

DEVELOPMENT EFFECTIVENESS REPORT



Bettering Lives, Delivering Impact
Boosting Recovery, Tackling Poverty & Building Resilience,
Driving Green Economic Growth



Disclaimer

"This work is a product of the staff of the Islamic Development Bank Group. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of Islamic Development Bank Group, its Board of Executive Directors, or the governments they represent. The Islamic Development Bank does not guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of the Islamic Development Bank Group concerning the legal status of any territory or the endorsement or acceptance of such boundaries. Nothing herein shall constitute or be considered to be a limitation upon or waiver of the privileges and immunities of the Islamic Development Bank Group, all of which are specifically reserved"

CONTENTS

ABBREVIATIONS	05
MESSAGE FROM THE PRESIDENT	06
EXECUTIVE SUMMARY	10
CHAPTER 1 INTRODUCTION	18
1.1 Objective of ADER	19
1.2 IsDB's Strategic Direction	20
1.3 Method and limitations	21
CHAPTER 2 DEVELOPMENT PROGRESS IN MEMBER COUNTRIES (LEVEL 1)	22
2.1 Economic Growth and Forecast in IsDB Member Countries	23
2.2 Progress Towards Sustainable Development Goals	25
2.3 Effect of Food Crisis on MCs	27
2.4 IsDB MCs' Food Security Map and Implications for IsDB	28
CHAPTER 3 DEVELOPMENTAL RESULTS OF BANK'S OPERATIONS (LEVEL 2)	32
3.1 Pillar 1: Green, Resilient & Sustainable Infrastructure	35
3.2 Pillar 2: Inclusive Human Capital Development	47
3.3 Key Results in Cross-Cutting Areas	58
CHAPTER 4 ORGANIZATIONAL EFFECTIVENESS (LEVELS 3 & 4)	70
4.1 Operations Efficiency	73
4.2 Organizational Performance	78
CHAPTER 5 CONCLUSION	86
5.1 Summary of Results	87
5.2 Key Challenges	88
5.3 Way Forward	88

LIST OF TABLES

Table 1	Macroeconomic Indicators in Member Countries	08
Table 2	Key Results from projects/grants completed in 2022	08
Table 3	IsDB MCs with the highest real GDP growth forecast for 2022 (Percent)	24
Table 4	IsDB MCs with lowest real GDP growth forecast for 2022 (Percent)	24
Table 5	Selected Socio-Economic Indicators	27
Table 6	Agriculture & Rural Development Planned Result Indicators	35
Table 7	Agriculture & Rural Development Completed Result Indicators	35
Table 8	Sustainable Transport Planned Results	38
Table 9	Sustainable Transport Completed Results	38
Table 10	Clean & Renewable Energy Planned Results	40
Table 11	Clean & Renewable Energy Completed Results	40
Table 12	Information and Communication Technology Planned Results	42
Table 13	Information and Communication Technology Completed Results	42
Table 14	Water & Sanitation Planned Results	44
Table 15	Water & Sanitation Completed Results	44
Table 16	Resilient & Quality Education Planned Results	48
Table 17	Resilient & Quality Education Achieved Results	48
Table 18	Universal Healthcare Planned Results	51
Table 19	Universal Healthcare Completed Results	51
Table 20	SMEs & Job Creation Planned Results	55
Table 21	SMEs & Job Creation Completed Results	55
Table 22	Islamic Finance Planned Results	58
Table 23	Islamic Finance Completed Results	58
Table 24	RBMF Structure and Levels	79

