

PARTNERSHIPS

Connecting Partners For a Sustainable Future

IsDB
البنك الإسلامي للتنمية
Islamic Development Bank

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Greener Future:

IsDB Commits to Supporting Member Countries' Climate Action Plans



RewirEd Summit: Islamic Development Bank, GPE and ACG Launch US\$ 500 million SmartEd Facility

Partners in Innovation & Poverty Alleviation : IsDB – ISFD, IITA Gather US\$56.5 million for TADAMON

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Upscaling Partnerships for a Greener Future

As the year 2021 rounds up, we are pleased to present to our esteemed readers a new edition of the **Partnerships** Newsletter. The year 2021 had been both challenging and eventful. It has been challenging because COVID-19 and the economic and health challenges it poses continued to be felt globally. The good news though is that more people have been vaccinated around the world. Although, as stated by the President of Islamic Development Bank, Dr. Muhammad Al Jasser, during the 46th Annual Meeting of the Bank in Tashkent Uzbekistan, vaccine-divide remains a challenge especially for developing countries.

To support the 57 member countries of the Islamic Development Bank, the IsDB President initiated a Strategy Update Exercise aimed at updating the 10-Year Strategic Framework of the Bank. The key pillars of the Strategy Update Exercise are: Boosting Recovery, Tackling Poverty and Building Resilience and Green Economy. The exercise has reached an advanced stage. The outcome will certainly contribute in helping IsDB member countries to face the health and economic challenges in IsDB member states.

As you will find in this edition of the **Partnerships** Newsletter, the Islamic Development Bank is upscaling its partnerships with sister development institutions and strengthening its effort internally to maximize the benefit of development for IsDB beneficiaries. This is illustrated in the active participation of IsDB Group in the just concluded COP26, where the leadership of the Bank utilized the opportunity to discuss development matters with member countries and sister development institutions.

We are happy that the UNDP Administrator, Mr. Achim Steiner has featured as the Guest Columnist for this edition of **Partnerships** Newsletter. The CEO of IsDB insurance arm, ICIEC, Mr. Oussama Kaissi has also featured as a guest writer. You will also find a lot of exciting stories on how IsDB is working with different segments of institutions working on development to improve the lives of farmers, SMEs and more.

The **Partnerships** Newsletter is a great platform to share ideas, success stories and thought-provoking debates in the world of development. We welcome your articles, stories and comments in future editions.

Enjoy

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Greener Future: IsDB Commits to Supporting Member Countries' Climate Action Plans



IsDB President, Dr. Muhammad Al Jasser (First Left) with the heads of MDBs in Glasgow during COP26.

At the invitation of the United Kingdom's COP26 Presidency, IsDB President, Dr. Muhammad Al Jasser participated in the World Leaders' Summit as part of the United Nations Conference on Climate Change. Approximately 130 world leaders (from over 35 member countries) gathered in Glasgow, Scotland, UK to kick start a decade of accelerated climate action. The meeting had in attendance heads of states and governments, international organizations and various groups including business stakeholders and youths. The two-day long event featured national statements and a series of high-level meetings and events on the side of the WLS.

During the World Leaders' Summit, the President of IsDB joined Heads of Multilateral Development Banks including the African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, New Development Bank, and the World Bank Group to jointly declare the commitments for Nature, People and Planet.

IsDB President visit member countries Pavilion at COP26 in Glasgow.

During COP26, the IsDB President paid courtesy visits to the member countries pavilions to observe the various activities of member countries on climate change and extended the Bank's willingness to offer support to member countries' climate plans and commitments. Some of the pavilions the president visited are Indonesia, Egypt, Bangladesh, Saudi Arabia, Pakistan, Qatar, Sierra Leone, United Arab Emirates, Morocco, Africa, Central Asia, etc. To better understand effort by member countries on climate action including mitigation, adaptation, and how the Bank can collaborate with MCs further, the mission led by the President met and held fruitful exchanges with the heads of the member countries delegations during the tour of these pavilions.

Like previous COPs since 2018, the IsDB was part of the joint Multilateral Development Banks' (MDBs) Pavilion which also included African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, Climate Investment Funds, European Bank for Reconstruction and Development, European Investment Bank, Council of Europe Development Bank, Inter-American Development Bank, World Bank

Group. Several IsDB and joint MDB events were organized and more importantly the joint MDB pavilion helped raised IsDB visibility among key stakeholders and sent a good signal of the leadership role MDBs play in mobilizing finance and technical support to help countries in their climate action and in addressing and implementing their national climate plans.

At the onset of COP26, the UK Presidency outlined four cardinal issues on its agenda: The goal was to (i) Secure global net zero by mid-century and keep 1.5 degrees within reach (ii) adapt to protect communities and natural habitats (iii) mobilize finance i.e. ensure developed countries make good on their promise to mobilize at least \$100bn in climate finance per year by 2020 and (iv) finalise the Paris Rulebook (the detailed rules that make the Paris Agreement operational and accelerate action to tackle the climate crisis through collaboration between governments, businesses and civil society.

The most unanticipated package at COP26 was the adoption of a "Glasgow Climate Pact", an unprecedented, lengthy, and wide-ranging political decision towards a more ambitious climate response.





IsDB President Addresses 37th COMCEC Ministerial Session in Istanbul



IsDB President, Dr. Muhammad Al Jasser addressing the 37th COMCEC Ministerial Meeting.

President of the Islamic Development Bank and Chairman of the IsDB President, Dr. Muhammad Al Jasser, said infrastructure and sustainable human development should be the focus of development priorities to secure well-being and resilience.

Dr. Al Jasser made the remarks in Istanbul on 24 November 2021 while addressing the 37th Ministerial Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC), held under the patronage of the President of the Republic of Turkey, H.E. Recep Tayyip Erdoğan, who also chairs the COMCEC Committee.

The IsDB Group Chairman said the Bank has embarked upon a strategic realignment towards i) boosting recovery from the pandemic, ii) tackling poverty and building resilience, and iii) helping drive a green economic growth agenda based on the outcomes of the IsDB Governors' Roundtable.

"The infrastructure that we build must focus on bridging two significant gaps: the digital divide and the vaccination divide, strengthening access to health and education and restoring dignity and opportunity. Human capital development should also be given prominence. Building resilience and tackling extreme poverty cannot be

approached without adequate human capital. Substantial investment in quality education and universal health services will unlock the critical constraints hindering growth and jeopardizing the achievement of the Sustainable Development Goals," he told the 37th COMCEC Ministerial Meeting.

"I am pleased to report that despite the challenging years, the three major international rating agencies, Standard and Poor's, Moody's, and Fitch, have reaffirmed IsDB's 'AAA' rating with a stable outlook," he said, adding that the Bank had succeeded in securing public and private Sukuk issuances. He stressed that maintaining the highest possible credit rating for more than a decade is a clear testimony to the shareholders' support and the Bank's prudent fiscal management.

The IsDB Group Chairman called on IsDB member countries that have not announced their subscription to the sixth increase in IsDB's capital to do so to support the Bank's mission and maintain its significant rating.

He also stated that the IsDB Group continues to support small- and medium-sized enterprises (SMEs) through various programs as part of its recovery efforts. He pointed out that about 93 percent of the US\$ 561-million project approvals for the year by IsDB Group's private sector development arm

(ICD) has directly benefitted SMEs in member states.

"The International Islamic Trade Finance Corporation has provided US\$ 604.7 million worth of support to member countries under the IsDB Group's COVID-19 Strategic Preparedness and Response Program. US\$ 266.4 million of this support has been allocated to small- and medium-sized enterprises. In addition, the ITFC has also committed US\$ 750 million in additional financing for the benefit of member states as part of the recovery phase," Dr. Al Jasser stated.

He concluded by reiterating that IsDB Group will continue to engage with COMCEC and OIC institutions to reinforce development efforts and support a fast and robust recovery in member countries through inclusive, resilient, and balanced economic transformations. He underlined that the Bank would exert efforts in the coming months to collectively pave the way for sustainable growth during the post-COVID-19 era in light of its ongoing new strategic realignment exercise.

Ministers of finance and economy and high-ranking officials of the 57 members of the Organization of Islamic Cooperation (OIC) attended the two-day COMCEC Ministerial Session, the main multilateral economic and commercial cooperation platform of the Islamic world.

IsDB, EIB Vice Presidents Discuss Growing Partnership

IsDB's Vice President – Country Programs Dr. Mansur Muhtar and EIB Vice President Thomas Ostros held a bilateral meeting during the IsDB Group Annual Meetings in Tashkent. Thomas Ostros, a Swedish national, was appointed Vice President of EIB in January 2020. Prior to that, he has served as IMF Executive Director (2016-2019) and held several ministerial and senior positions in the Swedish government and parliament over a long public service career spanning over twenty-five years. His participation in the IsDB Group Annual Meetings perpetuates the well-established high-level engagement between the two institutions witnessed over the last ten years.

The meeting provided an opportunity to review cooperation between the two institutions. The IsDB and EIB Presidents signed a cooperation MoU in November 2019 in Luxembourg, with a view to achieving US\$2 billion in co-financing over the five-year period 2020-2024. The Covid-19 pandemic adversely affected co-financing activities in 2020 and 2021.

Cumulative IsDB-EIB co-financing stands at US\$4.7 billion, including US\$1.9 billion from IsDB and US\$2.8 billion from EIB. Co-financing targeted some 36 projects worth US\$14.6 billion mainly in the infrastructure sector in Arab (Mediterranean) countries and, to a lesser degree, in Africa and Asia. Recent co-financing for the period 2015-2021 stands at just over \$0.6 billion with no co-financing recorded in 2017, 2018 and 2020.

Dr. Muhtar thanked Mr Ostros for attending the Annual Meetings amidst the air travel restrictions and appreciated EIB's enormous co-financings ventures with IsDB's. Both Vice President agreed that, despite the signs that the



IsDB Vice President, Country Programming, Dr. Mansur Muhtar (Right) with EIB Vice President Thomas Ostros (Centre).

economic recovery has begun, it remains uneven across the developing world and is likely to be protracted and divergent. Prospects will vary substantially, depending on the evolution of the pandemic, the pace of immunization and exposure to tourism and other contact-intensive sectors. Saving lives and livelihoods will continue to dominate the public policy response in 2021, despite debt sustainability and financial resilience concerns. Furthermore, the acceleration of digitalization witnessed throughout the pandemic provides an opportunity to harness economic dividends and lasting transformational impact to re-build better.

The two parties agreed to work together to address these challenges and their impact on effective demand for external financing in countries of mutual interest, and to jointly supporting countries' recovery, while maintaining a sound macroeconomic footing.

Farmers' Delight: IsDB, IFAD to Co-finance Farmer-Friendly Projects



IsDB Vice President, Dr. Mansur Muhtar (centre), with IFAD Vice Presidents, Mr. Donald Brown and Dr. Alvaro Lario, during their Mission to IsDB headquarters in Jeddah

The joint meeting between senior officials from the Islamic Development Bank (IsDB) and the International Fund for Agricultural Development (IFAD) brought a delightful news for small-holder farmers in the 57 common member countries of the two institutions.

Following a courtesy call on IsDB President Dr. Muhammad Al Jasser, a high-level delegation from IFAD participated in a series of technical discussions with IsDB's Agriculture sector experts. Islamic Corporation for the Development of the Private Sector (ICD), IsDB's entity, was also involved.

The high-level discussions were led by the Vice President, Country programs, Dr. Mansur Muhtar on behalf of IsDB, while the IFAD delegation was led by Mr. Donald Brown, Associate Vice President of Programme Management Department and Dr. Alvaro Lario, Associate Vice President for External

Relations and Governance.

The two institutions reassured their commitment to rebuild a strong momentum in their cooperation and work on concrete development projects that will yield results especially for small-holder farmers, SME's and projects that promote regional integration.

IsDB Vice President, Dr. Mansur Muhtar stated: "We need to come up with an updated action plan that will help us to track the progress of our work. Accountability and results should be our focus to ensure that our commitments yield results to beneficiaries. The President of IsDB is pleased with this relationship and wants it strengthened."

While Mr. Donald Brown, IFAD's Associate Vice President of Programme Management Department added, "(Our) Partnerships goes beyond co-financing. Development issues are also about women, youth, private sector and how we use our facilities in fragile and conflict areas, promote national and regional initiatives. We can prioritize two or three initiatives per region,"

The two institutions agreed to strengthen their collaboration in areas such as knowledge management, regional integration and private sector development. They also agreed to organize annual high-level follow-up meetings to ensure efficient monitoring of progress.

The technical sessions were attended by several representatives from the Offices of the DG, Country Relations and Services, and DG, Global Practice and Partnership, Economic Empowerment Department, The Islamic Solidarity Fund for Development as well as the private sector entities from the entire IsDB Group.

