mechanism evaluates the appropriateness of the Management Action Plans (MAPs) carried out to resolve the issues and then make rigorous follow-ups.

During 2019, the internal audit function continued to be strengthened by the:

1. introduction of continuous auditing platform on selected risk areas and development of MAPs dashboards accessible to relevant stakeholders;
2. continued reviewing of internal audit practices and processes for more efficiency, as part of internal audit’s Quality Assessment and Improvement Program;
3. continued investment in data mining tools and computer-assisted audit tools;
4. development of a strategic partnership with international auditing firms via insourcing and outsourcing master agreements;
5. improvement of auditor skills through training and workshops.

Periodic activity reports that include information on audit results and quarterly Management Action Plans implementation status reports are submitted to the Audit Committee and the President and chairman of the BED to timely inform them about Internal Audit activities, observation, and MAPs implementation status. In line with its continuous efforts to enhance audit practices,

the internal audit team participated in international meetings and conferences such as the Multilateral Financial Institutions Chief Audit Executive Group, the Representatives of Internal Audit Services of the United Nations Organizations, Multilateral Financial Institutions and the Institute of Internal Auditors Chief Audit Executive Conference.

3.5 CREDIT RATINGS

In 2019, the IsDB maintained the highest credit ratings of ‘AAA’ by all the three leading international rating agencies (Standard & Poor’s, Moody’s and Fitch Ratings) with a “Stable” outlook. This reflects sound financial health, strong capitalization and shareholders’ support, satisfactory performance of operational assets with a diversified portfolio and a stable level of liquidity. The IsDB is also one of the highest rated multilateral lending institutions based on stand-alone credit rating and both the Basel Committee on Banking Supervision and European Commission have also designated the IsDB as a Zero-Risk Weighted Multilateral Development Bank.

ICIEC maintains a rating of ‘Aa3’ since 2008 with a “Stable” outlook from Moody’s. This Insurance financial Strength Rating (IFSR) reflects its stand-alone fundamentals as well as the support from its shareholders. In addition, as a member of the IsDB Group, ICIEC benefits from various managerial synergies and support from the IsDB. The stand-alone credit quality of ICIEC is supported by its role as the leading multilateral export credit and investment insurance corporation in the world that provides Shariah compliant insurance and reinsurance products, as well as its enhanced regional knowledge based on its experience by operating in the OIC member countries.

During 2019, Fitch Ratings affirmed the ICD’s credit rating as ‘AA-’ with a “Stable” outlook. However, the ICD’s rating was lowered to ‘A’ by S&P with a “Negative” outlook while its rating by Moody’s was lowered to “A2” with a “Stable” outlook, which was reaffirmed in the latter part of 2019.

The ITFC maintained a rating of ‘A1’ by Moody’s with a “Stable” outlook in 2019. This rating considers the ITFC’s very large equity buffer, prudent treasury investment practices, adequate liquidity and credit management policies, very strong capital position and strong implicit member support.

“The Basel Committee on Banking Supervision and European Commission have also designated IsDB as a Zero-Risk Weighted Multilateral Development Bank.”

3.6 INTEGRATING KNOWLEDGE TO ENHANCE COMPETENCE

In recognition of the significance of knowledge, the IsDB has been integrating knowledge to keep abreast with and adopt best practices to enhance competences in its activities. The new business model based on the P5P emphasizes the integration of knowledge as crucial in achieving effective results. In 2019, various knowledge creation, dissemination and application activities were undertaken. Through collaboration with relevant global institutions, knowledge sharing platforms were initiated for capacity development, and effective knowledge management. The partners include the Global Delivery Initiative (GDI), the Korea Development Institute (KDI), and the International Federation of Red Cross and Red Crescent (IFRC).

The first-ever Data Literacy Workshop for the IsDB staff was conducted by the IFRC due to realization that data is crucial in guiding interventions and monitoring progress on the development agenda. The partnership with GDI has culminated into a global competition for crowdsourcing delivery case studies. With KDI, a regional and country level knowledge exchange program on Solid Waste Management was conducted in Seoul, South Korea for staff and stakeholders from member countries.

In 2019, as part of measures to enhance internal processes for knowledge integration, the Community of Practices were reinvigorated, an Effective Knowledge Transfer and Sharing Platform was established, an Electronic Back to Office Report (BTOR) Platform was launched and an e-Learning platform for courses on the Bank’s core activities such as Reverse Linkage, Operations Management System and Project Procurement were commissioned. More importantly, the IsDB Library has been upgraded to a 21st century e-Library standard with digital platforms that facilitate participatory learning.

3.7 OPERATIONS EVALUATION

The Operations Evaluation function is about independent assessment of the development effectiveness of IsDB interventions. In 2019, 11 projects were evaluated in the following member countries; Bangladesh, Chad, Djibouti, Gabon, Jordan, Kazakhstan, Lebanon, Mauritania, Morocco, Senegal and Turkey (Boxes 3.1 and 3.2 provide synopsis of two of the projects evaluated in 2019). The main sectors covered were Energy (3 projects), Transport (3 projects), Health and Other Social Services (2 projects), Education (1 project), Finance (1 project) and Water and Sanitation (1 project). One of the projects under the transportation sector was jointly evaluated with the Asian Development Bank in Kazakhstan. Based on Management directive, a cluster of 23 Special Assistance operations financed by the IsDB were evaluated in the United Kingdom. In addition, 24 Project



BOX 3.1 VOCATIONAL LITERACY PROGRAM FOR POVERTY REDUCTION (VOLIP), SENEGAL

Vocational Literacy Program for Poverty Reduction is a flagship programme of the Islamic Solidarity Fund for Development (ISFD). The main objective of the programme is to reduce multidimensional poverty in Lower and Middle-Income Member Countries. It involves providing access to basic education and vocational training to youth and women groups, alternative Basic Education to out-of-school children, and Islamic microfinance to trained youth and women. The Programme provided access to alternative basic education to 4,681 out-of-school children, constructed 190 Basic Community Schools and eight resource centres for youth and adult learners in Senegal. It recruited 200 volunteer teachers and 40 supervisors that were trained to suit the delivery of the programme. Vocational and literacy training was also provided to 2,880 youths and apprenticeship training was given to 212 artisans in skill areas such as woodwork, metal work, and masonry. In addition, functional literacy and vocational training in sewing, fabric tie & dye, soap making, hairdressing and small-scale food processing provided to 9,996 illiterate women, making a difference to their lives and livelihood. Furthermore, 123 food processing machines have been provided to newly formed women-owned micro enterprises and 578 micro enterprises were formed and trained.



Completion Reports finalized in 2018 were reviewed and validated in 2019.

Higher-level evaluations were finalized on four MCPS Implementation reviews for Chad, Morocco, Mauritania and Suriname. Moreover, Corporate Evaluation on IsDB Group Synergy was conducted with a corporate assessment of IsDB off-balance-sheet Resource Mobilization efforts launched. In the same context, three thematic evaluations were conducted in relation to the IsDB's equity investments in Islamic banks, programs contributing to regional integration in member countries and Public-Private-Partnerships.

On the enabling, learning and outreach activities, 26 knowledge products were produced in the form of Knowledge-Series and Executive Dissemination Notes in addition to four quarterly e-newsletters issued. The IsDB evaluation staff participated in several learning events organized by evaluation societies such as AfrEA and EvalMENA. Moreover, the IsDB facilitated capacity building workshops including one with the Development Impact Evaluation Unit of the World Bank on Impact Evaluation, another one in Morocco for the Supreme Court of Audit on Theory of Change and Retrospective Logical Framework, and two more workshops in Bahrain and Kazakhstan for government officials on Monitoring and Evaluation of development projects. Furthermore, the IsDB participated in the Second Meeting of the Chairs and Co-Chairs of the Committees on Development Effectiveness of International Financial Institutions. In addition, the IsDB hosted the Fall Meeting of the Evaluation Cooperation Group (ECG) at the IsDB Headquarters in Jeddah.

3.8 DEVELOPMENT EFFECTIVENESS

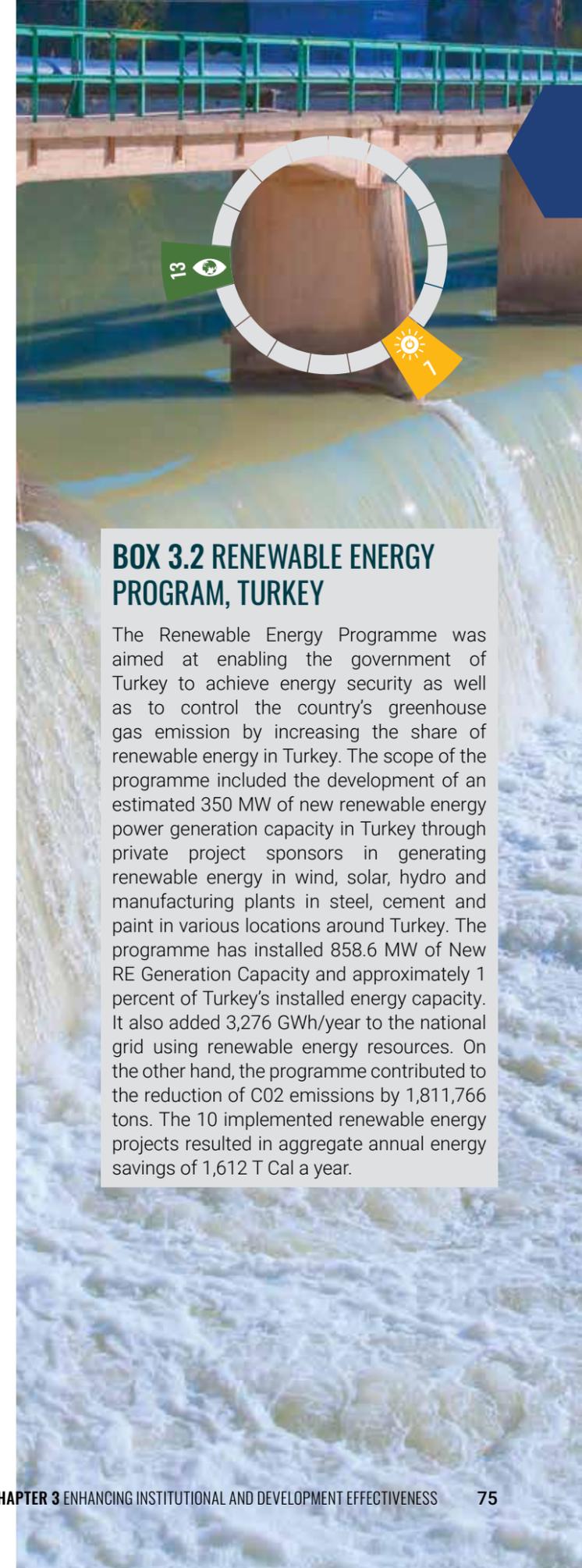
Development Effectiveness has gained added momentum under the Bank's new business model of 'Making Markets Work for Development'. Development Effectiveness gets even more important when considering the urgent need of member countries to achieve the SDGs. Getting closer to member countries and serving them through regional hubs has been the first step towards making positive developmental impact on the ground. Establishing theme-based Global Practices at the Headquarter is intended to augment the developmental work in the field with thematic knowledge during the various stages of the project life cycle. Global Value Chain (GVC) based Member Country Partnership Strategy (MCPS) is a manifestation of the Bank's aspiration to elevate the socio-economic status of our member countries.