LIST OF FIGURES

Figure 1	OCR Approvals 2022 by Region	09
Figure 2	Trends of Active Portfolio at Year-ends	09
Figure 3	OCR Disbursements and Ratio	09
Figure 4	Project Completion Reports Trends (2018 – 2022)	09
Figure 5	Framework of the Realigned Strategy (2023-2025)	20
Figure 6	Real GDP Growth (% change)	23
Figure 7	17 SDGs and 5Ps	25
Figure 8	IsDB MCs SDGs Achievement by 17 Goals, 2022	26
Figure 9	IsDB MCs SDGs Achievement by the Five Dimensions (5Ps), 2022	26
Figure 10	FAO Food Price Index	28
Figure 11	Trends in Real GDP of IsDB Member Countries (constant PPP 2017 US\$)	29
Figure 12	IsDB LDMCs, Percent Change in Per Capita Real GDP 2019-2022	30
Figure 13	IsDB non-LDMCs, Percent Change in Per Capita Real GDP 2019-2022	30
Figure 14	IsDB Economic Empowerment COVID-19 Response I SERVE Program	54
Figure 15	Project Completion Reports Trends (2018 – 2022)	71
Figure 16	Sectoral Distribution of PCRs (2022)	71
Figure 17	PCR Performance Trends	72
Figure 18	Trends of Active Portfolio at Year-Ends (US\$ Millions)	73
Figure 19	Active Portfolio by Sectors	73
Figure 20	Active Portfolio by Regions	74
Figure 21	OCR Approval Trends	74
Figure 22	ORC Approvals in 2022 by Sector	74
Figure 23	OCR Approvals 2022 by Region	75
Figure 24	OCR Approvals in 2022 by Mode of Financing	75
Figure 25	OCR Disbursements and Ratio	75

IN THE SPOTLIGHT

In the Spotlight 1	Building Resilience to Recurring Food Insecurity Program - Burkina Faso	36
In the Spotlight 2	Regional Express Train (Dakar City Center to AIBD Airport)- Senegal	39
In the Spotlight 3	West Cairo Power Plant Project – Egypt	41
In the Spotlight 4	Djibouti Africa Regional Express 1 Submarine Cable (Dare-1)	44
In the Spotlight 5	Support to the National Water Transmission and Storage Infrastructure Development (Phase II) Project-Bahrain	45
In the Spotlight 6	Support to Development of Higher Education Project- Indonesia	49
In the Spotlight 7	Support to the Polio Eradication Program (Phase-III) – Pakistan	52
In the Spotlight 8	The Reconstruction of Al-Wafa Medical Hospital In Gaza City	53
In the Spotlight 9	How the TADAMON Program Opened the Door for Noor Jomaa	62
In the Spotlight 10	Leveraging STI to Bridge the Gender Gap Through Telemedicine	64
In the Spotlight 11	The Reverse Linkage Project Between Mauritania (Recipient) and Tunisia (Provider) for “Developing a Platform for Mobile Based Financial Services”	67
In the Spotlight 12	Launching the “Islamic Development Bank (IsDB) Online Academy for South-South Cooperation”	68

LIST OF PHOTOS

Photo 1	Distribution of Small Ruminants in Nacer - Burkina Faso for Building Resilience to Recurring Food Insecurity Program	36
Photo 2	Beneficiaries in their Field (Cow/Pea Production) - Burkina Faso for Building Resilience to Recurring Food Insecurity Program	36
Photo 3	Regional Express Train (Dakar City Center to AIBD Airport) 1	39
Photo 4	Regional Express Train (Dakar City Center to AIBD Airport) 2	39
Photo 5	West Cairo Power Plant Project - Turbine and Generator 1	41
Photo 6	West Cairo Power Plant Project - Turbine and Generator 2	41
Photo 7	Djibouti Africa Regional Express 1 Submarine Cable (Dare-1) 1	43
Photo 8	Djibouti Africa Regional Express 1 Submarine Cable (Dare-1) 2	43
Photo 9	ESR with Aluminum Cladding in Nabih Saleh DS Pumps Hall in Issa Town Est DS	45
Photo 10	Pumps Hall in Sitra Forwarding Distillate Station FDS Variable Speed Pump/MEICA Room Sitra FDS	45
Photo 11	Forage Pastoral de Tibilindi/Bani	47
Photo 12	Demonstration of the Use of Triple Bottom Bags	47
Photo 13	Support to Development of Higher Education Project- Indonesia 1	49
Photo 14	Support to Development of Higher Education Project- Indonesia 2	49
Photo 15	Support to the Polio Eradication Program (Phase-III) - Pakistan 1	52
Photo 16	Support to the Polio Eradication Program (Phase-III) - Pakistan 2	52
Photo 17	The Reconstruction of Al-Wafa Medical Hospital In Gaza City	53
Photo 18	Two-year Old Avocado Under Production at Mr. Abdisalam Icho's Farm in the Tetouan Region	57
Photo 19	Mr. Rafiq Chirgi, A Beneficiary of the Avocado Value Chain and Vendor at a Local Market in the Tetouan Region	57
Photo 20	TADAMON Program Opened the Door for Noor Jomaa	62