Marching to the Future: Transforming the Entrepreneurial Landscape for Youth Development in IsDB Member Countries

"The journey of a thousand miles begins with one step." -Lao Tzu

By Amer Bukvic



Amer Bukvic

Acting DG, Global Practice and Partnership

I have always been an optimist when it comes to the potential of youth in transforming societies, building businesses, and bringing an everlasting positive change. In the last two decades, we have seen the explosion of entrepreneurial spirit among young people. Some of the major global giants in the digital sphere were established by the youth. The list is as endless as it is inspiring. Google, Facebook, Twitter, Instagram, Skype, Airbnb and more.

A major lesson that we can learn from some of these examples is that these youth have benefited immensely from an enabling environment that is fertile for innovation and the proliferation of entrepreneurial spirit. But it is not rocket-science to develop or initiate the process for doing just that. Gladly, we are seeing positive changes among IsDB Member Countries (MCs) in embracing technology and promoting entrepreneurship.

In a recent report released by the Price Mohammed bn Salman College of Business and Entrepreneurship (MBSC) known as the Global Entrepreneurship Monitor (GEM), Saudi Arabia ranks 7th among 44 nations on entrepreneurial motivation globally. In the Entrepreneurship Index 2021 published by the CEOWorld Magazine, three IsDB member countries featured among the top 30 World's Most Entrepreneurial Countries, namely, UAE (5), Saudi Arabia (14) and Malaysia (15).

While this is good news, because the experience of these countries can

be utilized to support the development of entrepreneurship in other IsDB MCs, more needs to be done to spread the culture of entrepreneurship among youth in all 57 MCs. To achieve this objective, we need an ambitious but a realistic and practical plan, hence the initiative to operationalize Youth Development Strategy which is centered around three key pillars: education, economic empowerment and engagement.

The education pillar focuses on facilitating youth access to education and school-to-school transition. It incorporates expanding employability skills development and Technical, Vocation and Education Training (TVET) programs for marginalized youth, provision of merit-based scholarships and the introduction of online certifications in Islamic finance and other development focused areas.

The aim of the economic empowerment pillar is to Create jobs for youth through economic and social infrastructure programs. It will facilitate the creation of employment through entrepreneurship, Islamic financial sector development, and green economy. It would equally contribute to support the establishment of business incubators and business development centers through Technical Assistance.

The engagement pillar will prioritize developing the capacity of youth-related entities and recognize talented and active youth. It will establish a Volunteerism Program for youth, pengagelatforms to engage youth in dialogues will be created, coupled with the Provision of innovation grants.

Some successes have already been recorded through youth development programs in IsDB MCs. Six projects worth US\$ 910,000 were implemented and have empowered 73,500 women and youth in the education, health, renewal energy and water, agriculture and food security sectors among others. These programs were implemented in Bangladesh, Jordan, Egypt, Gambia, and Sudan.

As we march to the future, a good starting point is to understand the current development landscape affecting youth in in IsDB MCs. Currently, almost 1/3rd of youth in IsDB MCs live in fragile contexts. Unemployment rate is 16% in IsDB MCs and poor education is a serious cause

for concern with for example 34% of youth not in education, employment, or training in the MENA region.

In line with the Youth Development Strategy and to advance youth entrepreneurial and social leadership in IsDB MCs, the Program is aimed at:

1. Encouraging entrepreneurial and social leadership among youth by creating early engagement and providing visibility platforms that allow potential young leaders to surface and come to light.
2. Youth Digital Skills Building Program aimed at equipping youth with relevant digital skills (Microsoft), and
3. Supporting talented youth to thrive, achieve their full potential and forge their path to leadership through personal capacity development plans tailored to their needs.

The Youth Leadership Development Program is proposed to kick-off with a pilot phase at the onset. It targets upper secondary school students and young leaders in one or two selected MCs. There would be three components to the programme.

In the first component:

- The Program will support 50 students in each of the 4 pilot countries to participate in the IsDB Leagues and Awards who have the potential to become involved citizens and socially responsible business leaders and content creators in the future.
- The potential leaders will be identified using a competition-centered approach.
- The competitions will aim at identifying young people with strong natural talent in negotiation, debate, entrepreneurship, and altruistic personalities.
- Winners of the competitions will go through interviews to assess their potential leadership, and the top 10 students in each country with the highest potential to drive social change and entrepreneurship in their communities will be selected to join the IsDB Youth Excellence Center (IsDB-YEC).

In the second component:



- • IsDB is going to establish a virtual Youth Excellence Center dedicated to finding the most promising young talents.
- The entry to the Youth Excellence Center will be based on merit, positive traits, and prospect for leadership that have been selected through the IsDB Leagues and Awards.
- The Center will build the capacity of the young leaders to thrive, achieve their potential, and form a global network of youth rooted in meritocracy, leadership, and social responsibility.
- Support to the Center members will be extended through two tracks.
 - i) Standardized support track
 - ii) Personal development plans track
- The support opportunities from the Youth Excellence Center will include the organization of leadership trainings, Islamic finance literacy trainings, digitalization workshops, mentorship programs, networking skills and familiarization activities, knowledge events, to mention a few.

And in the third component:

- IsDB Youth Development Advisory Boards will be established at the country level of select pilot MCs.
- The Youth Development Advisory Board will consist of young prominent figures and well-established leaders from the public and private sectors in the country, will be set up in conjunction with the MC.
- The role of the Youth Development Advisory Board will be to provide strategic leadership and direction for the IsDB Youth Leadership Development Program at the country level. This includes recommending participating schools, outreach, and resource mobilization, evaluating the performance of the Program, and providing guidance for enhancement.

Given the opportunity, youth can perform wonders anywhere in the world whether in their countries of birth or in any environment that provides them with opportunity. We have seen how entrepreneurs like Steve Jobs, Elon Musk and Satya Nadella have flourished with the right environment. Providing such a landscape for the youth will set the tone for transforming the entrepreneurial landscapes in our MCs. We have an opportunity to make an impactful difference for the beneficiaries of IsDB projects. We look forward to the input of our senior management as we work towards translating this proposal into reality.

RewirEd Summit: IsDB, GPE and ACG Launch US\$ 500 million SmartEd Facility



Acting DG, Global Practice and Partnership, Mr. Amer Bukvic (2nd from right), with the former President of Tanzania, Mr. Jakaya Kikwete (3rd from right), and other delegates.

The Acting DG, Global Practice and Partnership Mr. Amer Bukvic co-chaired with the Chair of the Board of Directors of Global Partnership for Education (GPE), former President of Tanzania, H.E. Jakaya Kikwete, the historic launching of the ACG Smart Financing for Education (ACG SmartEd) at the RewirEd Summit hosted by Dubai Cares in Dubai.

The SmartEd is a \$500 million financing facility for education that brings together US\$ 100 million in grant finance mobilized by the GPE with US\$ 400 million in matching concessional financing from members of the Arab Coordination Group (ACG) for education projects in common member countries over the course of 2022-2025. These resources will enable millions of boys and girls access quality education and harness their potentials.

In his statement on behalf of the IsDB President, H.E. Dr. Mohammad Sulaiman Al Jasser, the Acting DG, Global Practice and Partnership, Mr. Amer Bukvic stated: "In our efforts to rebuild better and more resilient education systems, developing countries must be supported with affordable financing to complement domestic resources. Through this ACG SmartEd facility, the IsDB and its Arab development partners are stepping up to demonstrate our commitment to furthering development through an enhance engagement in education financing with the global community".

In his statement, H.E. President Jakaya Kikwete, GPE Board Chair, stated that "the funding generated through this SmartEd facility will help governments tackle the learning crises at their doorstep, mobilizing additional funding on better terms, and making sure these resources are invested in effective, sustainable education programs; we need more and better funding for education through innovative mechanisms, increased domestic financing and international donor support."

Commenting on the potential of the IsDB partnership with the GPE, IsDB's Acting Director for Economic and Social Infrastructure, Mr. Idrissa Dia underscored the strategic focus of the IsDB Education Sector Strategy of optimizing education financing and on leveraging both funding and expertise to enhance the transformation of education systems in member countries and shift from schooling to learning.

Through this ACG SmartEd facility, the IsDB and its Arab development partners are stepping up to demonstrate commitment to furthering development through an enhanced engagement in education financing with the global community. The event was attended by IsDB Governors & Ministers of Finance from The Gambia and Tajikistan, H.E. Mr. Mamburay Njie and H.E. Mr. Faiziddin Qahorzoda of The Gambia and Tajikistan respective, together with Ministers of Education from Tajikistan and Somalia. The ACG Institutions were represented by the Abu Dhabi Fund for Development, Kuwait Fund for Development and the Saudi Fund for Development while others joined virtually.



Partnerships for SDGs: The Bold Choices that will Define the Future of Development

By Achim Steiner



Achim Steiner
Administrator, United Nations Development Programme (UNDP)

The development financing sector is at a crossroads. Many developing countries are struggling to raise the level of finances needed to tackle and adapt to climate change, which is now widespread, rapid, and intensifying. In the wake of the COVID-19 pandemic, their already thin finances have been stretched to breaking point. Indeed, the annual

Sustainable Development Goals (SDGs) financing gap in developing countries is estimated to have increased by \$1.7 trillion in 2020 -- a 70 per cent rise on pre-pandemic levels. Yet countries now have a once-in-a-generation opportunity to make smart, different choices that will spur decisive climate action; protect and restore our natural world; and bring clean, affordable energy to millions of people for the first time, for instance. Therefore, the United Nations (UN) and its key partners like the Islamic Development Bank (IsDB) are working even more closely together to help countries and communities to co-invest in that greener, more inclusive, and more sustainable future.

Since 2016, the United Nations Development Programme (UNDP) and the Islamic Development Bank (IsDB) have been working together through a Partnership Framework/Memorandum of Understanding that has just been extended by three years. Our Joint Action Plan is based on the principle of co-creating much-needed development solutions with our partner countries that will accelerate progress on the SDGs. That includes our joint efforts to

help governments rapidly analyse and respond to the devastating impacts of the COVID-19 pandemic. UNDP, serving as the UN's technical lead on the socio-economic response to the pandemic has supported over 144 Socio-Economic Impact Assessments and 121 Socio-Economic Response Plans to date – a vital means to inform countries' recovery paths. IsDB and UNDP teams collaborated on COVID-19 Socio-Economic Impact Assessments in Morocco, Kazakhstan, and Uzbekistan. Or consider Cameroon, where the Ministry of Health, UNDP and the IsDB are working together to support the country's national COVID-19 response programme.

The UNDP-IsDB partnership is also working to un-lock new sources of SDG finance at the country-level.

The potential is immense given that aligning just one per cent of the \$379 trillion of total assets held by banks, institutional investors and asset managers could be enough to fill the annual SDG financing gap. Our efforts include supporting countries to design and implement Integrated National Financing Frameworks (INFFs) --



Since 2016, the United Nations Development Programme (UNDP) and the Islamic Development Bank (IsDB) have been working together through a Partnership Framework/Memorandum of Understanding that has just been extended by three years. Our Joint Action Plan is based on the principle of co-creating much-needed development solutions with our partner countries that will accelerate progress on the SDGs.





The IsDB, UNDP and Trine, a crowd investing platform, have partnered to conduct impact assessments through UNDP's Climate Action Impact Tool in Sub-Saharan Africa, for example. After pinpointing these acute energy needs in Nigeria, Trine raised €2 million from nearly 4,000 crowdfunding investors through three separate campaigns.

ensuring that financing for the COVID-19 recovery is aligned with the SDGs. We are also designing SDG financing strategies with multi-stakeholder platforms including in Bangladesh, Maldives, Malaysia, Turkmenistan, and Morocco. Moreover, IsDB and the UNDP Istanbul International Centre for Private Sector Development are supporting countries to access much-needed research and training to build the capacities they need to leverage private and public capital through Islamic Financing. For instance, in April 2021, the Centre conducted a Pre-Feasibility Study for Green Sukuk Issuance in the Republic of Uzbekistan with IsDB, the Islamic Corporation for the Development of the Private Sector, the Capital Markets Agency of Malaysia, and the Government of Uzbekistan.

The two organisations are teaming-up with new partners to spur investments in key areas like the clean energy transition, a vital driver of climate action. The IsDB, UNDP and Trine, a crowd investing platform, have partnered to conduct impact assessments through UNDP's Climate Action Impact Tool in Sub-Saharan Africa, for example. After pinpointing these acute energy needs in Nigeria, Trine raised €2 million from nearly 4,000 crowdfunding investors through three separate campaigns. In parallel, the IsDB invested €1 million in Greenlight Planet, a social enterprise that provides affordable solar systems to off-grid households across Nigeria. As a result of both initiatives, over 50,000 households and over 292,000

people have benefited from new access to clean, renewable energy. It has also created over 14,000 additional income opportunities. Additionally, this collaboration has contributed directly to Nigeria's Nationally Determined Contribution under the Paris Agreement on climate change by reducing carbon emissions by over 83,000 tonnes.