The Annual Development Effectiveness Review (ADER) is a monitoring tool for reporting on the Bank's progress towards achieving the 10-Year Strategy and the President's P5P and aligning them with SDGs and member country needs. The



BOX 3.2 RENEWABLE ENERGY PROGRAM, TURKEY

The Renewable Energy Programme was aimed at enabling the government of Turkey to achieve energy security as well as to control the country's greenhouse gas emission by increasing the share of renewable energy in Turkey. The scope of the programme included the development of an estimated 350 MW of new renewable energy power generation capacity in Turkey through private project sponsors in generating renewable energy in wind, solar, hydro and manufacturing plants in steel, cement and paint in various locations around Turkey. The programme has installed 858.6 MW of New RE Generation Capacity and approximately 1 percent of Turkey's installed energy capacity. It also added 3,276 GWh/year to the national grid using renewable energy resources. On the other hand, the programme contributed to the reduction of CO2 emissions by 1,811,766 tons. The 10 implemented renewable energy projects resulted in aggregate annual energy savings of 1,612 T Cal a year.



ADER showcases the Bank's contributions towards achieving developmental results in member countries and Muslim communities in non-member countries. These contributions are measured through a set of Core Sector Indicators, which are linked to various SDG targets. The ADER also highlights the efficiency introduced internally at the operational and organizational level to accelerate the achievement of results on the ground. The ADER shows that the IsDB Group is on track in delivering planned developmental results in member countries and has helped to address key SDG targets. However, additional effort is required to update the results framework in light of the Bank's new delivery model of GVC-based country interventions.

3.9 DEVELOPMENT IMPACTS OF ISDB FINANCING

IsDB financing has made positive impact on the lives of the people in member countries and Muslim communities in non-member countries.

 Banks operations that were recently completed have contributed in alleviating poverty (SDG-1) and ending hunger (SDG-2). For example, nearly 11,000 houses and shelters were built, 60,000 hectares of land were irrigated and over 1.4 million tonnes of additional crops produced.

 Similarly, in the health sector (SDG-3) the bank's interventions have benefitted over 1.2 million patients through building or rehabilitating nearly 4,000 hospitals and health facilities.

 In the education sector (SDG-4), nearly 2.4 million students received education at various levels through IsDB financing of the building of nearly 1,000 educational institutions.

 The bank have provided access to potable water to nearly 25,000 households and built a sewerage network extending to over 2,500 km, thus helping member countries to achieve SDG-6 on water and sanitation.

 On SDG-7 (Clean Energy), the Bank's operations have helped connect over 240,000 households to electricity through power plant projects that together generated 3,622 MW of electricity of which 1,700 MW were from renewable sources. These projects together have resulted in a reduction of 204,000 tonnes of CO₂ emissions per year, thus contributing in achieving SDG-13 (climate action) and SDG-15 (life of land).

 In the transportation sector (SDG-9), the recently completed projects have paved nearly 11,000 km of roads among them 276 km of express highways, and laid railway tracks extending to 326 km. Also, recent expansion of airports and sea ports have resulted in an increase in the annual capacity of passengers by 3 million and goods by 18 million tonnes.

 Furthermore, the Bank's projects have contributed in providing decent work and achieving economic growth in member countries (SDG-8). For example, nearly 40,000 people were employed, and 50,000 others were provided with vocational and formal training. A total of 145,000 people were provided with Islamic microfinance solutions.

3.10 HUMAN RESOURCES MANAGEMENT

During 2019, the IsDB introduced a new grading and compensation structure for alignment and greater competitiveness in attracting and retaining qualified talent. The new Compensation & Benefits structure consolidated the guaranteed allowances. In addition, the IsDB addressed concerns on the effect of inflation on purchasing power and rising cost of medical services by introducing a new pension indexation, the future retiree's medical scheme, and enhancing the existing retirees medical pension.

In 2019, the IsDB stepped-up efforts to strengthen human resource capabilities through recruitment to fill vacant positions at the IsDB Headquarters as well as at the Regional Hubs. A total of 121 job offers were issued during the year, out of which 100 were accepted. The recruitments took cognizance of the spread among member countries and across geographical regions. Recruitments into the recently operationalized RH of Cairo, Egypt, is ongoing. A study has been commissioned to consolidate the RH of Jakarta, Indonesia, with the Centre of Excellence in Kuala Lumpur, Malaysia, to establish a global Centre of Excellence. Three Virtual RHs (Uganda, UAE and Suriname) continue to operate temporarily in the Headquarters in Jeddah. In all, staff in the field at RHs increased from 111 in 2018 to 162 in 2019, with staff in RHs now accounting for 17 percent of entire IsDB staff, thus indicating that the empowerment of RHs is taking shape.

Currently, the total regular IsDB (including IRTI and ISFD) staff is 918, out of which 802 are on tenured appointment while 116 are on fixed contract. Of the total staff, 612 are holding various professional level positions comprising Young Professionals, Junior Professionals, Professionals, Senior Professionals and Lead Professionals. This is followed by 88 holding Managerial level positions comprising the President, Vice Presidents, Directors-General, Directors and Division Managers. The remaining 218 are support staff in the categories of Manual and Para-professional. In terms of location, 737 of the total staff are in the Headquarters while 181 are in the Regional Hubs and Centre of Excellence in Malaysia.

To continue building the workforce that the IsDB needs, the Young Professional Program (YPP) was revamped based on best practices. The rotation of Young Professionals (YPs) was implemented to expose YPs to the real issues and challenges of the member countries to help them and gain hands-on insight and experience on how such issues

and challenges can be addressed more effectively and efficiently. In this regard, four YPs went into rotation as part of their three-years development program to Morocco, Turkey, and Nigeria RHs.

3.11 INFORMATION TECHNOLOGY SERVICES

Information Technology (IT) services were improved to align them with the P5P. In 2019, Information and Technology Management services focused on better governance and business alignment of IT solutions and services, enablement of the new business model and efficiency of IT service delivery supported by enhanced IT security. The IT strategy articulates a mission, vision, objectives, high-level solution architecture and implementation roadmap to meet IsDB technology needs while the IT operating model defines the organizational structure and staffing requirements need to deliver the IT strategy. An initial governance framework supported by eleven key processes and procedures was developed to establish better IT governance.

The New Business Model of the IsDB, which builds upon decentralized business operations and partnerships, depends heavily on the ability to communicate and collaborate between HQ and Regional Hubs as well as between the IsDB and external partners. A set of integrated solutions of Microsoft Outlook (Office 365) were deployed to enable communication and collaboration internally and externally from anywhere and at any time by using any device within a secure environment.

Additional IT solutions were delivered to support more efficient business operation through process automation such as data integration with the custodian of the STI Fund to enable the external fund manager model. Several management dashboards, such as the ALCO Pack, were developed to provide transparency and decision support services. Online portals, such as the Fael Khair and Corporate Governance portals were delivered to support streamlined communication to internal and external stakeholders.

The fundamental issue of data quality was addressed by providing technical support to business and data owners to review and correct data inaccuracies. Better adoption of IT solutions and services was promoted through a training and awareness program along with the introduction of a cybersecurity awareness intended to reduce the risk of cyber incidents and encourage good security practices.

Enhanced IT services were deployed with a more responsive IT Service Desk and Self-Service Wi-Fi for guests and visitors. Furthermore, operational efficiency and service quality of IT services were improved through the consolidation of vendor contracts. Finally, there was a consistent focus on IT security to implement mandatory SWIFT security controls and protect the IsDB network from unauthorized access through a network access control solution.



3.12 ADMINISTRATIVE AND HEALTH SERVICES

Administrative Support Services activities were improved to respond to the P5P and the New Business Model. Accordingly, there have been adjustments to administrative support services to link up with the RHs in order to ease their access to required administrative services and procedures. Both at the headquarters and at the RHs, standard services such as government relations, procurement, travels, records and documentation have been significantly improved to become more efficient.

The Health Services Centre continued its health support services by providing coverage to 8,282 beneficiaries, comprising IsDB Group staff and their dependents as well as executive directors. The HSC, also, provides health support services to the MANI (agency-hired) staff and official visitors to the Bank. In 2019, there were 19,800 clinic visits (consultation, chronic disease follow-ups, counselling, etc.), 2,867 Emergency Room visits while nine critical cases were transferred by ambulance. A new haematology machine was installed with 12,450 tests conducted.

During 2019, the HSC conducted the regular bi-annual in-house periodic medical check-up that attended to over 900 employees on 24 various tests depending on gender and age. Furthermore, eight programmes on enhancing staff well-being were conducted, including medical campaigns on "World Mental Health Day", Blood Donation Campaign, Eye Care Day, Breast Cancer Awareness Day, World Diabetes Day and Vaccination Campaign. An indoor gym facility was provided to encourage staff to perform regular physical exercise.