ABBREVIATIONS

ACG	Arab Coordination Group	MENA	Middle East/North Africa
ADER	Annual Development Effectiveness Report	MSME	Micro, Small, and Medium Enterprises
ADFD	Abu Dhabi Fund for Development	MSP	Merit Scholarship Program
aRBM	Adaptive Results-Based Management	NDC	Nationally Determined Contributions
BMGF	Bill and Melinda Gates Foundation	NGOs	Non-governmental Organizations
BRAVE	Business Resilience Assistance for Value-Adding Enterprises	OCR	Ordinary Capital Resources
CAIIP-3	The Community Agricultural Infrastructure Improvement Program-3	OECD	The Organization for Economic Co-operation and Development
COMCEC	Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation	OMS	Operation Management System
ESS	Environmental and Social Safeguards	PCR	Project Completion Report
FDI	Foreign Direct Investment	PIASR	Project Implementation Assessment and Support Report
FSRP	Food Security Response Program	PPP	Public-Private Partnership
GDP	Gross Domestic Product	QFFD	Qatar Fund for Development
GIS	Geographic Information System	RBMF	Results-Based Management Framework
GMPFC	The Global Muslim Philanthropy Fund for Children (GMPFC)	SEforALL	Sustainable Energy for All
ICDT	Islamic Centre for Development of Trade	SERVE	Strengthening the Economic Resilience of Vulnerable Enterprises
ICRC	International Committee of the Red Cross	SDGs	Sustainable Development Goals
ICT	Information and Communications Technology	SMEs	Small and Medium Enterprises
IMF	International Monetary Fund	SPMC	Scholarship Program for Muslim Communities
IPD	Institute Pasteur de Dakar	SPRP	Strategic Preparedness and Response Program
IPAs	Investment Promotion Agencies	SSA	Sub-Saharan Africa
IsDB	Islamic Development Bank	STEP	Skills, Training and Education Program
ISFD	Islamic Solidarity Fund for Development	STI	Science, Technology, and Innovation
ITAP	Investment Promotion Technical Assistance Program	TCP	Technical Cooperation Program
ITIO	International Transport Infrastructure Observatory	TIR	Transports Interanion Routers
IWP	Integrated Work Program	UN	The United Nations
KAAP	King Abdullah bin Abdulaziz Program for Charity Works	UNCTAD	United Nations Conference on Trade and Development
KAHF	King Abdullah Humanitarian Foundation	UNDP	United Nations Development Program
KSRelief	King Salman Humanitarian Aid and Relief Center	UNECE	United Nations Economic Commission for Europe
LDMCs	Least Developed Member Countries	UNESCO	The United Nations Educational, Scientific, and Cultural Organization
LLF	Lives and Livelihoods Fund	USAID	United States Agency for International Development
MC	Member Countries	We-FI	Women Entrepreneurs Finance Initiative
MCPS	Member Country Partnership Strategy	WEO	World Economic Outlook
MDBs	Multilateral Development Banks	WISE	Women in Sanitation Enterprises Project
		WSMEs	Women-owned and Led Small and Medium Enterprise

MESSAGE FROM THE PRESIDENT



The aftermath of the COVID-19 pandemic, the ongoing crisis in Eastern Europe, the cost-of-living crisis, and the tightening of financial conditions weighed on global economic activity in 2022, causing less rapid economic growth and exceptionally high inflation.