Supporting innovation and entrepreneurship is central to our cooperation. Building on our joint NGO Empowerment Programme, UNDP and IsDB are joining forces under the TADAMON Pandemic Accelerator to support innovative NGO-led COVID-19 response solutions. Our results have included everything from extending electricity via solar power to education facilities in rural Lebanon; to fundraising campaigns in Kazakhstan to purchase vital medical equipment; to supporting over 40,000 students in Turkey to boost their science, technology, engineering, and mathematics (STEM) skills. Since October 2020, we have also worked together in these and other countries such as Somalia, Tunisia, Indonesia, and Morocco, to develop the capacity of civil society organisations in key areas like fundraising and digital crowdfunding. In 2019, the IsDB became the newest partner to the Youth Co:Lab initiative -- the largest youth social entrepreneurship movement in Asia and the Pacific, which was created by UNDP and the Citi Foundation. To date, Youth Co:Lab has benefited over 8,000 young entrepreneurs who have developed or improved almost 1,000 start-ups addressing SDG challenges,

including efforts to reduce poverty and boost gender equality. We are also aiming to get ahead of the rapid ongoing digital transformation. For example, IsDB, UNDP, the Citi Foundation and Startup Bangladesh produced the report, "[The State of the Ecosystem for Youth Entrepreneurship in Bangladesh](#)" through the Youth Co:Lab partnership -- a groundbreaking study that provides data-driven recommendations to strengthen the youth entrepreneurship ecosystem there.

Together, UNDP and IsDB are assisting countries to identify and prioritise investments that can help shift billions of dollars towards the SDGs. This valued partnership is also supporting countries to make bold choices that will drive forward decisive efforts to protect and restore our faltering planet. At the same time, our joint endeavours are helping to drive down poverty and inequalities while boosting human development -- bringing tangible improvements to the daily lives of hundreds of thousands of people across the globe.

Mr. Achim Steiner is the Administrator of the United Nations Development Programme (UNDP), the United Nation's lead agency on international development, UNDP works in 170 countries and territories to eradicate poverty and reduce inequality. Mr. Steiner is also the Vice-Chair of the UN Sustainable Development Group, which unites 40 entities of the UN system that work to support sustainable development.



Partnerships for Sustainable Development



Oussama Kaissi
Chief Executive Officer, ICIEC

The last of the 17 UN Sustainable Development Goals (SDGs) signed by 193 countries refers explicitly to “Partnerships for the Goals.”

The promoters of the UN SDG Agenda 2030 recognized that the scope and task of achieving the other 16 goals are enormous, and the most effective way to do this is through cooperation,

collaboration and partnerships. Multilateral organizations can enhance coordination at the country level and deliver development projects and programs more effectively. Achieving the SDGs will require US\$3.9 trillion annually over the next decade.

Recovering from the impact of the COVID-19 pandemic and addressing the climate crisis are two of the most defining global challenges of our time.

The pandemic exposed severe supply chain disruptions, failing healthcare systems, scarcity of resources, a collapse in GDP growth and economic activity, which has seen the lives and livelihoods of millions of people severely affected in all economies but more so in low-income countries.

The recent report by The Intergovernmental Panel on Climate Change provided clear evidence that links extreme weather events with anthropogenic climate change. Preparations for the 26th UN Climate

Change Conference (COP26) in Glasgow showed that concrete steps had been made, but more concerted action is needed on mitigation, adaptation, resilience and finance.

COVID-19 and the climate agenda are intrinsically both development effectiveness agendas. They are inseparable from advancing sustainable development, including cooperation.

The pandemic pressure on national budgets has severely limited the ability of governments to mobilize funds for the recovery, achieving the UN SDGs by 2030 and the provisions of the Paris Agreement on Climate Change. This has resulted in rethinking partnership models to better equip them in meeting the challenges ahead.

COVID-19 reinforced the importance of collaboration amongst the global development community. According to the UN’s Global Partnership for Effective Development Cooperation, practical cooperation and partnerships can and must be drivers of Post-COVID



The objectives must include cooperation with the private sector and other stakeholders to develop better reporting and disclosures; ensuring the financial sector can measure and manage climate-related financial risks; helping investors identify opportunities in the transition to net zero, and increasing private financial flows to emerging and developing economies by connecting available capital with investable projects and encouraging new market structures.





recovery and net-zero and climate-resilient pathways.

The Global Partnership recommends four principles, namely Country Ownership, where each government sets its own national climate action plan and priorities guided by globally agreed objectives; a Focus on Results; Inclusive Partnerships between governments, climate entities, civil society and private sector; and Transparency and Accountability.

Stakeholders can help ensure that efforts to fight climate change become more targeted and coordinated to support countries most in need and the most vulnerable populations.

Research from the Brookings Institution suggests that while multilateral development finance institutions tend to perform well individually, the system per se is not delivering the desired capacity.

The partnership model should encompass systematic collaboration based on principles that bring together the development community and the private sector; encourage collaboration based on complementary institutional strengths and products. The model must be streamlined and ensure consistent interaction on joint projects, leveraging each partner's strengths.

Such partnerships must operate on agreed principles that facilitate joint project origination, set standards for shared diligence, encourage innovative

product applications, and leverage complementary capabilities and capacities.

At scale, they have the potential to boost development impact and enable private sector investment that would not have been possible otherwise.

The consensus is:

- i) There is an increasing appetite for investing in SDGs among private sector investors.
- ii) PRI and credit enhancement have a track record of effectively de-risking and thus catalyzing private investment into emerging markets through efficient capital instruments to meet development objectives.
- iii) Deploying de-risking solutions in combination with debt and equity financing has the potential to materially increase the flow of private sector capital into emerging and developing economies that support investments across sectors.
- iv) Partnerships with multilaterals to deploy innovative de-risking solutions are critical to creating bankable projects in high-risk markets.

Multi-stakeholder collaboration is critical to unlocking institutional investor assets. Public and blended finance have an essential role to play.

The objectives must include cooperation with the private sector and other stakeholders to develop better

reporting and disclosures; ensuring the financial sector can measure and manage climate-related financial risks; helping investors identify opportunities in the transition to net zero, and increasing private financial flows to emerging and developing economies by connecting available capital with investable projects and encouraging new market structures.

Given the scale and complexity of development challenges, the aim is to strengthen the means of implementation to mobilize investments into emerging and developing markets!



The partnership model should encompass systematic collaboration based on principles that bring together the development community and the private sector; encourage collaboration based on complementary institutional strengths and products. The model must be streamlined and ensure consistent interaction on joint projects, leveraging each partner's strengths.



IsDB President Spotlights ICT's Importance at Heads of MDBs Fall Meeting



The Fall Meeting of the Heads of Multilateral Development Banks (MDBs) convened virtually on 20 October 2021, under the chairmanship of Jin Liqun, President of the Asian Infrastructure Bank (AIIB).

Chief amongst the main topics of discussion were the issues regarding the preparation of better grounds for Information Communication Technology (ICT) and regional connectivity as well as the Long-Term Strategy (LTS) facility concerning further climate change-related resilience in member countries.

In his remarks, the IsDB President stated "the pandemic that we have all been going through for two years now, has proven beyond the shadow of a doubt that connectivity is paramount in dealing with the consequences of this pandemic, be it in e-learning, e-health, or e-trading. Therefore, expanding the digital frontiers and reducing the digital divide would require enhanced investments in ICT."

Dr. Al Jasser further added that the private sector is willing and able to invest in these sectors, provided the regulatory framework is conducive for such investments to occur in a transparent and competitive manner.

"Life depends on connectivity and thereby on ICT and a lot of developmental imperatives depend on the availability of these ICT services," he stated.

The IsDB President then elaborated that IsDB has developed an ICT framework in 2019 and has been trying to provide technical assistance to its member countries on how to develop their regulatory frameworks. "It will take collective action on all of us to really bring to bear the necessity of building these infrastructures under the right regulatory frameworks that would enable investments and expand the relevant horizons. The potential is great and the need is even greater, and the regulatory framework is the key," he said.

Also featuring in Dr. Al Jasser's remarks was the need for the establishment of a working group by MDBs on Digital Infrastructure to collaborate and together move towards achieving the SDGs. "Moreover, the MDBs may cooperate in a joint fund to move towards the common goal of better digital economies," he suggested.

The IsDB President also expressed joint support with other MDBs for the Long-Term Strategy (LTS) facility regarding climate change and decisions aimed at building further resilience in member countries.

Present at the meeting were the heads of all MDBs, including the World Bank, the African Development Bank, the International Monetary Fund, the Inter-American Development Bank, the Central European Bank, the New Development Bank, The Asian Development Bank, the International Finance Corporation, the European Investment Bank, and the European Bank for Reconstruction and Development.



IsDB, UNDP Revisit Common Strategic Areas of Interest & Development

A virtual meeting between Islamic Development Bank (IsDB) President and Chairman of IsDB Group, H.E. Dr. Muhammad Al Jasser and United Nations Development Programme (UNDP) Administrator, Mr. Achim Steiner, focused on discussions regarding development cooperation between the two institutions.

At the meeting, Dr. Al Jasser praised the major progress that the two institutions have achieved in their partnership since May 2016 and the recently updated Joint Action Plan which was developed by the two institutions' teams.

"Cooperation with UNDP is important to the Bank, in strategic areas including implementation of Sustainable Development Goals (SDGs) and promotion of Islamic Finance as one key tool in achieving SDGs" he said.

Dr. Al Jasser touched on the collaboration on NGOs Empowerment Program/TADAMON platform—through which IsDB, ISFD, and UNDP teams are working to empower 500 local NGOs in countries like Lebanon, Somalia, Turkey, Morocco, Indonesia, and Tunisia.



He also commended the joint work by IsDB, UNDP, and Trine, a crowd investing platform from Sweden, on clean energy transition, a vital driver of climate action.

"We have jointly launched Global Islamic Finance and Impact Investing Platform through which, we are helping Governments leverage Islamic Finance for the SDGs through South-South Cooperation/knowledge transfer and capacity development, such as in Djibouti," he added.

The IsDB Group Chairman then expressed satisfaction over the other joint programs implemented by the two institutions including partnerships in Africa, like the one in Cameroon to help the

Government procure essential medical and non-medical supplies. Also, the successful cooperation in Kazakhstan and Uzbekistan on water management, rural development, and energy efficiency, combining UNDP grant resources on capacity development with IsDB's loans, in addition to cooperation between the two institutions on strategy development on water and urban sectors, South-South Cooperation, and on IsDB's fragility and resilience policy.

Mr. Steiner expressed pleasure to meet with IsDB President stressing that the UNDP is keen to promote partnership with IsDB to achieve the aspirations of the stakeholders of both institutions.



IsDB and IMF Chiefs Discuss Post-Pandemic Recovery

The President of the Islamic Development Bank, H.E. Dr. Muhammad Al Jasser, and the Managing Director of International Monetary Fund, Kristalina Georgieva, met virtually on 30 September 2021. The meeting provided an opportunity to review the ongoing cooperation between the two institutions and to explore ways and means of scaling-up joint work going forward.

Dr. Al Jasser expressed IsDB's satisfaction with the long-standing cooperation with the IMF and commended the Fund for its consistent work on Islamic finance and its stated policy on "Core Principles for Islamic Finance Regulations and Assessment Methodology."

He also reassured IsDB's pleasure to cooperate with the IMF on strengthening member countries' capacity in Islamic finance regulations and supervision expressing the Bank's interest to engage with the Fund and other partners to reflect on the challenges facing Islamic finance. The IsDB President highlighted the joint work on Financial Sector Assessment Program is a joint IMF/World Bank (FSAP) process and its Islamic Finance Toolkit, which was jointly developed in partnership with IsDB. The IsDB President expressed interest in expanding FSAP collaboration, building on the Djibouti and Pakistan FSAPs.

Ms. Kristalina Georgieva congratulated H.E. Dr. Al-Jasser on his new appointment at the helm of the IsDB Group and reiterated the Fund's interest to strengthen its partnership with IsDB, especially in the area of Islamic finance.

She also discussed IsDB's support to the COVID-19 vaccine rollout as the IMF and WHO have put in place a 'COVID-19 Vaccine Supply Tracker.'

She expressed IMF's interest in engaging with IsDB (and other MDBs) to on-lend Special Drawing Rights (SDR) allocations to



low-income countries to strengthen their resilience and support investment in critical areas such as water, food security and climate. The IMF has already mobilized US\$15 billion in SDRs voluntarily pledged by some members that can be lent to low-income countries at zero interest rate. She added that she is reaching out to G7 countries and other members to scale-up SDR allocations on-lending.

The IsDB President expressed the Bank's readiness to engage with the Fund and other MDBs to explore potential collaborative work to support the use of SDR allocations to increase the global pool of concessional finance.

The IsDB Group allocated US\$ 4.7 billion to address both public health and economic impacts of the pandemic in member countries. An amount of US\$ 3.1 billion has already been committed to specific operations and programs many of which are being implemented in partnership with UN agencies and has disbursed US\$ 1 billion, to date.

It is worth mentioning that as part of its global financial surveillance mandate, the IMF has now put Islamic banking firmly on its radar and its Board approved in April 2018 the "Core Principles for Islamic Finance Regulations and Assessment Methodology."



Revitalizing Partnership: IsDB, WB's Leaders Reiterate Socio-Economic Development Vows

IsDB President Muhammad Al Jasser and World Bank Group President David Malpass held their first bilateral meeting virtually on 26 October 2021. The meeting covered a wide range of issues including, recent developments in the region, vaccine rollout, climate action & green transition, regional integration and private sector development.