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THE ISLAMIC DEVELOPMENT BANK GROUP SHARI'AH BOARD SHARI'AH AUDIT REPORT FOR 1440H/1441H

Praise be to Allah and may Allah's prayer and peace be upon our
Prophet, Muhammad, and on his household and companions

Chairman of the Board of Governors,
Members of the Board of Governors,

Dear Mr. Chairman,

Assalamu alaikum warahmatullahi wabarakatuhu

Following your request to provide you with a Shari'ah report on the IsDB Group's 1440/1441H activities, we have audited the existing principles as well as the contracts pertaining to the transactions undertaken by the Islamic Development Bank's - Ordinary Capital Resources, Special Account Resources Waqf Fund, Islamic Corporation for the Insurance of Investment and Export Credit, Islamic Corporation for the Development of the Private Sector, International Islamic Trade Finance Corporation, Islamic Solidarity Fund for Development, Awqaf Properties Investment Fund (IsDB Group), World Waqf Foundation, and all Trust Funds, for the year ending on 31 December 2019G (5 Jumada Ula 1441H). We have also conducted the audit required to give an opinion on whether the IsDB Group has complied with the rules and principles of the Shari'ah as well as the *Fatwas*, decisions, rulings and specific guidelines issued by us¹.

The responsibility of ensuring that the IsDB Group operates in accordance with the rules and principles of the Shari'ah lies with the management of the IsDB Group. Our responsibility is to merely give our opinion based on our audit of the IsDB Group's operations and to prepare a report thereon.

We have carried out our audit, which involved examining the IsDB Group's documentation and standard procedures for all types of operations.

We planned and carried our audit so as to obtain every fact and explanation that we deemed necessary to provide us with enough proof to reasonably confirm that the IsDB Group has not contravened the rules and principles of the Shari'ah.

¹ Members of the Islamic Development Bank Group Shari'ah Board are: His Eminence Dr. Hussein Hamed Hassan Chairman, His Eminence Dr. Abdulsattar Abu Ghuddah Deputy Chairman, His Eminence Sheikh Abdullah S. M. Al Meneea, His Eminence Shaik Muhammad Taqi Usmani, His Eminence Dr. Mohamed Raougui, His Eminence Dr. Muhammad Syafii Antonio, His Eminence Ayatu Allah Shaik Mohammad Ali Taskhiri.

IN OUR OPINION

1. The IsDB Group has followed the procedures required to comply with the contracts that the Committee prepared and audited.
2. The dividends paid and the losses incurred on the investment accounts are in conformity with the basis that we adopted in line with the rules and principles of the Shari'ah.
3. All gains made from transactions or methods forbidden under the rules and principles of the Shari'ah have been avoided by spending them on charity.
4. The IsDB Group does not pay *Zakat* because the sources of its assets are either from public or *Waqf* funds or from institutions that have not delegated the IsDB Group any authority to pay *Zakat* on their behalf. 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 wabarakatuhu

THE ISDB GROUP SHARI'AH BOARD



Dr. Hussien Hamid Hassan
Chairman of the Board



Aboubacar Salihou KANTE
IsDB Group Internal Shari'ah Auditor



ANNEX 2

ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

INDEPENDENT AUDITOR'S REPORT

Your Excellencies the Chairman and Members of the Board of Governors

Islamic Development Bank
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 2019, 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 2019, 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 Islamic Shari'ah Rules and Principles as determined by the Group Shari'ah Board of the Bank during the period 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 2019. 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 each 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 MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>IMPAIRMENT OF PROJECT ASSETS AND MURABAHA FINANCING</p> <p>As at 31 December 2019, the Bank's gross project assets and murabaha financing amounted to ID 15,002 million (2018: ID 13,918 million) and ID 346 million (2018: ID 336 million), respectively, against which an impairment of ID 304 million (2018: ID 277 million) and ID 2 million (2018: ID 32 million), respectively, has been recognised to the year end date.</p> <p>Please refer to notes 7 to 14 for details of project assets and murabaha financing and corresponding impairment charge, and note 3 for details of the accounting policy adopted by the Bank for the identification and recognition of related credit losses.</p> <p>Judgment is applied to determine appropriate parameters, assumptions and estimates used to calculate impairment allowances. The Bank uses historical experience, evaluating the characteristics including forward looking prospects of the sovereign and non-sovereign exposures, appropriateness of collaterals and the expected future cash flows.</p> <p>Impairment allowance is a highly subjective area due to significant level of judgment applied by the management in the determination of impairment allowances. Due to materiality of project assets and murabaha financing balances and the level of judgment, assumptions and estimates involved in the calculation of impairment allowances for project assets and murabaha financing, this has been considered as a key audit matter.</p>	<p>Our audit procedures in response to the significant risk associated with the impairment on Bank's project assets and murabaha financing included assessing the appropriateness of the corresponding impairment allowances.</p> <p>Based on our understanding of the process and key controls, we focused on the identification of loss events and the governance controls over the impairment process, including the continuous re-assessment by management.</p> <p>We have performed walkthroughs and testing of relevant key controls to determine whether they were designed, implemented and operated effectively throughout the year.</p> <p>Where impairment allowances were individually calculated (sovereign and non-sovereign exposures), we assessed the criteria for determining whether an impairment event had occurred and therefore whether there was a requirement to calculate an impairment allowance. We tested a sample of project assets and murabaha financing to determine whether management had identified and appropriately accounted for all impairment events and to assess whether impairment had been identified on a timely manner and formed our own judgment as to whether that was appropriate.</p> <p>For impaired project assets and murabaha financing, we obtained an understanding of the basis of measuring impairment allowances and considered whether the management's key judgments, assumptions and estimates were appropriate given the beneficiaries' circumstances, including the assessment of future prospects and the assessment of whether historical experience is appropriate when assessing the likelihood of incurred losses. We also re-checked the impairment allowance calculation on a sample basis. In addition, we tested key inputs to the impairment allowance calculation including the expected future cash flows, and performed tests to determine whether calculations were up to date and appropriate for the purpose.</p>

ANNEX 2

ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

(Continued)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
	<p>Where impairment allowance was calculated on a collective basis, we tested, on a sample basis, the completeness and accuracy of the inputs to the impairment calculation model used by management, including underlying information, the financial assessment of the beneficiaries and other various inputs, by agreeing details to the Bank's source systems as well as recomputing the impairment allowance calculation.</p> <p>Moreover, for a sample of sovereign exposures we checked the appropriateness of assumptions used in the impairment calculation model to determine the probability of default, against the respective countries' long-term market outlook, as assessed by independent rating agencies.</p> <p>Furthermore, we assessed the adequacy of financial statements disclosures with respect to impairment on project assets and murabaha financing.</p>
<p>IMPAIRMENT OF TREASURY AND INVESTMENT ASSETS (EXCLUDING MURABAHA FINANCING AND INVESTMENTS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT (FVIS))</p> <p>As at 31 December 2019, the gross treasury and investment assets (excluding murabaha financing and investments carried at fair value through income statement (FVIS)) (collectly referred to as "investments"), amounted to ID 8,265 million (2018: ID 7,880 million), against which an impairment of ID 65 million (2018: ID 80 million) has been recognised to the year end date.</p> <p>Please refer to notes 4, 5, 6, 14, 15 and 16 for details of these investments and corresponding impairment charge, and note 3 for details of the accounting policy adopted by the Bank for the identification and recognition of related impairment.</p> <p>As at the statement of financial position date, the Bank's exposure to impairment in non-FVIS investments is represented by debt and equity instruments classified at amortised cost, cost and fair-value through equity categories. These instruments are respectively susceptible to credit and market risks.</p>	<p>Our audit procedures in response to the significant risk associated with the impairment on Bank's investments included:</p> <ul style="list-style-type: none"> ● an assessment of consistency in application of Bank's methodology for impairment assessment and computation. ● testing relevant internal controls over determination of appropriate impairment triggers, occurrence of impairment events and estimating the amount of impairment losses. ● an assessment of relevance and comprehensiveness of assumptions corresponding to specific instruments. <p>Furthermore, for a selected sample of investments, we have checked the impairment loss estimated by the Bank using its loss computation methodologies, including sensitivity of the impairment loss to any significant assumptions used.</p> <p>We also assessed the adequacy and appropriateness of financial statements disclosures with respect to impairment of investments.</p>

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The estimation of impairment losses on Bank's debt instruments requires the Bank to exercise judgment in defining and monitoring objective evidence of impairment, represented by:</p> <ul style="list-style-type: none"> ● the establishment of impairment triggers (including credit rating downgrades, financial or repayment difficulties); ● identification of the occurrence of trigger events; and ● estimation of incurred losses at the reporting date using internal methodologies and relevant assumptions (including expected timing of cashflows and other default factors). <p>With respect to equity instruments, the financial accounting standards require the recognition of an impairment loss if there is objective evidence that an impairment loss has been incurred. This includes determination of a significant or prolonged decline in the fair value. The amount of impairment is measured as the difference between the carrying amount of the instrument and its expected recoverable amount. Accordingly, the Bank's management exercises judgment in determining the impairment triggering event.</p> <p>Due to the significance of amount involved and the exercise of significant judgment by management in the process for determination of impairment losses on treasury and investment assets (excluding murabaha financing and investments carried at FVIS), we have determined it to be a key audit matter.</p>	

ANNEX 2

ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

(Continued)

OTHER INFORMATION INCLUDED IN THE BANK'S 2019 ANNUAL REPORT

Other information consists of the information included in the Bank's 2019 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2019 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 Islamic 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.

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 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 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.

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 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.



For Ernst & Young

Ahmed I. Reda
Certified Public Accountant
Licence No. 356

30 March 2020
6 Sha'ban 1441H

Jeddah



ANNEX 2

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

(All amounts in thousands of Islamic Dinars unless otherwise stated)

	Notes	31 December 2019	31 December 2018
Cash and cash equivalents	4	854,174	815,525
Commodity murabaha placements	5	4,424,022	4,173,355
Sukuk investments	6	1,724,211	1,653,815
Murabaha financing	7	343,698	304,092
Treasury assets		7,346,105	6,946,787
Istisna'a assets	9	7,378,187	6,667,470
Restricted mudaraba	10	849,606	873,252
Instalment sale	11	1,906,569	1,602,775
Ijarah assets	12	2,781,075	2,684,473
Loans (Qard)	13	1,781,830	1,813,720
Project assets		14,697,267	13,641,690
Equity investments	15	541,130	466,038
Investment in associates	16	756,875	755,816
Other investments		55,161	49,596
Investment assets		1,353,166	1,271,450
Property, equipment and intangibles		53,464	56,648
Other assets	17	123,887	130,871
Total Assets		23,573,889	22,047,446
Liabilities			
Sukuk issued	18	12,181,904	11,683,136
Commodity murabaha liabilities	19	1,613,652	789,133
Wakala due	20	361,763	388,661
Other liabilities	21	351,315	446,371
Total Liabilities		14,508,634	13,307,301
Members' Equity			
Paid-up capital	23	5,785,122	5,595,416
Reserves	24	3,139,738	3,060,826
Net income for the year		140,395	83,903
Total Members' Equity		9,065,255	8,740,145
Total Liabilities and Members' Equity		23,573,889	22,047,446
Restricted Investment Accounts	29	80,921	79,107

Notes 1 to 36 form an integral part of these financial statements.