Fiscal deficits, inflationary pressures, supply chain disruptions, food shortages, and energy supply interruptions are further deteriorating the already troubled economies. These factors have exerted additional pressure on the limited resources of our Member Countries. Consequently, the scarce resources and the macroeconomic binding constraints have eroded the purchasing power of middle-income and low-income countries. The latter are also facing debt sustainability challenges.

To address these exogenous challenges proactively, the Islamic Development Bank (IsDB) realigned its strategy for 2023-2025 to adapt its strategic orientation to the shifting global landscape and better respond to the emerging needs and priorities of its Member Countries. IsDB's Realigned Strategy focuses on three overarching and interconnected objectives: (i) boosting recovery; (ii) tackling poverty and building resilience; and (iii) driving green economic growth. The Bank's interventions in the next three years will be driven by two key strategic pillars: (i) supporting green, resilient, and sustainable infrastructure, and (ii) promoting inclusive human capital development.

While developing the Realigned Strategy 2023-2025, the IsDB was fully aware of its existing commitments. The attainment of the KPIs and targets of the Integrated Work Program 2022 remained our top priority throughout the year. In this regard, I am pleased to share that the Bank achieved its target of US\$ 3 billion new approvals in 2022, including US\$ 2.8 billion in public financing and US\$ 204 million in public-private partnerships. This reflects a 49% increase in operations financing year-over-year. Moreover, the Bank aims to increase operations financing by US\$ 1 billion in 2023, representing a 33% increase.

The Bank's ability to respond to global shocks in a timely manner was tested through the Strategic Preparedness and Response Program (SPRP), which was successfully implemented during the pandemic. Building on the valuable experience of the SPRP, the IsDB Group endorsed on 28th July 2022 a US\$ 10.5 billion comprehensive Food Security Response Program (FSRP) package. The Program aims to support Member Countries' efforts to address the ongoing food crisis and strengthen their resilience to potential food security shocks in the future.

Turning to climate finance, the IsDB, alongside other members of the Arab Coordination Group, announced at COP27 in Sharm el-Sheikh, Egypt, a commitment to provide a cumulative financing amount of at least US\$ 24 billion by 2030 to address the global climate crisis. In line with its Realigned Strategy's objective of driving green economic growth and its 35% target of climate finance by 2025, the IsDB pledged under this commitment to approve at least US\$ 13 billion financing for adaptation and mitigation actions during the period 2023-2030.

These initiatives are the first steps toward the realization of the Realigned Strategy 2023-2025 and cement IsDB's commitment to be at the forefront of delivering results for socioeconomic development in its Member Countries. The IsDB aims to solidify its future commitments not only in monetary terms

but most importantly in its approach toward development effectiveness, achieving operational results and improving organizational efficiencies in line with the Realigned Strategy.

Achieving developmental results remains high on the Bank's agenda, as reflected in the development of the Bank's Results-based Management Framework (RBMF) for effective monitoring and reporting. The RBMF will facilitate and help develop a prudent and rigorous approach toward improving performance and results in a cohesive and integrated manner across the IsDB Group. The RBMF allows the IsDB to monitor the development effectiveness of its interventions from both demand and supply sides.

As an important strategic player in the international development landscape, the IsDB tracks the results of its operations in light of the Sustainable Development Goals (SDGs) and Member Countries' 2030 Agenda. The projects that were completed and approved in 2022 have led to improving the digital inclusion, reducing inequalities, creating more job opportunities, promoting health, providing education, and improving the quality of lives in our Member Countries.

The Annual Development Effectiveness Report aims to inform our stakeholders, including governments, development partners, philanthropists, non-governmental and civil society organizations, sukuk investors, private sector, and development practitioners, about the development effectiveness of the Bank's interventions. It highlights in an integrated manner the impact, outcomes, and developmental results of the Bank's interventions in its Member Countries. The report provides an insight into the results achieved on the ground and the Bank's standing in the international development landscape.