The IsDB President reiterated the strategic importance of the partnership with the World Bank, which is the IsDB's leading co-financier with US\$13 billion in combined financing, including US\$4 billion from IsDB and US\$9 billion from the World Bank. He acknowledged the recent decline in co-financing volume due to internal factors (Bank restructuring and balance sheet de-risking) and the Covid-19 pandemic.

He underscored IsDB's readiness to fully re-engage with the World Bank in areas of mutual interest such as green transition, regional integration, fragility & resilience and private sector development in MENA as well as in common member countries in Africa and Asia.

Mr. Malpass highlighted the outcome of his recent conversation with the African Caucus, who urged him to scale-up World Bank support for SDG7 (affordable and clean energy). He intimated that MDBs should take a pragmatic approach to energy transition and decarbonization, lest developing nations may be unnecessarily penalized by dogmatic and unimplementable policies. He advocated for mainstreaming climate action into concrete country programs based on robust diagnostics, realistic implementation timeframes and an integrated regional approach, wherever feasible.



IsDB President, Dr. Muhammad Al Jasser (left) with World Bank President, Mr. David Malpass.

He highlighted the World Bank Group's support to gas flaring reduction in Iraq (the World Bank hosts the Global Gas Flaring Reduction Partnership [GGFR], which has a Global Zero Routine Flaring target by 2030, and IFC invested US\$360 million in Basrah Gas Company in June 2021 to support one of the largest GGFR projects in the world).

He also highlighted the World Bank Group's ongoing support to private sector development in Jordan, a refugee-hosting country (the World Bank Group approved in June 2021 a US\$500 million program to catalyze public and private investment in Jordan for a green and inclusive recovery from the pandemic. The program is designed to help Jordan accelerate its recovery and create more jobs by capitalizing on the economy's potential, especially its green growth opportunities—AIIB is also supporting this program with an additional \$250 million).

Dr. Al-Jasser concurred with Mr. Malpass on carefully balancing the energy transition with the development imperatives of aid-recipient countries, and to integrate climate action into country programs and operational engagement.

He also hailed the recent MENA deep dive initiative that seeks to identify specific co-financing and partnership opportunities for both institutions to jointly undertake in various sectors. He expressed IsDB's interest in replicating the MENA deep dive in Africa and Asia.

Commenting on the Covid-19 response, Dr. Al Jasser highlighted the IsDB Group's US\$ 4.7 billion package to address the public health and economic impacts of the pandemic on member countries, inclusive of IsDB's US\$ 850 million Covid-19 Vaccine Access Facility (IVAC). He expressed the Bank's interest in collaborating with the World Bank Group on vaccine production in Africa.



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Scaling-Up Co-Finances: IsDB, AIIB's Mutual MCs to Get Enhanced Infrastructure

The Presidents of IsDB and Asian Infrastructure Investment Bank (AIIB) met virtually on 7 October 2021 and discussed ways and means of deepening cooperation on infrastructure development in their 26 common member countries.

IsDB President Muhammad Al Jasser and AIIB President Jin Liqun agreed to capitalize on each other's networks and resources to scale up joint operational engagement and co-financing in mutual member countries.

Both Multilateral Development Bank (MDBs) are south-led institutions with a strong focus on infrastructure development. The ongoing cooperation between the two global development powerhouses has seen joint investments in the energy sector in Bangladesh and Turkey, with prospective investment in the transport and water sectors.



"Scaling up co-financing with partners, especially MDBs like AIIB is a top priority for the IsDB going forward and we look forward to bringing our co-financing level with AIIB to the same level of co-financings that we have with other MDBs," IsDB President stated adding: "IsDB-World Bank co-financing has exceeded US\$ 4 billion in the past five years with an additional US\$ 3 billion from ADB and AfDB."

The two MDB Chiefs also discussed the new partnership around the Multilateral Cooperation Centre for Development Finance (MCCDF), a China-led and KSA-supported project preparation & capacity

development facility designed to support cross-border connectivity upstream work. A joint AIIB-IsDB virtual start-up workshop to stimulate demand from Central Asia was held in November 2021.

Climate change, global environmental stewardship, and support to economic diversification to energy exporters across the region also featured prominently in the engaging and candid exchange between the two leaders. The AIIB President took over from the IsDB President the Chair of the Heads of MDBs in 2021.

Vaccine for All: IsDB, ADB to Fight Covid Vaccine Gap

IsDB President Dr. Muhammad Al Jasser, and the newly reelected Asian Development Bank's (ADB) President Mr. Masatsugu Asakawa, met virtually recently to assess bilateral relations and review the activities and initiatives implemented in joint member countries.

Dr. Al Jasser and Mr. Asakawa discussed the pressing issues being faced by the 14 mutual member countries. Dr. Al Jasser commended the collaboration between the two institutions in co-financing projects in member countries calling for implementation of joint plan plans to promote cooperation and co-financing of projects in common member countries.

During the meeting, the two leaders stressed the need of increasing

cooperation in their efforts for closing vaccine gaps between developed and least developed countries. Mr. Asakawa briefed IsDB President on the climate policy of ADB to face the challenges posed by climate change.

Dr. Al Jasser highlighted IsDB's climate change initiatives including the issuance of green Sukuk to finance green projects, stating that by the year 2025 about 35 percent of the Bank's finances will go for climate projects.

The meeting agreed on renewing the framework agreement between the two institutions which will expire at the end of 2022, importance of supporting development and stability in Afghanistan.

The 14 mutual member countries to be benefitted are: Afghanistan,

Azerbaijan, Bangladesh, Brunei Darussalam, Indonesia, Kazakhstan, Kyrgyz Republic, Malaysia, Maldives, Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan. Turkey is a non-borrowing country for ADB.

Dr. Al Jasser congratulated Mr. Asakawa on his reelection for another term at the helm of the Asian Development Bank stressing that commitment of the two institutions for close cooperation and exchange of experiences among their corporate services will contribute to achieving their mission.

Collaboration between IsDB with ADB started in the mid-1970s during the formative years of the Bank when it sought guidance on institution policies and procedures.



IsDB President, Dr. Muhammad Al Jasser (left) with Asian Development Bank President, Mr. Masatsugu Asakawa (Right)



Fellow MDBs Set Mutual Goals: IsDB, IDB to Boost Cooperation & Co-financing Opportunities



IsDB President, Dr. Muhammad Al Jasser (left) with Inter-American Development Bank President, Mr. Mauricio J. Claver-Carone.

A meeting between Islamic Development Bank (IsDB) President H.E. Dr. Muhammad Al Jasser and President of Inter-American Bank (IDB) Group, H.E. Mauricio J. Claver-Carone focused on exploring ways to strengthen the ongoing cooperation between the two development powerhouses aimed at creating more jobs and improving the livelihoods of their member countries through various development means including encouraging private sector investments.

Since 2017, both Multilateral Development Banks (MDBs) have been pursuing a joint action plan for identification of knowledge sharing, co-financing and technical assistance opportunities in their Common Member Countries (CMCs) namely Suriname and Guyana.

In Guyana, the two MDBs have already co-financed the 'Energy Program Power Utility Upgrade (Lot C of the loan)' Project at a total amount of US\$ 87.57 million (IDB: US\$ 64.57 million, IsDB: US\$ 20 million, and Government of Guyana: US\$ 3 million).

At the meeting, the IsDB President highlighted ongoing IsDB-IDB co-financed projects in Guyana and explained how the Bank is currently supporting the Government of Suriname in preparing a feasibility study and a detailed design for an

academic hospital in Paramaribo whose financing is scheduled in 2023 with a co-financing possibility from IDB.

"I support cooperation with IDB on suitable initiatives that lead to creating more job opportunities and improving the livelihoods of the people," Dr. Al Jasser stated, adding: "ICD, ICIEC, and IDB Invest Leadership Teams have been engaging in bilateral consultations to explore joint opportunities to intensify collaboration between our institutions in the private sector, trade credit insurance, and investment insurance."

The two presidents then agreed to set the ground for i) developing risk insurance products, using the expertise of ICIEC within IsDB Group; and ii) studying promotion of private sector investments and international trade investments in Common Member Countries (CMCs) and beyond with the prime objective of improving the livelihoods of the people.

IDB President, Mr. Mauricio J. Claver-Carone, meanwhile, expressed pleasure over the ongoing level of cooperation between the two MDBs and voiced hope that "the teams of both MDBs can be very creative as this mutual cooperation can go beyond what has happened so far." "I am looking forward to finding more joint projects," he stated.

The two MDBs' "ConnectAmericas" teams have so far organized three knowledge sharing series on Halal

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industry and its opportunities and IsDB looks forward to replicating the online trading and investment platform for its 57 member countries.

In addition to Suriname and Guyana, IsDB has been financing the construction of education facilities to support communities in some non-member countries in the Caribbean and South America regions, including Antigua and Barbuda, Argentina, Bolivia, Ecuador, Grenada, Jamaica, Paraguay, Trinidad and Tobago, and Venezuela.



IsDB, AfDB Leaders Seek Deeper Collaboration in Common Causes

The IsDB and AfDB Presidents held their first in person meeting on 4 November 2021 in Glasgow on the margins of COP26. AfDB President Akinwumi Adesina congratulated Dr. Mohammad Al Jasser on his appointment as IsDB President. The two leaders reaffirmed commitment to continue working together on project co-financing, pipeline development, staff exchange and capacity development. Although the two institutions have had many years of engagement in multiple sectors and strategic areas, Dr. Adesina highlighted three areas to scale-up partnership work going forward: (i) Desert-to-Power (solar energy program in the Sahel), (ii) agriculture infrastructure and value chain development, and (iii) skills and youth job creation.

The Desert-to-Power is an AfDB-led renewable energy and economic development initiative to provide electricity across the Sahel region by building an electricity generation capacity of 10 gigawatts through photovoltaic solar systems via public, private, grid and off-

grid projects by 2030. The estimated cost of the initiative stands at approximately US\$20 billion.

Under the agriculture infrastructure and value chain development, AfDB seeks to establish Special Agriculture Processing Zones (SAPZs). These special zones could transform the sector and optimize value chains. These new economic zones would bring producers and market participants closer to enhance agriculture productivity and growth. The IsDB and AfDB are currently working jointly on SAPZs in Nigeria.

AfDB seeks to unleash Africa's youth employment potential through skills and investment in business ecosystem to promote youth entrepreneurship.

Dr. Al Jasser intimated IsDB's readiness to look into these proposals in more detail at the working level, with a view to identifying specific and concrete partnership opportunities.

With regard to crowding-in private investment, the two leaders unanimously agreed their commitment to the Africa

Investment Forum (AIF). Dr. Al Jasser stressed the importance of bankable and mature projects to make AIF a success.



IsDB President, Dr. Muhammad Al Jasser.
Dr. Akinwunmi Adesina, AfDB President, (Right).



Highlighting Climate Action: IsDB President Addresses Global SME Finance Forum 2021

The IsDB President, Dr. Muhammad Al Jasser, reiterates IsDB's commitment to supporting a green and sustainable post-Covid-19 recovery in its 57 member countries. Dr. Al Jasser made this point in his address to this year's Global SME Finance Forum, held under the overarching theme: Greening SME Finance: Toward a More Sustainable and Resilient Future.

In his remarks, Dr. Al Jasser provided an overview of the IsDB Group's climate action and support to member countries' climate-related objectives through increased investment in greenhouse gas emission reduction and climate-resilient development projects.



As per its 2020-2025 Climate Action Plan, IsDB climate finance is set reach 35% of annual commitments by 2025. This objective is assertive of IsDB's commitment to its member countries' long-term vision of low-carbon and climate-resilient development. It supports SDG7, which aims to provide affordable and clean energy.

Dr. Al Jasser highlighted the ongoing effort of IsDB and MDBs to align climate action and green finance with the Paris Climate Agreement. Furthermore, he singled out some green finance initiatives such as TRINE, a Sweden-based crowdfunding platform specialized in off-grid solar in Sub-Saharan Africa and South Asia, which IsDB seeded with EUR1 million. The initiative intends to offer renewable energy to 66 million people in rural areas as well as to small business enterprises by 2022. The funding was limited to initiatives that benefited users residing in IsDB member countries.

Commenting on the pandemic, Dr. Al Jasser said "the Covid-19 pandemic has led to the acknowledgment that global challenges require global action for building resilient systems. Climate change is one of these major challenges that can lead to even more extensive and irreversible environmental and economic damage."

The four-day hybrid SME Finance Forum brought together global SME finance leaders and practitioners to share insights and experiences.



IsDB and OFID Chiefs Eye Green Partnership

The IsDB President held a bilateral meeting with the OPEC Fund for International Development's (OFID) Director General, Abdulhamid Al-Khalifa, on 23 October 2021 in Riyadh on the margins of the Saudi Green Initiative (SGI) event. Dr. Al Jasser expressed IsDB's satisfaction with its long-standing



IsDB President, Dr. Muhammad Al Jasser.
OFID Director General, Abdulhamid Al-Khalifa (left)

partnership with OFID and the broader Arab Coordination Group (ACG).