ANNEX 2

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in thousands of Islamic Dinars unless otherwise stated)

	Notes	For the year ended 31 Dec 2019	For the year ended 31 Dec 2018
Income / (Loss) from:			
Commodity murabaha placements		108,017	85,889
Sukuk investments	6	60,095	50,074
Murabaha financing		13,037	11,469
Treasury assets		181,149	147,432
Istisna'a assets		244,784	237,175
Restricted mudaraba		32,444	34,598
Instalment sale		63,687	59,187
Ijarah assets		303,541	276,267
Depreciation of assets under Ijarah	12	(219,779)	(207,913)
Loans (Qard)		11,836	13,653
Project assets		436,513	412,967
Equity investments		18,078	65,172
Loss from investment in associates	16	(29,418)	(103,501)
Income from other investments		864	812
Investment assets		(10,476)	(37,517)
Other income		6,684	6,487
Foreign exchange losses		(2,452)	(3,939)
Gains from swaps valuation	21	10,365	12,269
Other income		14,597	14,817
Total income		621,783	537,699
Financing costs	18,19,20,21	(296,195)	(244,067)
Impairment charge	14	(28,739)	(49,354)
Net income before operating expenses		296,849	244,278
Administrative expenses	25	(148,271)	(152,101)
Depreciation / Amortization on property, equipment and intangibles		(8,183)	(8,274)
Total operating expenses		(156,454)	(160,375)
Net income for the year		140,395	83,903

Notes 1 to 36 form an integral part of these financial statements.

ANNEX 2

STATEMENT OF CHANGES IN MEMBERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

(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			
Balance at 1 January 2018		5,378,558	2,700,167	334,691	(58,309)	(37,239)	2,939,310	196,977	8,514,845
Increase in paid-up capital	23	216,858	-	-	-	-	-	-	216,858
Net changes in fair value of investments		-	-	(79,310)	-	-	(79,310)	-	(79,310)
Actuarial gains relating to retirement pension and medical plans	22	-	-	-	10,755	-	10,755	-	10,755
Hedge accounting reserve	21	-	-	-	-	2,256	2,256	-	2,256
Share in investments in associates reserve movement	16	-	-	-	-	9,636	9,636	-	9,636
Net income for the year ended 31 December 2018		-	-	-	-	-	-	83,903	83,903
Transfer to general reserve	24	-	196,977	-	-	-	196,977	(196,977)	-
Allocation for grants	24	-	(18,798)	-	-	-	(18,798)	-	(18,798)
Balance at 31 December 2018		5,595,416	2,878,346	255,381	(47,554)	(25,347)	3,060,826	83,903	8,740,145
Increase in paid-up capital	23	189,706	-	-	-	-	-	-	189,706
Net changes in fair value of investments		-	-	70,281	-	-	70,281	-	70,281
Actuarial gains relating to retirement pension and medical plans	22	-	-	-	(60,642)	-	(60,642)	-	(60,642)
Hedge accounting reserve	21	-	-	-	-	(541)	(541)	-	(541)
Share in investments in associates reserve movement	16	-	-	-	-	(1,497)	(1,497)	-	(1,497)
Net income for the year ended 31 December 2019		-	-	-	-	-	-	140,395	140,395
Transfer to general reserve	24	-	83,903	-	-	-	83,903	(83,903)	-
Allocation for grants	24	-	(12,592)	-	-	-	(12,592)	-	(12,592)
Balance at 31 December 2019		5,785,122	2,949,657	325,662	(108,196)	(27,385)	3,139,738	140,395	9,065,255

Notes 1 to 36 form an integral part of these financial statements.

ANNEX 2

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in thousands of Islamic Dinars unless otherwise stated)

	Notes	For the year ended 31 Dec 2019	For the year ended 31 Dec 2018
Cash flows from operations			
Net income for the year		140,395	83,903
Adjustments for non-cash items:			
Depreciation / amortization		8,183	8,274
Loss from investment in associates	16	29,418	103,501
Provision for impairment of financial assets	14	28,739	49,354
Unrealized fair value (gains)/ losses on sukuk	6	(5,694)	3,604
Gain on disposal of sukuk		-	(380)
Amortization of other income		(567)	(4,959)
Foreign exchange losses		2,452	3,939
Gains on disposal of investment in equity capital		(902)	(47,068)
Changes in accrued income		103,428	42,111
Changes in accrued expenses		346	40,500
Operating income before changes in operating assets and liabilities		305,798	282,779
Changes in operating assets and liabilities:			
Istisna'a assets		(817,346)	(924,904)
Restricted mudaraba		4,881	(10,464)
Instalment sale		(310,890)	(71,623)
Ijarah assets		(113,846)	(80,659)
Loans (Qard)		23,836	1,110
Other assets		11,680	(23,739)
Other liabilities		(142,521)	131,968
Commodity murabaha placements		(221,647)	(1,134,519)
Murabaha financing		(38,793)	3,946
Net cash used in operating activities		(1,298,848)	(1,826,105)
Cash flows from investing activities			
Acquisition of sukuk investments	6	(227,410)	(84,723)
Proceeds from disposal/redemption of sukuk investments	6	171,388	163,983
Acquisition of equity investments	15	(8,349)	-
Proceeds from disposal of equity and other investments		3,821	76,369
Acquisition of other investments		(5,348)	(4,679)
Acquisition/increase in share of associate	16	(66,744)	(79,538)
Dividends from associates	16	1,328	1,146
Proceeds from capital repayment/disposal of investment in associates	16	33,442	2,007
Additions to property, equipment and intangibles		(4,999)	(5,806)
Net cash used in investing activities		(102,871)	68,759
Cash flows from financing activities			
Increase in paid-up capital		189,706	216,858
Allocation for grants	24	(12,592)	(18,798)
Proceeds from issuance of sukuk		3,382,016	2,741,129
Redemption of sukuk		(2,899,552)	(966,084)
Commodity murabaha liabilities		811,489	1,047
Redemption of Wakala due		(28,838)	-
Net cash from financing activities		1,442,229	1,974,152
Net change in cash and cash equivalents		40,510	216,806
Exchange difference on cash and cash equivalents		(1,861)	769
Cash and cash equivalents at the beginning of the year		815,525	597,950
Cash and cash equivalents at the end of the year	4	854,174	815,525

Notes 1 to 36 form an integral part of these financial statements.

ANNEX 3

ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES (WAQF FUND)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

INDEPENDENT AUDITOR'S REPORT

Your Excellencies the Chairman and Members of the Board of Governors

Islamic Development Bank
Jeddah
Kingdom of Saudi Arabia

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying statement of financial position of Islamic Development Bank – Special Account Resources Waqf Fund (the "Fund") as of 31 December 2019 and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements and the Fund's undertaking to operate in accordance with Shari'ah are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as of 31 December 2019, and of the results of its operations and its cash flows for the year then ended in accordance with the Islamic Shari'ah Rules and Principles as determined by the Shari'ah Board of the Islamic Development Bank Group and the accounting standards of AAOIFI.



For Ernst & Young

Ahmed I. Reda
Certified Public Accountant
Licence No. 356

30 March 2020
6 Sha'ban 1441H

Jeddah



ANNEX 3

ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES (WAQF FUND)
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

(All amounts rounded to the nearest thousand United States Dollars unless otherwise stated)

	Notes	31 December 2019	31 December 2018
Assets			(Restated) (note 25)
Treasury assets			
Cash and cash equivalents	5	62,631	175,311
Commodity murabaha placements	6	237,526	175,806
Syndicated murabaha	7	4,471	4,489
Investments in sukuk	8	100,945	110,931
Investment assets			
Equity capital	9	31,259	28,312
Associates	10	157,609	157,731
Funds	11	93,519	93,327
Installment sale projects	12	5,261	4,355
Syndicated Ijarah	13	2,890	18,616
Loans (Qard)	14	180,585	191,999
Other assets		19,961	11,727
Fixed assets		25,889	27,621
Total assets		922,546	1,000,225
Liabilities			
Accruals and other liabilities	15	57,463	61,368
Total liabilities		57,463	61,368
Net assets		865,083	938,857
Represented by:			
Waqf Fund principal amount		1,071,460	1,073,861
Special assistance		(386,962)	(351,828)
Special account for Least Developed Member Countries (LDMC)		180,585	216,824
Total funds		865,083	938,857

The accompanying notes from 1 to 32 form an integral part of these financial statements.

ANNEX 3

ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES (WAQF FUND) STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts rounded to the nearest thousand United States Dollars unless otherwise stated)

	Notes	2019				2018
		Waqf Fund principal amount	Special assistance	Special account for LDMC	Total	Total
Statement of activities						(Restated) (note 25)
Income/(loss) from:						
Treasury assets						
Commodity murabaha placements					3,158	12,547
Syndicated Murabaha					-	110
Investments in Sukuk	8				5,584	5,212
Investment assets						
Associates	10				9,546	1,072
Funds					1,048	1,106
Syndicated Ijarah					906	587
Other					4,295	3,599
					24,537	24,233
Financing costs					-	(6,612)
Foreign exchange gains					437	1,324
Income before impairment charge					24,974	18,945
Impairment charge	17				(6,456)	(10,964)
Attributable net income					18,518	7,981
Allocation of attributable net income		3,704	14,814	-	-	-
Donations to Special Assistance		-	7,066	-	7,066	912
Islamic Technical Financial Assistance Grant from IsDB-OCR		-	362	-	362	665
Non-Shari'ah income transferred from IsDB-OCR		87	348	-	435	477
Contributions from IsDB-OCR for technical assistance grants and scholarship program	18	-	17,466	-	17,466	21,198
Income before grants and program expenses		3,791	40,056	-	43,847	31,233
Grants for causes	19	-	(28,465)	-	(28,465)	(27,173)
Program expenses	19	-	(25,653)	-	(25,653)	(27,028)
Net deficit for the year		3,791	(14,062)	-	(10,271)	(22,968)
Statement of changes in net assets						
Net assets at 1 January 2019		1,073,861	(351,828)	216,824	938,857	1,045,964
Net surplus/(deficit) for the year		3,791	(14,062)	-	(10,271)	(22,968)
Retirement pension plan liability	16	-	(7,947)	-	(7,947)	5,863
Fair value and other reserves		94	377	-	471	(10,257)
Reallocation from Special Account for LDMC to Special Assistance Programs Fund		-	35,003	(35,003)	-	-
STI Endowment Fund Contribution	20	-	(50,000)	-	(50,000)	(50,000)
Foreign exchange translation		(6,286)	1,495	(1,236)	(6,027)	(29,745)
Net assets at 31 December 2019		1,071,460	(386,962)	180,585	865,083	938,857

The accompanying notes from 1 to 32 form an integral part of these financial statements.