ACG heads of operations meet twice a year to identify new co-financing opportunities and to harmonize collective actions. The IsDB President acknowledged and appreciated the growing focus of the ACG on greater policy harmonization and collective engagement with leading development partners such as MDBs, OECD-DAC and UN System.

He thanked OFID for its support to the ACG SmartEd, which is spearheaded by IsDB and the Global Partnership for Education (GPE)—SmartEd is a blending facility administered by IsDB. He paid tribute to OFID for its role as the ACG coordinator and spokesperson for the Global Partnership for Effective Development Cooperation (GPEDC).

Commenting on green transition, the IsDB President mentioned that climate finance is set to represent 35 percent of IsDB financing by 2025. Furthermore, IsDB is in the process of mainstreaming climate action in its country programs. In

the same vein, he suggested to explore potential partnership opportunities under the KSA-led Middle East Green Initiative (MGI). The IsDB President expressed IsDB's readiness to scale-up operational engagement with OFID, to help mutual clients with the post-Covid-19 recovery, and to address over the longer-term the energy transition challenge as well as climate change adaptation.

The OFID Director General provided an update on its recent strategic shift under the OFID Strategic Framework 2030, and its implications on future cooperation and opportunities. OFID expressed interest in aligning efforts to support KSA's targets underpinning its new initiatives, with a view to replicating them in partner countries.

The two parties agreed to intensify project pipeline information exchange, with a view to increasing co-financing volumes. It was further agreed to update the expired MoU with actionable items and to remain fully engaged with the ACG process.

IsDB, IFRC on Mission to Alleviate Poverty & Human Sufferings

Islamic Development Bank (IsDB) President and Chairman of IsDB Group, H.E. Dr. Muhammad Al Jasser, and Ms. Nena Stoilkovic, the Under Secretary General for Global Relations, Humanitarian Diplomacy and Digitalization of The International Federation of Red Cross and Red Crescent Societies (IFRC), have discussed at IsDB headquarters in Jeddah, how to utilize IFRC's presence and knowledge in IsDB member countries and IsDB's strong relations with governments and other partners in these countries in achieving the shared objectives of both institutions.

Dr. Al Jasser stated that IsDB Group gives prominence to cooperating with IFRC in strategic areas, including fragility, resilience, post-conflict, disaster preparedness, engagement with civil society, implementation of SDGs, and promotion of Islamic finance as a critical tool in achieving these fundamental global goals.

Ms. Stoilkovic praised the collaboration and excellent relations maintained by the two institutions.

She expressed desire to renew the MoU, signed at the IsDB Annual Meeting in Tunis on 5 April 2018, whereby the two institutions agreed, among other things, to develop a finance facility. The ecosystem supported by this facility will enable IsDB, civil society organizations (CSOs), including international non-governmental organizations (INGOs), and local CSOs and other partners to design, fund, and implement joint development work programs such as the One Wash Program.

The meeting also focused on cooperation between the two institutions in Islamic finance and utilizing its different modes of financing to alleviate poverty and human suffering. They also

discussed structuring the Global Fund for Water and Sanitation, climate change, and achieving SDGs.

IFRC is the world's largest humanitarian organization, providing assistance without discrimination on the basis of nationality, race, religious beliefs, class, or political opinions. The IFRC carries out relief operations to assist victims of disasters and combines this with development work to strengthen the capacities of its national societies. Its work focuses on four core areas namely promoting humanitarian values, disaster response, disaster preparedness, and health and community care.



IsDB President, Dr. Muhammad Al Jasser (right), and Ms. Nena Stoilkovic, Under Secretary General for Global Relations, Humanitarian Diplomacy and Digitalization of the International Federation of Red Cross and Red Crescent Societies (IFRC).



IsDB Confers with French Ministry of Europe and Foreign Affairs

Following the fruitful meeting with the Agence Française de Développement's (AFD) CEO, the IsDB President also conferred with Ambassador Francois Delattre, the Secretary-General of the French Ministry of Europe & Foreign Affairs. The meeting provided an opportunity to review the broader cooperation between France and IsDB.

France's development aid policy is focused on the SDGs and the Paris Agreement, to achieve the eradication of poverty and the protection of global common goods. France identified five thematic priorities to address global inequality: international stability; climate; education; gender equality and health. France has prioritized Africa and 19 least developed countries (LDCs). In 2019, France's official development assistance (ODA) has reached EUR10.9 billion, its highest yet, equal to 0.44% of

Gross National Income (GNI) (above the OECD-DAC average of 0.30%). It ranked fifth among OECD-DAC donors in volume. Africa received 39% (EUR3.6 billion) of France's bilateral funding in 2020. France's ODA is set to reach 0.55% of GNI by 2022.

Ambassador Delattre welcomed the IsDB President and congratulated him on his election at the helm of IsDB. He commended the Joint IsDB-France Scholarship Program and the IsDB-AFD partnership. He warmly welcomed the contemplated scaled-up cooperation and co-financing to support the recovery from the pandemic. He expressed France's concern over the situation in Lebanon and reassured its continued support towards its stability.

President Al Jasser reiterated IsDB's commitment to its long-standing partnership with France. He highlighted IsDB's support in critical areas such as the health sector, economic



Ambassador Francois Delattre, the Secretary-General of the French Ministry of Europe & Foreign Affairs.

empowerment, infrastructure, energy and climate action, which is set to represent 35% of annual commitments by 2025.

The two sides agreed to deepen the partnership with a special focus on pandemic control and climate action.

French Consul General Lauds Cooperation with IsDB

The Consul General of France in Jeddah, H.E. Mostafa Mihraje, paid a visit to the IsDB President Dr. Muhammad Al Jasser, on 20 September 2021 to discuss cooperation between France and IsDB.

The meeting covered cooperation in the areas of development finance, scholarship programs and business opportunities. The IsDB Group and the French Development Agency (AFD) signed a cooperation MoU in Jeddah in January 2018, which is currently under implementation. The MoU prioritized cooperation in (i) Climate Finance, (ii) Sustainable Cities & Villages, (iii) Fragility, (iv) Private Sector Development; and (v) Innovation.

The IsDB President intimated that he expected to be able to participate in the 4th edition of the Paris Peace Forum hosted by France. The Consul General enquired about IsDB's response to the Covid-19 pandemic. The IsDB President provided an overview of the IsDBG's response with key facts and figures.

Dr. Al Jasser appreciated Mr. Mihraje's visit and support to the long-standing France-IsDB partnership.



IsDB President, Dr. Muhammad Al Jasser (left), with Consul General of France in Jeddah, H.E. Mostafa Mihraje.



Greater Job Creation Opportunities Via Green Investment

The Acting DG, Global Practice and Partnership, Mr. Amer Bukvic, has called for green and climate friendly investment as the international community works to mitigate the impact of climate change.

Speaking to a high-level meeting called "Investing in the Green Transition; A Mediterranean Outlook, Mr. Bukvic said that investing in substantiable and green projects has a huge green job creations protentional and offer a path out of this pandemic. He highlighted that IsDB has developed a Sustainable Finance Framework through which it has successfully issued a 1 billion euros Green Sukuk (Islamic equivalent of bonds) in 2019 and a 2.5 billion dollars Sustainability Sukuk in 2021.

He added further that the Bank has made an ambitious commitment to ensure that by 2025 at least 35% of IsDB

operations will be in climate finance. As a result, IsDB will increase its investments in resilient infrastructure, renewable energy, climate-resilient agriculture, urban, water, and transport systems.

The event was organized by the European Union, Union for the Mediterranean and the Hashemite Kingdom of Jordan.

Speakers during the high-level event include. Dr. Hala El-Said, Minister of Planning and Economic Development, Arab Republic of Egypt, Mr. Nabil Masarweh, Minister of Environment, Hashemite Kingdom of Jordan, Mr. Frans Timmermans, Executive Vice-President for the European Green Deal, European Commission, and Mr. Nasser Kamel, Secretary General, Secretariat of the Union for the Mediterranean (UfM).

Green Investments Acting DG's Top Priority

The Acting DG, Global Practice and Partnership, Mr. Amer Bukvic, has called for green and climate friendly investment as the international community works to mitigate the impact of climate change.

Mr. Bukvic was speaking during a high-level meeting on "Investing in the Green Transition; A Mediterranean Outlook." The event was organized by the European Union, Union for the Mediterranean and the Hashemite Kingdom of Jordan.

The Acting DG stated that investing in green and resilient infrastructure could create millions of green jobs and offer a path out of this pandemic. He highlighted that IsDB has developed a Sustainable Finance Framework through which it has successfully issued a 1 billion euros Green Sukuk (Islamic equivalent of bonds) in 2019 and a

2.5 billion dollars Sustainability Sukuk in 2021.

Mr. Bukvic further stated that the Bank has made an ambitious commitment to ensure that by 2025 at least 35% of IsDB operations will be in climate finance. As a result, IsDB will increase its investments in renewable energy, climate-resilient agriculture, urban, water, and transport systems.

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Virtual Connections: IsDB, IaDB Explore A Digital Trade Platform Partnership



The Acting DG, Global Practice and Partnership Directorate of Islamic Development Bank (IsDB) has held discussions with representatives from the Inter-American Development Bank (IaDB) to learn from the experience of IaDB in managing a digital trade platform known as Connect America (<https://connectamericas.com/>).

The Acting DG, Mr. Amer Bukvic, led the discussion from IsDB, while Mr. Francisco Estrazulas de Souza, a Trade and Integration Sector Specialist made a comprehensive presentation on Connect America for the benefit of staff from IsDB Group.



Amer B.



Francisco Estrazulas de Souza

The discussion was organized following a bilateral meeting between the President of IsDB, Dr. Muhammad Al Jasser and the President of IaDB Mr. Mauricio Claver-Carone earlier.

Mr. Amer Bukvic has initiated a plan to establish a digital trade platform that will help digitalize SME's and promote trade in IsDB member Countries.



UN's Special Envoy for Road Safety Applauds Partnership with Islamic Development Bank

The United Nations Secretary General's Special Envoy for Road Safety Mr. Jean Todt has welcomed partnership with Islamic Development Bank (IsDB) in tackling challenges related to road safety in member countries. Mr. Amer Bukvic, Acting DG, Global Practice and Partnership, welcomed Mr. Todt at the IsDB headquarters in Jeddah.

During the meeting Mr. Bukvic stated that, "We are eager to expand our cooperation, build capacity and promote best practices through our Reverse Linkage modality. IsDB has several projects in the transportation sector across our 57 member states. We have an ample opportunity to improve the safety of our roads in line with UN standards."

In his response, Mr. Jean Todt welcomes the opportunity to work with IsDB to prevent road accidents which is one of the major causes of mortality globally. Mr. Todt stated: "1.4 million people die every year due to road accidents. It is the number one cause of injury for the youth. The UN aims to half the number of victims of road accidents by 2030. We cannot have a resolution without action."

Commenting on the potential partnership with the UN, IsDB's Acting Director for Economic and Social Infrastructure, Mr. Idrissa Dia stated that IsDB works with all MDBs on sustainable transportation to ensure road safety. He added that the Bank has developed a transportation policy two years



Amer Bukvic (Centre), Jean Todt (Left) and Idrissa Dia (Right)

ago which aligns with several SDGs that have transportation component.

SDG 3.6 of UN's Sustainable Development Goals aims to half the number of global deaths due to injuries and road accidents. Target 11.2 of SDG11, focuses on providing access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.



Joint Action Plan Review Preparations for Q1 2022 between UNDP and IsDB

Mr. Amer Bukvić, Acting DG, Global Practice and Partnership, met with Ms. Ulrika Modeer, Assistant Secretary-General and Director of the Bureau of External Relations and Advocacy (BERA) of United Nations Development Programme (UNDP).