ANNEX 3

ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES (WAQF FUND) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts rounded to the nearest thousand United States Dollars unless otherwise stated)

	Note	2019	2018
Cash flows from operations			(Restated) (note 25)
Net deficit for the year		(10,271)	(27,416)
Adjustments to reconcile net deficit to net cash used in operating activities			
Depreciation		-	1,657
Provision for impairment	17	6,456	11,144
Share of loss in associates, net		(5,983)	(1,432)
Gain on deemed disposal of associates		(134)	334
Sukuk accrual HTM Portfolio		(382)	-
Investment fair value loss		-	76
Pension deficit movement		(7,947)	-
Foreign exchange gain		(6,419)	860
Change in operating assets and liabilities			
Syndicated Murabaha		18	14,652
Installment Sale Projects		(906)	(4,355)
Syndicated Ijarah		15,726	1,722
Loans (Qard)		11,414	11,139
Other assets		(8,234)	6,270
Changes in accrued income		-	214
Accruals and other liabilities		(3,905)	7,759
Net cash (utilized in) / from operations		(10,567)	22,624
Cash flows from treasury and investing activities			
Net movement in commodity placements		(61,720)	125,900
Addition of investment in sukuk	8	(12,000)	-
Redemption of investments in Sukuk	8	21,235	17,831
Additions to investments in funds	11	(11,405)	(15,098)
Disposal of investments in funds	11	8,567	5,204
Dividends from associates		1,478	1,713
Disposal of fixed assets		1,732	(28)
Net cash (utilized in) / from investing activities		(52,113)	135,522
Cash flows from financing activities			
Contribution to the STI Endowment Fund	20	(50,000)	(50,000)
Cash utilized in financing activities		(50,000)	(50,000)
Net change in cash and cash equivalents		(112,680)	108,146
Cash and cash equivalents at 1 January		175,311	67,165
Cash and cash equivalents at 31 December	5	62,631	175,311

The accompanying notes from 1 to 32 form an integral part of these financial statements.

ANNEX 4

IsDB BOARD OF EXECUTIVE DIRECTORS AND THEIR CONSTITUENCIES

Director	Constituency
Hon. Dr. Abdalnaser Abouzkeh	Libya
Hon. Bülent Aksu	Turkey
Hon. Abbas Memar Nejad	Iran
Hon. Abdulghaffar Al Awadhi	Kuwait
Hon. Dr. Hamad Suleiman Al Bazai	Saudi Arabia
Hon. Dr. Shehabeldin Marzban	Egypt
Hon. Ali Hamdan Ahmed	United Arab Emirates
Hon. Bader Ahmed Al Qayed	Qatar
Hon. Mohammed Gambo Shuaibu	Nigeria
Hon. Fredrick Twesiime (Uganda)	Uganda, Chad, Gabon, Djibouti, Comoros, Mozambique, Somalia
Hon. Abdoulie Jallow (The Gambia)	Senegal, Burkina Faso, Niger, Mali, Gambia, Togo
Hon. Dr. Diao Balde (Guinea)	Benin, Guinea, Guinea Bissau, Sierra Leone, Cameroon, Côte D'Ivoire
Hon. Faouzia Zaaboul (Morocco)	Algeria, Morocco, Mauritania, Tunisia
Hon. Zeina Toukan (Jordan)	Jordan, Syria, Iraq, Palestine, Lebanon
Hon. Sami Mohamed Hameed (Bahrain)	Yemen, Sudan, Oman, Bahrain
Hon. Ismail Ali Manik (Maldives)	Afghanistan, Pakistan, Bangladesh, Maldives
Hon. Ahmad Jefri Abd Rahman (Brunei)	Indonesia, Malaysia, Brunei Darussalam, Suriname, Guyana
Hon. Bakhodir Alikhanov (Uzbekistan)	Azerbaijan, Albania, Uzbekistan, Turkmenistan, Tajikistan, Kazakhstan, Kyrgyz Republic

ANNEX 5A

STATEMENT OF IsDB SHARE CAPITAL SUBSCRIPTION AS OF 31 DECEMBER 2019

S/N	Country	Consolidated Position of Subscribed Capital							
		No. of Shares (Units)	Amount in Million ID				Breakdown of Called-up Capital (ID)		
			Called-up	Callable	Total	% of Total	Paid-up	Overdue	Not Yet Due
1	Saudi Arabia	1,189,680	2,135.9	9,761.0	11,896.8	23.50%	1,414.1	0.0	721.8
2	Libya	477,166	856.7	3,915.0	4,771.7	9.43%	462.6	100.3	293.7
3	Iran	417,463	749.5	3,425.2	4,174.6	8.25%	496.2	0.0	253.3
4	Nigeria	387,452	695.6	3,178.9	3,874.5	7.66%	253.8	22.5	419.2
5	United Arab Emirates	379,949	682.1	3,117.4	3,799.5	7.51%	449.2	0.0	232.9
6	Qatar	363,236	653.0	2,979.3	3,632.4	7.18%	421.8	0.0	231.3
7	Egypt	357,965	641.9	2,937.7	3,579.7	7.07%	405.2	0.0	236.7
8	Kuwait	350,000	880.9	2,619.1	3,500.0	6.92%	596.4	0.0	284.5
9	Turkey	326,384	585.3	2,678.6	3,263.8	6.45%	369.4	0.0	215.8
10	Algeria	128,559	230.5	1,055.1	1,285.6	2.54%	147.6	0.0	83.0
11	Pakistan	128,559	230.5	1,055.1	1,285.6	2.54%	142.0	3.5	85.0
12	Indonesia	113,795	204.2	933.8	1,138.0	2.25%	140.3	0.0	63.9
13	Malaysia	82,308	147.6	675.5	823.1	1.63%	93.2	0.0	54.4
14	Bangladesh	50,996	91.4	418.5	510.0	1.01%	56.7	1.1	33.7
15	Yemen	25,862	46.2	212.4	258.6	0.51%	24.8	4.3	17.1
16	Morocco	25,669	46.0	210.7	256.7	0.51%	29.1	0.0	17.0
17	Sudan	23,295	41.8	191.1	233.0	0.46%	13.9	13.8	14.1
18	Jordan	21,976	39.5	180.3	219.8	0.43%	26.1	0.0	13.3
19	Senegal	14,781	26.5	121.3	147.8	0.29%	9.4	8.2	9.0
20	Oman	14,255	25.6	117.0	142.6	0.28%	16.1	0.0	9.4
21	Iraq	13,505	24.2	110.8	135.1	0.27%	15.3	0.0	8.9
22	Brunei	12,836	23.0	105.3	128.4	0.25%	14.8	0.0	8.2
23	Cameroon	12,836	23.0	105.3	128.4	0.25%	12.0	2.5	8.5
24	Burkina Faso	9,017	23.0	67.2	90.2	0.18%	14.5	0.0	8.5
25	Niger	9,017	23.0	67.2	90.2	0.18%	7.3	7.3	8.5
26	Bahrain	7,245	13.0	59.5	72.5	0.14%	8.3	0.0	4.6
27	Uganda	6,895	12.4	56.5	69.0	0.14%	11.8	0.6	(0.0)
28	Benin	5,823	10.5	47.8	58.2	0.12%	6.7	0.2	3.5
29	Gabon	5,458	27.4	27.2	54.6	0.11%	15.1	2.2	10.1
30	Kazakhstan	5,400	9.8	44.2	54.0	0.11%	6.2	0.0	3.6
31	Azerbaijan	5,092	9.1	41.8	50.9	0.10%	5.9	0.0	3.3
32	Mali	5,092	9.1	41.8	50.9	0.10%	5.9	0.0	3.3
33	Guinea	4,585	23.0	22.8	45.9	0.09%	9.1	5.5	8.5
34	Tunisia	3,640	18.3	18.1	36.4	0.07%	11.5	0.0	6.7
35	Lebanon	3,577	9.1	26.6	35.8	0.07%	5.8	0.0	3.4
36	Mauritania	3,577	9.1	26.6	35.8	0.07%	5.6	0.2	3.4
37	Kyrgyz	2,584	4.6	21.2	25.8	0.05%	2.9	0.0	1.7
38	Mozambique	2,584	4.6	21.2	25.8	0.05%	2.9	0.1	1.7
39	Maldives	2,584	4.6	21.2	25.8	0.05%	2.9	0.0	1.7
40	Gambia	2,584	4.6	21.2	25.8	0.05%	2.6	0.3	1.7
41	Palestine	1,955	9.9	9.7	19.6	0.04%	5.7	4.1	0.0
42	Syria	1,849	9.3	9.2	18.5	0.04%	5.0	0.9	3.4
43	Tajikistan	1,816	4.6	13.5	18.2	0.04%	2.9	0.0	1.7
44	Togo	1,816	4.6	13.5	18.2	0.04%	2.6	0.3	1.7
45	Sierra Leone	1,816	4.6	13.5	18.2	0.04%	2.1	0.8	1.7
46	Uzbekistan	1,344	3.7	9.7	13.4	0.03%	2.9	0.0	0.9
47	Côte D'Ivoire	1,302	3.6	9.5	13.0	0.03%	3.6	0.0	0.0
48	Comoros	1,302	3.6	9.5	13.0	0.03%	0.6	2.2	0.9
49	Afghanistan	993	5.0	4.9	9.9	0.02%	5.0	0.0	0.0
50	Chad	977	4.9	4.9	9.8	0.02%	4.7	0.3	0.0
51	Suriname	923	4.6	4.6	9.2	0.02%	2.8	0.1	1.7
52	Albania	923	4.6	4.6	9.2	0.02%	2.8	0.1	1.7
53	Somalia	496	2.5	2.5	5.0	0.01%	2.5	0.0	0.0
54	Turkmenistan	496	2.5	2.5	5.0	0.01%	2.5	0.0	0.0
55	Guinea-Bissau	496	2.5	2.5	5.0	0.01%	2.2	0.3	0.0
56	Djibouti	496	2.5	2.5	5.0	0.01%	1.6	0.9	0.0
57	Guyana	250	2.5	0.0	2.5	0.005%	0.5	0.0	2.0
	Net Shortfall	*	*	*	*	0.00%	0.2	0.0	(0.2)
	Sub-Total	5,022,531	9,371.9	40,853.4	50,225.3	99.23%	5,785.1	182.4	3,404.4
	Uncommitted	38,875	0.0	388.8	388.8	0.77%	*	*	*
	Grand Total	5,061,406	9,371.9	41,242.2	50,614.1	100.00%	5,785.1	182.4	3,404.4

NOTE : Total may not add up due to rounding.