In line with the Principals' discussion on the same day a few hours earlier, BERA Director and Acting Chief acknowledged good progress on implementation of the Joint Action Plan and reconfirmed priority areas for enhanced cooperation. They agreed to enhancing cooperation on leveraging digital and technology frontiers for LDCs, climate change, sustainable energy (building on ongoing discussions around Minigrid off Grid programme for

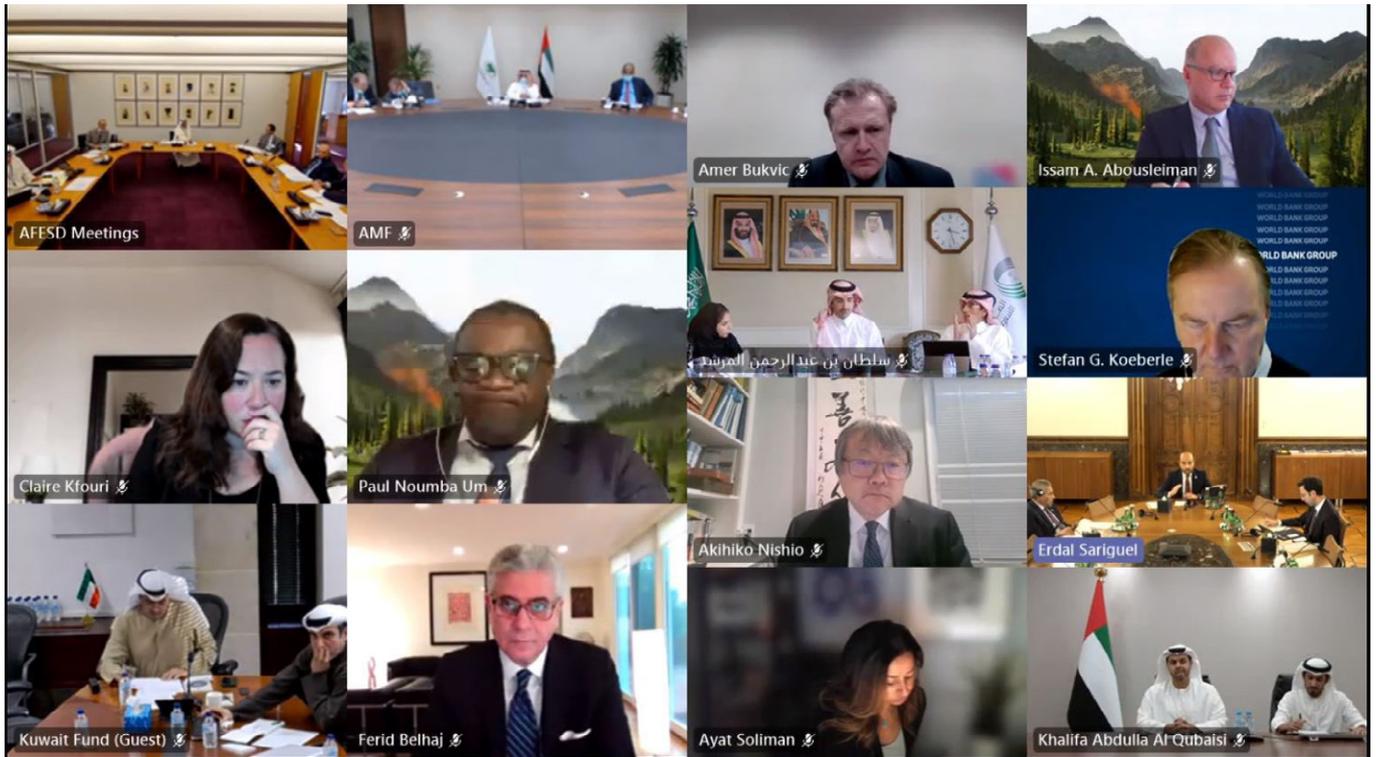
solar in Africa), addressing the humanitarian-development-peace nexus and Islamic finance.

BERA Director raised the importance of adhering to standard financial agreement templates agreed between the two institutions to avoid long negotiations and expedite operational collaboration.

Both sides look forward to co-chairing the next IsDB-UNDP Annual Consultation in Q1 2022 which, like last year, will be virtual.



IsDB Attends World Bank-ACG High Level Meeting



The IsDB, represented by Amer Bukvic, Acting DG, Global Practice and Partnership participated in the World Bank-ACG High-Level Meeting, which took place virtually on 7 December 2021.

The event was co-chaired by Ferid Belhaj, the World Bank Vice President Middle East & North Africa (MENA), and Badar AlSaad, Director General of the Arab Fund for Economic & Social Development (host of the ACG Secretariat). It was attended by the Heads of ACG Institutions, including the Director General of Opec Fund for International Development (OFID), the Director General of the Arab Monetary Fund (AMF), the CEO of the Saudi Fund for Development (SFD) and the Executive Director of AGFUND. Abu Dhabi Fund for Development, Kuwait Fund for Arab Economic Development and the Arab Bank for Economic Development in Africa (BADEA) were represented by deputies. Akihiko Nishia, World Bank Vice President Development Finance and senior representatives from the World Bank Africa Region and the International Finance Corporation (IFC is the private sector arm of the World Bank Group) also attended the meeting.

The meeting provided an opportunity to review cooperation between the World Bank and the ACG, taking into account the lasting impact of the ongoing Covid-19 pandemic and recent developments across the region. In doing so, the World Bank and ACG partners renewed their commitment to strengthen their partnership, especially in MENA and Africa, and to pursue concrete actions to help mitigate the impact of the Covid-19 pandemic, and scale-up work on the green transformation, including the KSA-led Middle East Green Initiative (GRI), and regional integration through, for example, the Pan Arab Electricity Market (PAEM), which is spearheaded by the World Bank, the Arab Fund and the League of Arab States. Participants advocated for greater focus on the digital divide and digital economy, as means to further support regional integration.

Participants agreed on the need to pay special attention to debt sustainability, as the debt stock currently represents on average 120% of GDP across the MENA Region.

The World Bank provided an update on the ongoing IDA-20 replenishment negotiations. IDA-20 is expected to mobilise a record US\$95 billion in concessional loans and grants for low-income countries (so-called IDA countries) for the next three-year cycle—it is estimated that 60% of the IDA allocation could target Islamic countries.

Addressing the participants, Amer Bukvic commended the World Bank, the ACG Secretariat (Arab Fund) and ACG partners for their support to the WBG-ACG partnership. He reiterated IsDB's commitment to this strategic dialogue and recognized the long-standing and exemplary WBG-ACG partnership, while acknowledging the complexity of coordinating across several institutions and the pertinence of periodic touchpoints to build consensus on the way forward.

He provided a brief overview of the ongoing IsDB-World Bank partnership, following this year's MENA deep dive, to identify specific co-financing opportunities to take forward in 2021-2022 and beyond. Given the current debt situation, he suggested to figure out creative ways to address headroom and fiscal capacity constraints, adding "Our ability to lean forward will be critical to our engagement with our clients across the Region in their hour of need. External financing requires a delicate balancing act between critical investment needs and macroeconomic integrity".

Going forward, "IsDB-World Bank cooperation is expected to focus on the Covid-19 vaccine rollout, FCV, climate action & green transition, regional integration and private sector development", he concluded.

Abu Dhabi Fund for Development Hosts ACG 2021 Fall Meeting



The Arab Coordination Group (ACG) held virtually this year's second biannual meeting of the heads of operations on 19-20 October 2021. The meeting was chaired by the Abu Dhabi Fund for Development (ADFD), whose Deputy Director General delivered welcome remarks to ACG partners.

In addition to the customary discussion on project pipelines and co-financing opportunities, the ACG reviewed progress on a number of ongoing workstreams, including the Arab Development Portal (presented by Arab Monetary Fund), Procurement Committee (presented by Kuwait Fund), Asian Infrastructure Investment Bank 2021 Annual Meeting hosted by the UAE (presented by ADFD), Water & Sanitation Working Group (presented by Kuwait Fund), Global Partnership for Education (presented by IsDB), Global Partnership for Effective Development Cooperation (presented by Opec Fund for International Development), ACG-World Bank Task Force (presented by IsDB as Task Force Chair in 2021), Palestine (presented by IsDB) and the Arab-OECD/DAC high level dialogue, which is planned for the second half of 2022.

As per standard practice, the ACG hosted two external partners, namely, the Saudi Development & Reconstruction Program for Yemen, which provided an overview of its activities and achievements on the ground, and the African Risk Capacity, a specialized agency of the African Union mandated to improve the preparedness and response of African countries to extreme weather events and natural disasters.

The meeting concluded with a discussion on transparency and governance initiated by Kuwait Fund and an exploratory proposal spearheaded by IsDB to harness the power of technology, in order to accelerate the digitalization

of ACG project pipeline information exchange and co-financing portfolio. The ACG agreed to establish a working group for this purpose to draw-up recommendations on the way forward.

IsDB's ACG representation was led by Mohammad Al-Saati, Special Adviser to the President, with the participation of representatives from Global Practice and Partnership section, the Regional Hubs of Nigeria, Egypt and Kazakhstan, Al-Aqsa Trust Fund and Thiqa. IsDB presented 16 project proposals worth US\$1.1 billion requiring US\$516 million in co-financing.

The ACG is an inter-agency coordination forum established in 1975. It presently consists of ADFD, Arab Bank for Economic Development in Africa (BADEA), Arab Fund for Economic & Social Development (AFESD), Arab Gulf Development Program (AGFUND), AMF, IsDB, Kuwait Fund for Arab Economic Development (KFAED), OFID, Qatar Fund for Development (QFFD), and the Saudi Fund for Development (SFD).



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IsDB Co-Chairs ACG-World Bank Task Force Meeting



The ACG-WB Task Force (TF) held its fifth meeting on 29 September 2021 through video conference facilitated by IsDB as the current ACG Chair. Representatives from the World Bank (WB) and the Arab Coordination Group (ACG) institutions attended the meeting. The meeting was co-chaired by Mohammad Al-Saati, Special Adviser to the President (IsDB) and Claire Kfoury, Manager, Operations & Development Effectiveness (WB/MENA).

The Co-Chairs, in their introductory remarks, underlined the strategic importance of the ACG-WB partnership and the full support of the ACG-WB leadership to this process. At the last WB-ACG high level meeting held in October 2020, members reiterated their commitment to the partnership and emphasized the critical role of the Task Force in facilitating and focusing the institutional dialogue. The Task Force was requested by the WB-ACG Principals to continue its work and convene regularly to explore further co-financing opportunities,

facilitate information and knowledge sharing and identify any limitations hampering the on-going cooperation.

ACG members and the WB took turns to provide an overview of the ongoing WB-ACG members bilateral cooperation (Arab Fund, IsDB, Kuwait Fund and OFID), reflecting on current WB-ACG bilateral operational engagements and recent high level bilateral meetings held in July 2021. The WB and ACG members exchanged project pipeline information in MENA and Africa. Several participants highlighted headroom issues and fiscal space constraints in a growing number of countries burdened with heavy debt.

The WB provided a brief update on the state of play and prospects in Yemen, Iraq, Lebanon and Afghanistan, as part of the ongoing ACG-WB Fragility, Conflict & Violence (FCV) workstream. The Task Force discussed briefly the Saudi and Middle East Green Initiatives (SGI/MGI). The ACG and the WB agreed to continue following closely the development of these important initiatives. ACG

members unequivocally recognized the critical importance of climate action and support to the green transition going forward.

Linking climate action and regional integration, the Arab Fund and the WB provided an update on the Pan Arab Energy Market (PAEM). ACG members commended the leadership of Arab Fund and the WB on PAEM. It was agreed to submit to the WB-ACG Principals specific recommendations on the proposed way forward.

The Task Force discussed the proposed agenda of the upcoming WB-ACG high level meeting. The agenda was endorsed with some amendments. There was a consensus that the high-level meeting should be action-oriented. The ACG Secretariat and the WB were tasked with the finalization of the agenda and scheduling options.

As outgoing Co-Chair, IsDB thanked ACG members, the WB and the ACG Secretariat for their support throughout its chairmanship of the Task Force in 2021. A new chair will be designated to take over in 2022



Urban Upgrading for post-COVID Sustainable and Inclusive Settlements in IsDB Member Countries



Papa Abdoulaye SY
Global Lead Urban Development at Islamic Development Bank (IsDB)

COVID-19, declared a global pandemic by the WHO, crippled the global economy and upset people's lives. In doing so, it threatened sustainable development across all its dimensions. Urban areas were and are the epicenters of the pandemic: over 95 per cent of confirmed COVID-19 cases are in urban areas. This includes many historic cities. In just a few months, the pandemic dramatically transformed the way people live, work, shop and socialize globally.

In response to pandemics such as COVID-19 virus, cities (particularly

large, densely settled ones, including historic centres) will need to be supported by new assessment tools, planning guidelines, investments, and other disaster preparedness support that will help improve their resilience to and post-impact recovery from health-based natural disasters. A recent study from WHO/UN-Habitat has demonstrated the strong linkages between Health and Urban & Territorial Planning.

How to help human settlements, including historic cities, tackle the pandemic?

There are several ways of supporting historic cities, slums and informal settlements to be resilient against COVID-19. This resistance against the pandemic includes specially targeted measures to improve urban spacing, enhance health care facilities, and increase awareness of city populations of the actions to take to improve resilience against natural disasters, such as COVID. This involves issues, not limited to the following:

- Financing programs for urban slums and informal settlements upgrading, as well as de-risking private sector

involvement in slums and informal settlements upgrading.

- Alternative financing from donors, multilateral and bilateral development agencies, and international organizations.
- Helping cities and towns build capacity in planning departments to avoid urbanization and informal settlements on unprotected land, wetlands and riverbanks.
- Cities are also faced with financial difficulties, lacking the resources to invest in the resources required.
- Many countries have focused on recovery efforts in their primate cities, with ever increasing backlogs of slums and land to be regularized or otherwise dealt with. Secondary cities somewhat neglected, seen as administrative centers and not economic drivers or links between regional economies and rural areas.
- Heritage conservation and adaptive reuse of historic urban fabric and building using local materials and technology

In Indonesia, for example, IsDB has financed 90% of an ➤➤



Traditional Building renovated and refurbished by the Muharraq project - Bahrain



➤ approximately USD\$365M National slum upgrading programme lasting from 2016 through 2021. In response to the Covid crisis, some of this funding was reoriented to environmental and community health improvement (developing water sanitation and healthcare infrastructure in addition to safer housing) and strengthening the national safety net (through cash-for-work programmes, for example) to maintain purchasing power. Such efforts can be especially useful for historic urban centres that are dense and include a large proportion of the city's poor.

In Bahrain, the Bank has financed in 2014 the Muharraq Pearling Heritage and Urban Economic Revival Project. The Government of Bahrain through its Ministry of Culture (now "BACA- Bahrain Authority for Culture & Antiquities") requested the support from IsDB to develop Pearling Path project that aims to preserve heritage assets of the city (part of UNESCO Heritage list), improve livability and mobility of Muharraq residents, and at the same time promoting tourism to improve local economy and fix the population.

Broadly, healthy historic cities rely upon a commitment to improve a city's environs and a willingness to forge the necessary connections in political, economic, and social arenas to i) provide a health-supportive environment ii) provide a good quality of life, iii) basic sanitation & hygiene needs, and iv) supply access to health care - while also protecting their heritage values and historic identity.

These principles correspond to the objectives promoted by the New Urban Agenda (NUA) with the Sustainable Development Goal 11 (SDG 11) and the commitment to working towards "leaving no one behind and no space behind".

IsDB is well-positioned to be a supportive partner for helping achieve these goals on the ground, bringing crucially needed technical know-how and financing to promote urban upgrading for post-COVID sustainable and inclusive sustainable development integrated with heritage conservation in its member countries.

Discussions with the European Commission



EC and IsDB teams discussed climate change and sustainable energy issues. The session was chaired by Mr. Idrissa Dia, Acting Director Economic and Social Infrastructure Department reiterated IsDB's commitment to a meaningful partnership with EC. That was productive meeting which underlined a broad congruence of IsDB and EU policies on climate change and energy sector and the will of both institutions to intersect further on top of what has been achieved already. EC stressed the need to promote and facilitate the clean energy transition, with a focus on renewable energy and energy efficiency and smart infrastructure, which are in line with IsDB energy sector priorities. Moreover, EC indicated the need to invest more on hydrogen technology (new EU strategy as of 07/20), gas (forthcoming EU legislative package on decarbonising gas). EC presented its main policy umbrella and growth strategy, the Green Deal, and underlined the need for sustainable financing and adaptation to accompany developing countries in their green transition. There was agreement on the need to incentivise investments in low-carbon technologies through public and private investments. Here, EU support at country and regional level is complemented by Financing Instruments (ElectriFI, Climate Investor One, Africa Renewable Energy Scale-up Facility, Facility Energy Inclusion) and the European Fund for Sustainable Development.

On IsDB side, the Bank presented its energy policy and climate change policy/action plan (2020 to 2025). The Bank also discussed one of the new strategic direction of the Bank which is "driving green economic growth in member countries" and the effort the Bank is making to support member countries on mainstreaming climate risks in financed projects, effort to ramp up climate finance to up to 35% of its total approvals by 2025, aligning the activities of the Bank to the objectives of the Paris Agreement (Paris Alignment),



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intensifying upstream engagement and support for country dialogues and engagement on long-term strategies (LTS) and plans, as well as potential opportunity for establishment of a climate change facility (trust fund) in the Bank with support from European institutions and agencies. Both sides agreed that needs are still huge in the energy and climate change finance, which opens areas for both institutions to improve business and investment environment in developing countries (including regulatory reforms, institutional strengthening, and policy dialogue). Technical follow-up sessions are foreseen to dig deeper in the said topics such as on triangular cooperation regarding the green transition, the joint preparation of the next COP27 and COP28, or regional cooperation on capacity development on climate action through the Union for the Mediterranean.

European Commission (EC) - IsDB Discussion on Horn of Africa (HoA)

On 25 November 2021, EC and IsDB teams discussed partnership opportunities in Horn of Africa (HoA). Chaired by Mr. Alessandro Villa, Deputy Head of Unit, International Partnerships (INTPA), EC reiterated IsDB's common commitment to a meaningful partnership. The meeting showcased lots of common interests in the HoA region and great interest from both to work closer together particularly in Djibouti and Somalia. Mr. Issahaq Umar Iddrisu, Manager, Kampala Regional Hub and his team presented the IsDB's program and project pipeline. EC presented its policy and strategy in Horn of Africa. Both sides agreed to try to find a project that could be parallel financed. It was underlined that priority sectors for both sides are Infrastructure, transport, digitalisation, energy. The transport corridor Djibouti-Berbera-Addis could be a possibility for further joint work. Both sides agreed to further and closer work together, and to organise technical follow-up meetings such as on infrastructure and potential (blending) projects.

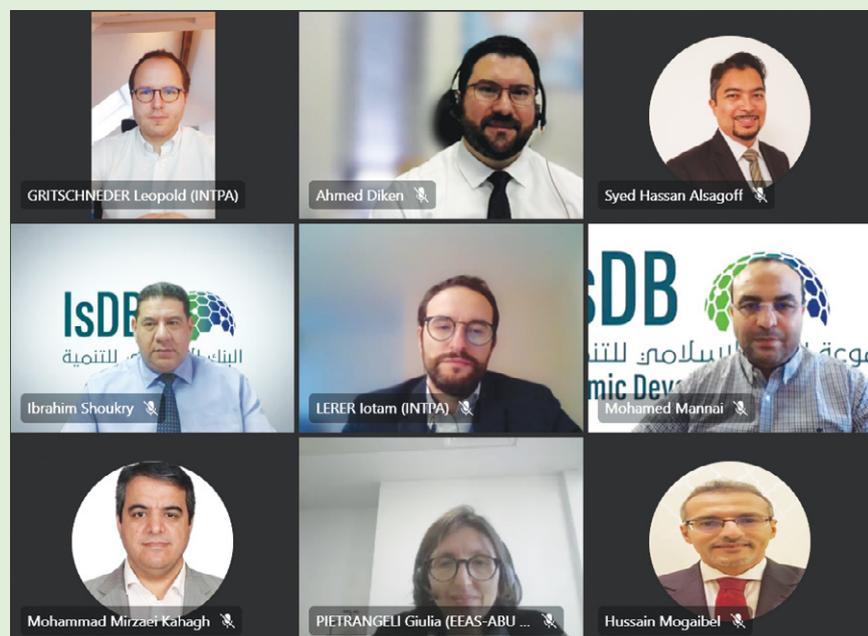
European Commission (EC) - IsDB Discussion on Central Asia (CA)

On 9 December 2021, EC and IsDB teams discussed partnership opportunities in Central Asia. This meeting was organized as a follow up to the constructive discussion held



between EC and IsDB Regional Hub in Almaty during the IsDB Annual Meeting in Tashkent, during which, parties agreed to explore potential cooperation and co-financing of projects in Central Asia which includes Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. Mr. Amer Bukvic, Acting DG, Global Practice and Partnership highlighted the importance of this region to IsDB and the potential positioning of the European Commission (EC) as a strategic partner for IsDB especially with regards to blending EU grant resources with IsDB loans, as well as developing a joint financial mechanism to promote human progress in the five member countries in this region. Mr. Ibrahim Shoukry, Head of Regional Hub Almaty presented the IsDB's portfolio, ongoing, and future programs in

addition to project's pipeline under consideration in the five countries. EC presented its respective regional and bilateral priorities which underlined the potential for more cooperation in Central Asia. Central Asia is an important region for both sides due to its geographic proximity, connectivity aspects, as well as its role in addressing the Afghanistan spill-over. Thematically, inter alia infrastructure, transport, connectivity as well as the repercussions from COVID-19 emerged as common themes. In addition, interest on the Rogun dam was underlined by both sides. Both sides agreed to further work together and to organize technical follow-up meetings to discuss potential cooperation in the region.

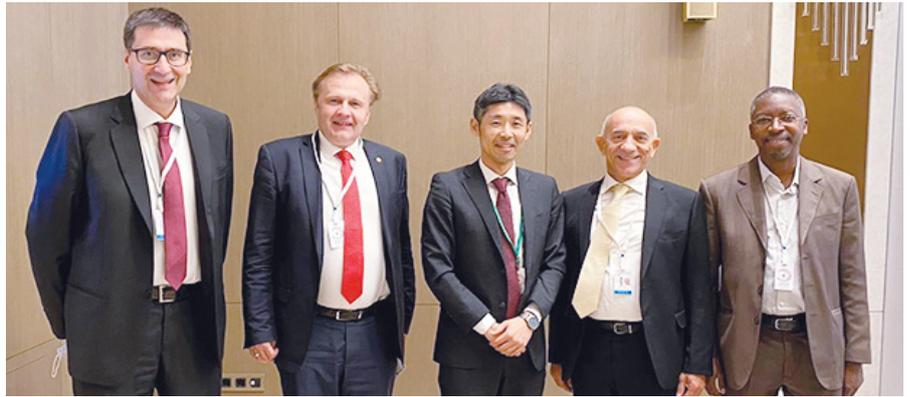




Exploring Opportunities: IsDB, JBIC Discuss New Ventures

On the heels of the recently renewed MoU, IsDB and the Japan Bank for International Cooperation (JBIC) held a bilateral meeting on the margins of the IsDB Group Annual Meeting in Tashkent. Amer Bukvic, Acting DG, Global Practice and Partnership, and Kohei Toyoda, Chief Representative for the Middle East, led the conversation.

JBIC provided an update on its new Medium-term Business Plan, which refocuses support to the SDGs and energy transition and climate action and the mobilization of private capital. Furthermore, JBIC reiterated its interest in Africa, under the TICAD process. Amer Bukvic reiterated IsDB's commitment to its partnership with JBIC despite the lack of PPP co-financing in the past few years. It was agreed to exert further effort to identify potential co-financing opportunities, through periodic dialogue



Nedzad Ajanovic (First Left), Amer Bukvic (Second Left), Kohei Toyoda (Centre), Fawaz Abdulnour (Second Right) and Idrissa Dia (First Right)

and regular exchange of project pipeline information in the PPP space.

To date, IsDB-JBIC PPP co-financing has exceeded US\$6 billion supporting total investment worth US\$25 billion,

including KSA's Petro Rabigh (Phase I & II), Qatar's Ras Laffan IWPP and Morocco's Safi IPP. IsDB's share of co-financing totaled US\$0.4 billion.



Partners in Innovation & Poverty Alleviation : IsDB – ISFD, IITA Gather US\$56.5 million for TADAMON

Recently, H.E. President of the Islamic Development Bank (IsDB) and the Director General of the International Institute of Tropical Agriculture (IITA) Dr Sanginga Nteranya signed the partnership agreement on the IsDB - ISFD NGO Empowerment for Poverty Reduction Program (TADAMON).

IITA, an international nonprofit institution headquartered in Nigeria, joined the TADAMON Program to promote agricultural development,

capacity building of smallholder farmers, knowledge sharing as well as projects and programs in 18 IsDB member countries. In this framework, IITA will provide technical, in-kind, and financial support worth at least US\$ 56.5 million, notably in Nigeria, Niger, Mali, Cameroon, and Burkina Faso. It will leverage on existing projects to better synergize with the Program's objectives. IITA will support countries in transition or recovering from conflict and those with abundant agricultural land and highly fertile soils.

IITA rich expertise and experience in agricultural innovations in Africa and ensuring food security of vulnerable communities would benefit IsDB's Agriculture sector. It also leads the African Development Bank's multi-partner program Technologies for African Agricultural Transformation that has provided agricultural innovations to 23 million farmers across 28 countries in Africa.

This is not the first time IITA has partnered with IsDB. It has also contributed in IsDB Civil Society Engagement Policy and the TADAMON program formation in 2019. TADAMON is an innovative and transformative partnership derived from the existing IsDB NGO Program, ISFD mandate and new strategy 2030 to reduce poverty in Organization of Islamic Countries (OIC) MCs and IsDB policy-level and strategic engagement with civil society, which was officially launched in September 2019, by the former IsDB President on the margin of the United Nations General Assembly in New York.





IsDB Attends Webinar Highlighting Role of Environmental and Social Safeguards for Resilient Urban Infrastructure Projects

Cities around the world are the main driver of trade and local development. In the case of sub-Saharan Africa, as the world's fastest urbanizing regions, the population growth patterns of cities are significant with most of the growth predicted to occur through informal settlements. With this continuing trend, adequate infrastructure to respond to urbanization needs is key. With the multiple impacts of a changing climate, the ways in which major infrastructure in urban areas is planned need to change. Cities need resilient environmental, social, and economic systems that can withstand anticipated shocks and stresses, particularly when experienced through the eyes of the urban poor.

Cities Alliance (Cities without Slums) recently hosted this webinar which was attended by several MDBs including the World Bank, African Development Bank (AfDB) and Islamic Development Bank (IsDB) which was represented by Mr. Papa Abdoulaye SY, Global Lead Urban Development, at the Economic and Social Infrastructure Department (ESID).