ANNEX 5B

STATEMENT OF ISDB VOTING POWER AS AT 31 DECEMBER 2019

S/N	Country	Voting Power	
		No. of Votes	% Voting
1	Saudi Arabia	1,118,005	23.83%
2	Libya	438,258	9.34%
3	Iran	392,637	8.37%
4	United Arab Emirates	357,155	7.61%
5	Nigeria	343,778	7.33%
6	Qatar	340,608	7.26%
7	Egypt	334,792	7.13%
8	Kuwait	322,051	6.86%
9	Turkey	305,299	6.51%
10	Algeria	120,763	2.57%
11	Pakistan	120,210	2.56%
12	Indonesia	107,906	2.30%
13	Malaysia	77,365	1.65%
14	Bangladesh	48,018	1.02%
15	Morocco	24,471	0.52%
16	Yemen	24,219	0.52%
17	Jordan	21,143	0.45%
18	Sudan	20,999	0.45%
19	Oman	13,813	0.29%
20	Senegal	13,564	0.29%
21	Iraq	13,112	0.28%
22	Brunei	12,514	0.27%
23	Cameroon	12,237	0.26%
24	Burkina Faso	8,669	0.18%
25	Niger	7,942	0.17%
26	Uganda	7,334	0.16%
27	Bahrain	7,281	0.16%
28	Benin	5,951	0.13%
29	Kazakhstan	5,542	0.12%
30	Azerbaijan	5,266	0.11%
31	Mali	5,266	0.11%
32	Gabon	4,731	0.10%
33	Lebanon	3,740	0.08%
34	Mauritania	3,719	0.08%
35	Guinea	3,690	0.08%
36	Tunisia	3,467	0.07%
37	Kyrgyz	2,914	0.06%
38	Maldives	2,914	0.06%
39	Mozambique	2,908	0.06%
40	Gambia	2,882	0.06%
41	Tajikistan	2,145	0.05%
42	Togo	2,117	0.05%
43	Sierra Leone	2,066	0.04%
44	Palestine	2,042	0.04%
45	Syria	1,921	0.04%
46	Côte D'Ivoire	1,802	0.04%
47	Uzbekistan	1,758	0.04%
48	Comoros	1,501	0.03%
49	Afghanistan	1,493	0.03%
50	Chad	1,452	0.03%
51	Suriname	1,242	0.03%
52	Albania	1,241	0.03%
53	Somalia	996	0.02%
54	Turkmenistan	996	0.02%
55	Guinea-Bissau	967	0.02%
56	Djibouti	909	0.02%
57	Guyana	550	0.01%
	Net Shortfall	*	*
	Sub-Total	4,692,331	100.00%
	Uncommitted	*	*
	Grand Total	4,692,331	100.00%

NOTE : Total may not add up due to rounding.

ANNEXES 6A-9B

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ANNEX 6A

APPROVALS BY ENTITY AND MODE OF FINANCING (1395H-2019G)¹

(Islamic Dinar - ID million)

	2016	2017	2018	2019	Grand Total ²
A. IsDB OCR					
Loan	178.7	126.9	45.6	72.7	5,194.8
Equity	77.4	103.3	29.5	7.9	1,292.0
Leasing	607.3	554.1	9.1	141.1	7,375.0
Instalment Sale	726.9	827.4	755.2	828.7	6,740.5
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	135.2
Istisna'a	1,943.5	354.2	68.2	131.9	14,550.0
Mudaraba	0.0	0.0	0.0	0.0	739.9
Technical Assistance	0.2	0.0	0.0	0.0	0.8
Sub-Total	3,534.0	1,965.9	907.6	1,182.4	36,266.8
B. ICD					
Equity	133.9	8.5	6.6	8.8	953.0
Leasing	41.4	76.2	32.4	0.0	486.3
Instalment Sale	0.0	0.0	0.0	0.0	84.2
Istisna'a	18.4	20.6	0.0	47.0	91.1
Mudaraba	0.0	0.0	0.0	10.8	10.8
Trade (Murabaha)	352.5	530.8	308.5	35.0	2,108.2
Sub-Total	546.2	636.1	347.4	101.6	3,733.6
C. ITFC					
Murabaha	2,260.0	2,796.3	3,529.6	4,160.3	33,460.1
D. Others					
ICD Funds	47.6	34.6	29.0	0.0	674.5
APIF	14.8	41.1	7.5	56.0	315.5
STI	0.0	0.0	0.0	2.3	2.3
Special Assistance Operations	4.9	6.5	4.9	3.6	628.9
ISFD	46.5	7.2	73.0	28.6	490.8
Trust Funds	33.4	79.8	69.0	96.2	2,118.3
WAQF	8.7	6.5	18.6	8.7	549.5
Pre-ITFC trade (EFS, IBP, ITFO)	0.0	0.0	0.0	0.0	23,142.4
Sub-Total	155.8	175.8	202.0	195.4	27,922.3
Grand Total	6,496.0	5,574.1	4,986.6	5,639.7	101,382.9

Memo:

E. ICIEC Operation for the last five years and total since inception (ID million)

	2016	2017	2018	2019	Grand Total ²
New Commitments	3,608.7	2,509.8	3,477.7	3,445.9	31,879.0
Business Insured	5,964.1	5,285.5	6,492.9	7,856.6	44,540.7

IsDB-OCR Resources and Finance (at year's end)

	2016+	2017	2018	2019
Total Assets	18,146.8	19,676.0	22,047.4	23,573.9
Gross Income (net of Ijarah depreciation) ³	688.2	575.5	537.7	621.8
Net Income	307.2	197.0	83.9	140.4
General Reserves	2,456.8	2,700.2	2,878.3	2,949.7
Fair Value Reserves	487.7	334.7	255.3	325.7
Subscribed Capital	50,097.0	50,187.9	50,225.3	50,225.3
Approved Administrative budget*	114.0	138.8	163.8	159.3
Actual Administrative budget*	115.8	133.6	145.2	139.3

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

¹ Cut-off date for data reported in this table was 31 December 2019 (05 JUMADA-I 1441H).

² Cumulative approvals since inception in 1395H.

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

SOURCE: IsDB Economic Research and Statistics Division, ERIL

The conversion rates for the various years are as follows:

2016G 1ID = US\$1.34433 2017G 1ID = US\$1.42413

2018G 1ID = US\$1.39079 2019G 1ID = US\$1.38283

1395H-2019G 1ID = US\$1.43089 (approximation only)

ANNEX 6B

APPROVALS BY ENTITY AND MODE OF FINANCING (1395H-2019G)¹

(US\$ million)

	2016	2017	2018	2019	Grand Total ²
A. IsDB OCR					
Loan	246.5	176.3	64.0	100.4	7,301.5
Equity	104.1	147.1	41.0	10.9	1,886.4
Leasing	841.3	770.4	12.6	195.7	10,754.2
Instalment Sale	1,006.9	1,158.6	1,059.0	1,143.9	9,601.8
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	201.0
Istisna'a	2,700.3	482.0	93.0	181.5	21,557.1
Mudaraba	0.0	0.0	0.0	0.0	1,071.5
Technical Assistance	0.2	0.0	0.0	0.0	1.2
Sub-Total	4,899.4	2,734.4	1,269.6	1,632.5	52,719.2
B. ICD					
Equity	180.0	12.1	9.2	12.1	1,412.5
Leasing	55.6	108.5	45.0	0.0	709.0
Instalment Sale	0.0	0.0	0.0	0.0	125.2
Istisna'a	24.7	29.4	0.0	65.0	126.7
Mudaraba	0.0	0.0	0.0	15.0	15.0
Trade (Murabaha)	473.9	755.9	429.0	48.4	2,999.6
Sub-Total	734.3	905.9	483.2	140.5	5,388.1
C. ITFC					
Murabaha	3,038.2	3,982.4	4,908.9	5,753.0	48,686.1
D. Others					
ICD Funds	64.0	49.2	40.3	0.0	992.2
APIF	20.5	56.4	10.7	77.8	459.1
STI	0.0	0.0	0.0	3.2	3.2
Special Assistance Operations	6.9	9.1	6.8	5.1	844.6
ISFD	64.0	10.2	101.4	39.6	722.4
Trust Funds	46.3	109.9	96.9	133.2	3,042.9
WAQF	12.1	9.1	26.2	12.2	796.4
Pre-ITFC trade (EFS, IBP, ITFO)	0.0	0.0	0.0	0.0	31,413.4
Sub-Total	213.8	243.9	282.3	271.1	38,274.3
Grand Total	8,885.7	7,866.5	6,944.0	7,797.1	145,067.6

Memo:

E. ICIEC Operation for the last five years and total since inception (US\$ million)

	2016	2017	2018	2019	Grand Total ²
New Commitments	4,851.3	3,574.3	4,836.7	4,765.1	46,295.6
Business Insured	8,017.8	7,527.2	9,030.3	10,864.3	63,651.6

¹ Cut-off date for data reported in this table was 31 December 2019 (05 JUMADA-I 1441H).

² Cumulative approvals since inception in 1395H.

SOURCE: IsDB Economic Research and Statistics Division, ERIL

ANNEX 7A

ISDB GROUP NET APPROVALS BY COUNTRY AND ENTITY¹

(ID Million)

Country	2019 Approvals by Entity					Share in Net Approvals since Inception (%)
	IsDB-OCR	ICD	ITFC	Others ²	Total	
Afghanistan	13.2	0.0	0.0	0.4	13.6	0.1
Albania	0.0	0.0	0.0	0.0	0.0	0.4
Algeria	0.0	0.0	0.0	0.1	0.1	2.2
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.7
Bahrain	0.0	0.0	0.0	0.1	0.1	1.1
Bangladesh	20.6	10.8	661.7	36.0	729.2	14.4
Benin	50.1	0.0	0.0	0.0	50.1	0.6
Brunei	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	7.2	0.0	284.4	3.7	295.3	2.0
Cameroon	0.0	0.0	130.8	0.0	130.8	1.2
Chad	0.0	0.0	0.0	0.6	0.6	0.5
Comoros	0.0	0.0	80.3	0.0	80.3	0.2
Côte d'Ivoire	34.7	6.9	62.9	0.0	104.5	1.3
Djibouti	46.8	0.0	151.9	0.0	198.7	0.9
Egypt	0.0	0.0	636.4	0.0	636.4	8.3
Gabon	0.0	0.0	0.0	0.0	0.0	0.4
Gambia	7.2	0.0	39.8	0.4	47.4	0.6
Guinea	33.7	0.0	0.0	0.0	33.8	0.8
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0
Guyana	10.6	0.0	0.0	0.1	10.6	0.0
Indonesia	47.9	0.0	68.7	3.4	119.9	3.7
Iran	0.0	0.0	0.0	0.2	0.2	4.2
Iraq	0.0	0.0	0.0	0.8	0.8	0.4
Jordan	0.0	0.0	0.0	0.2	0.2	2.0
Kazakhstan	72.3	0.0	0.0	0.1	72.4	1.0
Kuwait	0.0	0.0	0.0	0.0	0.0	0.6
Kyrgyz Republic	14.6	0.0	6.5	0.0	21.1	0.3
Lebanon	63.0	0.0	0.0	4.1	67.0	1.1
Libya	0.0	0.0	0.0	0.0	0.0	0.6
Malaysia	0.0	0.0	0.0	0.2	0.2	0.7
Maldives	0.0	0.0	289.3	0.0	289.3	0.8
Mali	0.0	0.0	52.1	0.2	52.3	1.2
Mauritania	27.2	0.0	75.9	0.2	103.4	1.1
Morocco	30.8	8.8	28.9	19.1	87.7	4.9
Mozambique	72.0	0.0	0.0	0.2	72.3	0.4
Niger	49.2	0.0	0.0	0.0	49.2	0.7
Nigeria	130.8	0.0	16.6	9.8	157.3	1.0
Oman	0.0	0.0	0.0	0.0	0.0	1.5
Pakistan	144.2	36.2	800.4	0.3	981.1	8.8
Palestine	0.0	0.0	0.0	61.3	61.3	0.2
Qatar	0.0	0.0	0.0	0.0	0.0	0.3
Saudi Arabia	6.2	0.0	0.0	6.4	12.6	3.7
Senegal	22.5	6.4	200.8	0.4	230.0	2.5
Sierra Leone	14.4	0.0	0.0	0.4	14.9	0.2
Somalia	0.0	0.0	0.0	0.0	0.0	0.1
Sudan	0.0	0.0	0.0	0.0	0.0	1.2
Suriname	31.3	0.0	18.1	0.1	49.5	0.2
Syria	0.0	0.0	0.0	1.7	1.7	0.4
Tajikistan	7.2	0.0	14.5	0.1	21.8	0.4
Togo	0.0	0.0	44.8	0.0	44.8	0.4
Tunisia	0.0	0.0	202.5	0.2	202.6	3.2
Turkey	72.2	0.0	166.7	4.0	242.9	8.2
Turkmenistan	0.0	0.0	0.0	0.0	0.0	0.8
U.A.E.	0.0	0.0	6.5	1.4	7.9	0.8
Uganda	79.7	10.8	7.2	0.6	98.4	0.6
Uzbekistan	69.0	21.7	40.5	0.0	131.2	1.3
Yemen	0.0	0.0	0.0	0.0	0.0	0.8
Non-Member Countries	0.0	0.0	0.0	33.1	33.1	0.6
Regional Projects	3.6	0.0	72.3	5.2	81.1	3.2
Net Approvals	1,182.4	101.6	4,160.3	195.4	5,639.7	100

¹ Cut-off date for data reported in this table was 31 December 2019 (05 JUMADA-I 1441H).

² Comprised of APIF, EFS, IBP, ICD Funds, ISFD, ITFO, SAO, STI, Trust Funds and WAQF.

SOURCE: IsDB Economic Research and Statistics Division, ERIL

ANNEX 7B

ISDB GROUP NET APPROVALS BY COUNTRY AND ENTITY¹

(US\$ million)

Country	2019 Approvals by Entity					Share in Net Approvals since Inception (%)
	IsDB-OCR	ICD	ITFC	Others ²	Total	
Afghanistan	18.5	0.0	0.0	0.6	19.1	0.1
Albania	0.0	0.0	0.0	0.1	0.1	0.4
Algeria	0.0	0.0	0.0	0.1	0.1	2.0
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.8
Bahrain	0.0	0.0	0.0	0.1	0.1	1.2
Bangladesh	28.7	15.0	915.0	50.1	1,008.8	14.8
Benin	68.5	0.0	0.0	0.0	68.5	0.6
Brunei	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	10.0	0.0	393.3	5.1	408.4	2.0
Cameroon	0.0	0.0	180.8	0.0	180.8	1.2
Chad	0.0	0.0	0.0	0.8	0.8	0.5
Comoros	0.0	0.0	111.0	0.1	111.1	0.2
Côte d'Ivoire	47.5	9.6	86.9	0.0	144.0	1.3
Djibouti	64.8	0.0	210.0	0.0	274.9	0.8
Egypt	0.0	0.0	880.0	0.0	880.0	8.4
Gabon	0.0	0.0	0.0	0.0	0.0	0.4
Gambia	10.0	0.0	55.0	0.5	65.5	0.6
Guinea	46.5	0.0	0.0	0.1	46.6	0.7
Guinea-Bissau	0.0	0.0	0.0	0.1	0.1	0.0
Guyana	14.6	0.0	0.0	0.1	14.7	0.0
Indonesia	66.0	0.0	95.0	4.6	165.6	3.7
Iran	0.0	0.0	0.0	0.3	0.3	4.3
Iraq	0.0	0.0	0.0	1.1	1.1	0.3
Jordan	0.0	0.0	0.0	0.3	0.3	1.9
Kazakhstan	100.0	0.0	0.0	0.2	100.2	1.1
Kuwait	0.0	0.0	0.0	0.0	0.0	0.6
Kyrgyz Republic	20.0	0.0	9.0	0.0	29.0	0.3
Lebanon	87.5	0.0	0.0	5.6	93.1	1.1
Libya	0.0	0.0	0.0	0.0	0.0	0.5
Malaysia	0.0	0.0	0.0	0.3	0.3	0.6
Maldives	0.0	0.0	400.0	0.0	400.0	0.8
Mali	0.0	0.0	72.0	0.3	72.3	1.2
Mauritania	37.3	0.0	105.0	0.3	142.6	1.2
Morocco	42.7	12.1	40.0	26.5	121.3	4.9
Mozambique	99.7	0.0	0.0	0.3	100.0	0.4
Niger	68.1	0.0	0.0	0.1	68.1	0.7
Nigeria	180.0	0.0	23.0	13.5	216.5	1.0
Oman	0.0	0.0	0.0	0.0	0.0	1.4
Pakistan	200.0	50.0	1,106.8	0.5	1,357.3	8.6
Palestine	0.0	0.0	0.0	85.0	85.0	0.2
Qatar	0.0	0.0	0.0	0.0	0.0	0.3
Saudi Arabia	8.5	0.0	0.0	8.8	17.4	3.8
Senegal	31.0	8.8	277.6	0.5	317.9	2.5
Sierra Leone	20.0	0.0	0.0	0.6	20.6	0.2
Somalia	0.0	0.0	0.0	0.0	0.0	0.1
Sudan	0.0	0.0	0.0	0.0	0.0	1.2
Suriname	43.5	0.0	25.0	0.1	68.6	0.2
Syria	0.0	0.0	0.0	2.4	2.4	0.4
Tajikistan	10.0	0.0	20.0	0.1	30.1	0.4
Togo	0.0	0.0	62.0	0.0	62.0	0.4
Tunisia	0.0	0.0	280.0	0.2	280.2	3.1
Turkey	100.0	0.0	230.5	5.5	336.0	8.1
Turkmenistan	0.0	0.0	0.0	0.0	0.0	0.8
U.A.E.	0.0	0.0	9.0	2.2	11.2	0.8
Uganda	110.0	15.0	10.0	0.8	135.8	0.6
Uzbekistan	94.0	30.0	56.0	0.0	180.0	1.4
Yemen	0.0	0.0	0.0	0.0	0.0	0.7
Non-Member Countries	0.0	0.0	0.0	46.0	46.0	0.6
Regional Projects	5.0	0.0	100.0	7.2	112.2	3.3
Net Approvals	1,632.5	140.5	5,753.0	271.1	7,797.1	100

¹ Cut-off date for data reported in this table was 31 December 2019 (05 JUMADA-I 1441H).

² Comprised of APIF, EFS, IBP, ICD Funds, ISFD, ITFO, SAO, STI, Trust Funds and WAQF.