The main takeaways from the discussions and exchanges that took place during the webinar, could be summed up in two main recommendations to pursue: (i) promotion of the use of Strategic Environmental Assessment and (ii) quality assurance and control in the post-environmental and social impact assessment phases of project implementation and operation.



The webinar concluded about the need to review existing practices, challenges and reforms to safeguard the upcoming investments. The report, commissioned by Cities Alliance and its members SECO (Swiss State Secretariat for Economic Affairs) and BMZ (German Federal Ministry for Economic Cooperation and Development) looks into the landscape of existing safeguards and illustrates how environmental and social impact assessments can help address informality in cities, and formulates key messages to increase the sustainability of infrastructure projects to benefit the resilience of the whole city.



Another Feather in The Cap: APIF Finances Third Property of the Year for Charitable Cause

Awqaf Property Investment Fund (APIF) has achieved yet another success after Al Bir Society in Dogah, Saudi Arabia approached APIF for financial support to purchase a hotel building in Asir Region. The project, which is APIF's third for this year, aims to help the Society reach financial sustainability and therefore supports its charitable activity.

Income generated from the 4-star, 82-room hotel rentals will be used to support Al Bir Society in Dogah, which is a nonprofit Society aiming to provide charitable and social support for destitute families in Dogah and its surroundings, the Society offers family sponsorships, orphan sponsorships, healthcare provision, water and food provision, house rebuilding, and emergency relief.

APIF on behalf of IsDB approved the USD9.1 million investment

proposal in August 2021, with an amount of USD 6.4 million. The purchase of 9-story hotel brings the number of APIF projects to the total of 8 in Saudi Arabia alone, estimated to be around USD 137.71 million.

The hotel which is situated in the prime area of al Abha near airport would create many long-term employment options for the

locals. The hotel is in sync with the Saudi Arabian 2030 vision. The government of KSA plans to attract investments totaling over SR 500 billion by 2030, boosting the current contribution of tourism to GDP from 3.5% to 10%. Lately, the Crown Prince of Saudi Arabia has also designated SR 50 billion for the development of Asir Region and the attraction of 10 million tourists annually.





APIF Resource Mobilization Achievements in 2021

In the year 2021, the Awqaf Properties Investment Fund continued its resource mobilization strategy despite the effects of the COVID-19 pandemic. In fact, the Fund has successfully attracted Four new investments to its capital.

The first investment followed productive discussions with the Indonesian Hajj Fund, Badan Pengelola Keuangan Haji (BPKH), and its recognition of APIF's impact in the support of the Awqaf sector. The BPKH new investment amounted to US\$ 6.51 million and is an additional investment following their initial participation of US\$ 5 million in 2020. With this investment, BPKH has become the third largest investor in APIF.

The second investment which amounted to US\$ 1.5 million, was received from the International Islamic Fiqh Academy (IIFA) and followed the signing of an agreement between H.E the President of IsDB and H.E

the IIFA Secretary General. The IIFA has originally intended to invest US\$ 1 million in APIF's Capital, but after productive discussions with APIF team, has decided to invest US\$ 1.5 million.



صندوق تميمير
ممتلكات الأوقاف
AWQAF PROPERTIES
INVESTMENT FUND

The third new investment has come from a renowned Saudi Family, AlRajhi family. In fact, a participation of US\$ 8 million in the APIF's capital has been made. This investment is considered as the first of its type since unlike previous participations, this is

an individual investment rather than an institutional one. APIF has now all types of investors: public sector investors, private entities, third sector non-profit NGOs, and individual investors.

Lastly, through strengthening its relationship with APIF, Faisal Islamic Bank increased their investment by USD\$2.75 million to reach a total of USD \$9.15 million by the end of 2021.

To conclude, these investments are a very positive sign of the market confidence in this strategic fund, and they are also part of APIF's firm steps and clear strategy regarding its resource mobilization journey. 2021 was successful year in this area since APIF was able to attract Four new investments with a total investment value of US\$ 18.75 million.

It is also worth reminding that in 2020, APIF has also successfully attracted four new investors with a total investment value of US\$ 21.58 million.



Visit of Indonesia State Audit Board

The State Audit Board of the Republic of Indonesia (BPK), headed by one of its board members, Madame Isma Yaton, conducted a meeting with the Acting DG, Global Practice and Partnership and the Acting Director of Islamic Finance Sector Development Department. She was accompanied by Dr. Hurriyah Al Islami, Director of International Investments for the Indonesia Hajj Fund (BPKH). BPK is conducting a premier review and an audit of BPKH's international investments.

The meeting focused on BPKH's overall participation as a shareholder of the Awqaf Properties Investment Fund (APIF) where they are now the 3rd largest shareholder after the IsDB and the ISF-OIC. BPK team inquired regarding the operational process of APIF from project development to due diligence to monitoring. The discussion then centered on the future trajectory of awqaf sector in IsDB member countries and also the potential pipeline. BPK team noted the vast potential of the sector and provided a few suggestions on anticipating the increasing demand



for support in aqkaf in member countries especially with regards to enhancing monitoring.

BPKH's recent commitment to assume the majority ownership in BMI and the envisaged injection were also touched upon as BPK and the Government of Indonesia fully support the measure and look forward to productive outcome.

The meeting was also aimed at preparing the grounds for BPKH Management and Supervisory Board's envisaged meeting with HE the IsDB President and Management in mid-January 2022, to formulate and to update the Cooperation of Framework for the year 2022 – 2025 in the midst of increasing amount of asset under management of BPKH.



A Case for Syndication Finance



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It may be trite, but it is also largely true that necessity is the mother of invention. The clutter about our physical spaces – the real world – abundantly bears this out; and the world of finance, itself a creation of necessity and currently in great need of out-of-the-box thinking, is no less replete with evidence.

In the spring of 2015, as the global community transitioned from one development agenda to another, a group of development finance institutions (DFIs) met to explore and confirm what they could do within their respective mandates to support the achievement of the then-proposed Sustainable Development Goals (SDGs). It was immediately apparent that the SDGs were ambitious; that they would require much more resources than were available to governments, including funding that could be provided directly by DFIs; and that they called for a different approach to financing development.

The required approach seemed to lean heavily in favour of purposeful mobilization of private capital, not least because this funding source demands efficiency and ensures, therefore, that available global resources are allocated optimally. But it was also pragmatic: The prior decade had witnessed an unusual pattern of official development assistance (ODA), with flows to Africa declining in real terms and the aggregate for all developing countries being mostly flat for roughly half of the period. By contrast, private flows, including syndicated bank lending, increased significantly, growing by more than 50 percent, and represented the largest share of financial flows to these countries – nearly 45 percent in 2012.

This was a clear indication of the importance of private capital to achieving the SDGs and, more generally, for financing any development agenda. Recognising this, multilateral development banks (MDBs) have pledged to increase mobilization from private sources, especially from institutions that control large investible resources such as pension funds, sovereign wealth funds, and insurance companies. However, this cannot be achieved in isolation – an array of complementary capabilities is required to attract the participation of private capital. Crucially, institutions seeking to mobilize resources (arrangers) must also be adept at origination – i.e., identifying, evaluating, and structuring viable investment opportunities, particularly those closely aligned with the development agenda. Furthermore, they must be able to mitigate risks associated with these projects, and to convincingly demonstrate this capacity *ex ante*. Finally, because economic growth – and hence development, to some extent – tends to stagnate in the absence of financial innovation, arrangers also need to continually develop and refine their products to facilitate the unlocking of additional resources.

The requisite capabilities for effective mobilization are typically present in most MDBs. Working closely with the governments of their member countries, these institutions are cognizant of national priorities and can, therefore, easily identify and select for financing those projects having the greatest potentials for actualizing specific goals. In addition, they are able to bring to bear the depth and breadth of their experience on these projects, ensuring that the evaluation and structuring processes reflect lessons learnt over several years and across multiple countries. However, it is in

leveraging their unique characteristics to create financing structures which mitigate risks that MDBs truly come into their own.

Unlike other financial institutions, MDBs have certain privileges and immunities – including, among others, priority access to foreign exchange, exclusion from sovereign debt restructuring, and exemption from expropriation and withholding tax on payments due to them – which confer on them a preferred creditor status (PCS). Syndication, through the A/B loan structure and other innovative mobilization products, extends some benefits of this status to other institutions that make funding available to, and participate in, projects alongside MDBs, thereby substantially limiting the country-risk exposure of these non-PCS financiers. Along with the signalling effect of MDB involvement, reduction in information asymmetry, and lower risk capital charges permitted under Basel regulations, this facilitates greater participation of private capital and encourages lending to riskier projects and for longer maturities.

However – and this merits emphasis – it must not be thought that resource mobilization will occur as a matter of course; nor that it is the silver bullet to dispatch grinding poverty and sundry other underdevelopment challenges. Rather it should be understood that efficient mobilization is a necessary, albeit insufficient, requirement for the global agenda. Moreover, it should be appreciated that the former is dependent on concurrent development of a rich, convertible project pipeline and that it needs to be nurtured and supported by deliberate, structured, and well-managed syndication processes. It may then legitimately be said that while the SDGs highlight the necessity for urgent action, they also call out for enhanced syndications.





IsDB, AfDB, IFAD & Partners Eye SAPZs in Africa

An IsDB team led by the Acting DG, Global Practice and Partnership and by the Acting ESID Director & Agriculture GP team participated in a high-level consultation hosted by the African Development Bank (AfDB) to exchange views on Africa's experience with Special Agro-industrial Processing Zones (SAPZs). The meeting was held virtually on 20 September 2021 with the participation of several Vice Presidents from AfDB and IFAD, along with senior representatives from IFIs, including African Export-Import Bank, Industrial Development Corporation, Africa Finance Corporation, Trade and Development Bank, OPEC Fund for International Development, Africa 50, West African Development Bank, and Arab Bank for Economic Development in Africa.

The gathering also included a number of private developers of Special Economic Zones, and other key global and regional players in Africa's agri-business sector to share insights on how agro-industrialization can create job opportunities at scale, boost agricultural productivity, generate wealth and improve the quality of life for people across the continent. Participants agreed to work together under a cooperation framework for SAPZ implementation in Africa, under the leadership of the African Development Bank.

"The value of the agribusiness sector is expected to reach \$1 trillion by 2030..."



Those of us working in the economic zones sector will work closely with the African Development Bank initiative on this huge opportunity," said Ahmed Bennis, Secretary-General, Africa Economic Zones Organization.

"The stakes are extremely high: during this week of the UN Food Systems Summit, we stakeholders in Africa's growth and development need to form a common vision on a road map towards agro-industrialization on the continent," said Dr. Beth Dunford, the AfDB Vice President for Agriculture, Human and Social Development.

IsDB, AfDB and IFAD are currently working on a US\$0.5 billion package to support Nigeria's SAPZs program, which is expected to be replicated in several other countries across the African continent.

SAPZs are intended to focus on agro-processing activities in areas with high levels of agricultural potential. They enable farmers, agricultural producers, processors, aggregators, and distributors to work together in one location, lowering transaction costs and sharing business development services to boost productivity and competitiveness.

IsDB Attends N4G Summit Philanthropy Side Event

IsDB attended on 6 December the Nutrition for Growth (N4G) Summit "Philanthropy" Side Event. The side event was held on the eve of the N4G Summit, which is virtually hosted by Japan. IsDB's participation in this event was coordinated by DG Global Practice and Partnership at the behest of the Bill & Melinda Gates Foundation (BMGF). Stronger Foundations for Nutrition, a coalition of philanthropies, convened the event under the overarching theme "Financing the Nutrition Agenda: New Commitments, New Partnerships".

Global malnutrition is one of the greatest challenges of our time. It is the leading cause of child death, and contributes to a staggering loss of educational and economic potential for people and for nations. More targeted nutrition financing, from more diverse actors, needs to be delivered now to meet the scale of the challenge. The event brought together donors across health systems, food systems, and innovative models to transform nutrition outcomes at scale.

More than a dozen speakers highlighted investments and models of innovation to accelerate progress on global malnutrition as one of the most impactful, and most-cost effective set of interventions in global health and development. In addition to a number of new philanthropic commitments, headlined by the US\$100 million commitment of King Philanthropies, a range of public and private sector financing models were highlighted that offer the promise of tremendous scale. As part of this session on scale finance, the Islamic Development Bank joined the African Development Bank for a panel discussion on the role of multilateral development banks and opportunities to collaborate with the philanthropic community.

IsDB's Amine Hillal (DoST) highlighted a range of models where the IsDB is integrating nutrition into its broader portfolio of funds, as well as the newly announced First 1,000 Days Initiative, a blended funding model with the World Food Program and the Power of Nutrition to take multi-sectoral interventions to scale for nutrition, specifically those targeting the critical first 1,000 days of life. Nutrition-related content under the IsDB-administered Lives & Livelihoods Fund (LLF) and the recently established Global Muslim Philanthropy Fund for Children (GMPFC was set-up with UNICEF with the support of Abdulla Al Ghurair Foundation for Education and KSA's KSrelief) were also highlighted.