SOURCE: IsDB Economic Research and Statistics Division, ERIL

ANNEX 9B

SECTORAL DISTRIBUTION OF CUMULATIVE ISDB-OCR NET APPROVALS BY COUNTRY (1395H-2019G)¹

(US\$ million)

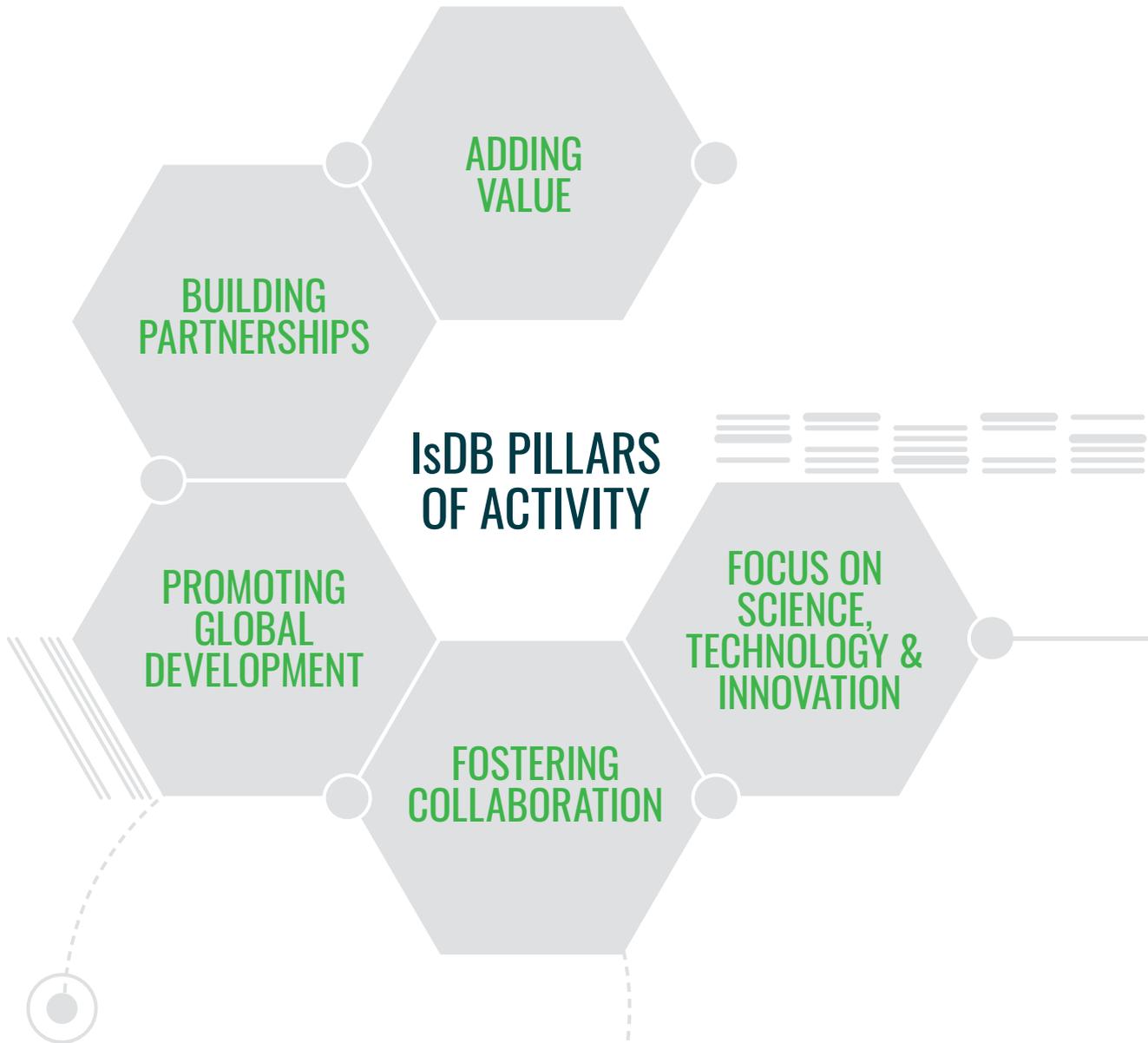
Country	Agriculture	Education	Energy	Health	Industry & Mining	Information & Communications	Transportation	Water, Sanitation & Urban Services	Others ²	Total
Afghanistan	10.0	0.0	16.5	0.0	0.0	0.0	114.2	0.0	0.0	140.7
Albania	46.7	0.0	0.0	17.3	0.0	0.0	476.1	26.9	22.1	589.1
Algeria	50.5	0.0	146.5	0.0	71.1	0.0	31.4	112.9	6.9	419.2
Azerbaijan	112.7	0.0	497.0	19.3	0.0	0.0	45.5	264.9	10.8	950.2
Bahrain	0.0	3.7	535.5	0.0	24.7	0.0	144.7	460.7	97.8	1,267.0
Bangladesh	152.9	91.9	833.6	146.3	152.5	104.0	107.9	128.8	5.2	1,723.0
Benin	55.5	65.3	153.4	101.9	0.0	26.5	306.9	22.1	35.0	766.5
Brunei	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.2	6.2
Burkina Faso	275.5	67.9	147.4	25.9	27.7	0.0	391.3	67.6	1.7	1,005.0
Cameroon	246.4	55.5	52.4	96.0	0.0	0.0	480.6	54.4	7.5	992.7
Chad	89.2	51.4	47.9	23.9	3.8	0.0	389.4	50.9	6.4	662.9
Comoros	1.0	0.0	0.0	0.0	1.8	0.0	7.6	0.0	0.0	10.4
Côte d'Ivoire	74.9	253.3	0.0	46.2	0.0	0.0	544.5	482.3	0.0	1,401.3
Djibouti	7.3	17.1	19.3	112.1	0.3	55.3	69.9	1.0	0.7	283.0
Egypt	48.8	25.0	1,612.0	43.8	87.0	0.0	25.6	50.7	61.0	1,953.8
Gabon	0.0	18.2	0.0	19.7	0.0	60.0	346.1	57.8	0.0	501.8
Gambia	70.3	27.5	58.8	12.7	28.0	27.3	55.4	11.3	1.9	293.2
Guinea	133.6	40.2	210.5	97.9	8.4	0.0	300.8	109.4	8.7	909.4
Guinea-Bissau	0.4	0.0	0.0	0.0	0.4	0.0	1.5	0.0	0.0	2.3
Guyana	0.0	0.0	34.6	0.0	0.0	0.0	0.0	0.0	0.0	34.6
Indonesia	954.2	1,039.2	374.6	143.1	40.7	11.3	479.0	100.0	204.4	3,346.5
Iran	558.0	54.9	604.1	166.7	319.4	0.0	75.6	1,227.2	10.0	3,015.8
Iraq	0.0	24.9	0.0	20.5	5.5	0.0	0.0	0.0	0.0	50.9
Jordan	5.4	66.6	258.7	216.1	187.5	23.8	195.6	8.0	10.5	972.2
Kazakhstan	143.0	0.0	0.0	11.5	0.0	9.0	315.8	9.5	140.0	628.8
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	121.0	15.0	0.0	280.3
Lebanon	0.0	241.5	30.0	174.2	0.1	12.5	269.1	583.8	0.0	1,311.1
Libya	22.3	0.0	101.9	0.0	112.5	22.0	58.3	0.0	0.0	317.0
Malaysia	6.2	196.9	0.0	79.5	2.0	0.0	175.4	0.0	45.0	505.0
Maldives	0.0	1.7	0.0	29.3	0.0	0.0	64.9	17.1	13.7	126.7
Mali	304.8	27.4	323.0	13.4	38.7	0.0	202.5	114.3	0.0	1,024.2
Mauritania	102.7	45.6	202.5	38.6	99.2	0.0	197.5	134.8	3.8	824.5
Morocco	244.1	5.1	1,311.2	42.7	32.0	16.0	825.4	430.0	6.2	2,912.7
Mozambique	37.6	29.5	337.1	11.5	0.0	0.0	30.7	0.0	0.0	446.3
Niger	144.4	76.3	146.9	59.6	7.8	8.0	157.7	19.4	6.3	626.4
Nigeria	98.0	96.3	0.0	172.6	0.0	50.0	80.0	146.0	7.8	650.7
Oman	357.8	134.0	252.8	10.5	142.4	0.0	547.6	590.1	0.0	2,035.3
Pakistan	32.0	98.2	1,115.6	377.0	50.3	0.0	482.5	14.9	100.7	2,271.3
Palestine	0.0	30.5	21.5	31.8	1.2	0.0	5.0	0.0	0.5	90.6
Qatar	0.0	0.0	0.0	67.5	29.3	0.0	0.0	225.0	0.0	321.8
Saudi Arabia	0.0	0.0	233.5	6.0	770.0	0.0	100.0	42.5	171.0	1,323.0
Senegal	347.2	66.2	393.3	77.0	21.0	0.0	882.9	515.4	23.0	2,326.0
Sierra Leone	103.2	11.2	10.4	30.5	9.1	24.5	19.6	14.1	0.0	222.6
Somalia	0.0	2.0	0.5	0.0	0.0	0.0	12.0	3.0	5.2	22.7
Sudan	398.8	67.0	156.8	43.5	82.7	0.0	60.1	140.7	41.6	991.1
Suriname	0.0	41.1	41.3	113.5	0.0	0.0	26.0	0.0	0.0	221.9
Syria	26.7	9.0	235.7	25.0	15.0	0.0	0.0	52.2	9.1	372.8
Tajikistan	50.7	52.0	122.5	41.0	0.0	0.0	91.1	11.3	1.0	369.5
Togo	19.4	52.7	53.0	17.0	0.0	0.0	135.4	43.9	0.0	321.5
Tunisia	183.3	84.9	1,251.6	63.7	176.2	0.0	9.0	241.5	27.9	2,038.1
Turkey	17.5	219.8	740.0	530.0	152.1	0.0	1,189.5	67.0	845.9	3,761.8
Turkmenistan	0.0	5.3	350.0	25.6	0.0	288.1	423.7	0.0	0.0	1,092.6
U.A.E.	0.0	0.0	110.0	53.2	105.2	0.9	60.0	0.0	9.9	339.1
Uganda	130.1	45.7	245.1	28.1	6.6	0.0	238.4	5.6	12.1	711.7
Uzbekistan	445.6	77.0	203.1	265.3	20.0	0.0	348.0	92.9	45.0	1,496.9
Yemen	105.2	56.4	74.2	10.2	0.9	0.0	47.4	46.8	18.5	359.7
ISDB-57	6,250.1	3,675.9	13,765.1	3,763.4	2,841.2	739.4	11,766.2	6,813.6	2,085.3	51,700.1

¹ Cut-off date for data reported in this table was 31 December 2019 (05 JUMADA-I 1441H).

² Others include Finance, Public Administration, Real Estate and Trade related activities

SOURCE: ISDB Economic Research and Statistics Division, ERIL

NOTES



ISDB PILLARS OF ACTIVITY

ADDING VALUE

BUILDING PARTNERSHIPS

PROMOTING GLOBAL DEVELOPMENT

FOSTERING COLLABORATION

FOCUS ON SCIENCE, TECHNOLOGY & INNOVATION

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