Dr. Muhammad Al Jasser

Chairman, Islamic Development Bank (IsDB) Group












Snapshots on Development Progress in MCs in 2022

► **Table 1: Macroeconomic Indicators in Member Countries**

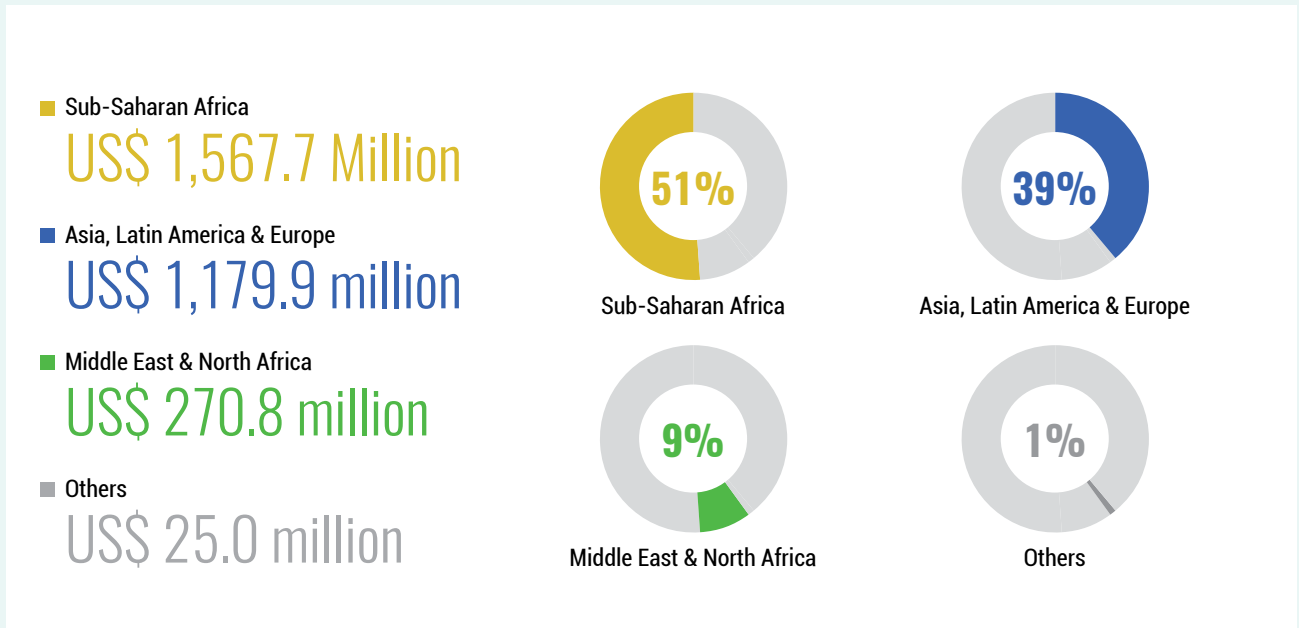
Indicator	IsDB	World	Indicator	IsDB	World
 Mortality rate, under-5 (per 1,000 live births)	46.3	36.6	 Access to electricity (% of the population)	80.9	90.4
Maternal mortality ratio (per 100,000 live births)	266.7	211.0	 Real GDP growth (% change) *	5.4	6.0
 People using at least basic drinking water services (% of the population)	86.2	90.0	GDP per capita (constant 2015 US\$) *	3,934	11,010
People using safely managed sanitation services (% of the population)	43.8	54.0	Exports of goods and services (% of GDP) *	29.2	26.3
 Gross enrolment ratio, secondary, total (%)	67.6	76.8	The unemployment rate, total (% of the total labor force)	7.2	6.2
Government expenditure on education as % of GDP (%)	3.9	4.3	 Individuals using the internet (% of the population)	47.0	59.6
 Gender Inequality Index (value) *	0.41	0.44	Manufacturing, value added (% of GDP)	16.4	16.6
Labour force - 15+ - female (participation rate)	38.8	47.4	Industry including construction, value added (% of GDP)	36.7	27.6
School enrollment, secondary, female (% gross)	67.6	76.3	 CO₂ emissions (per unit of GDP PPP) *	0.26	0.26

* RBMF Indicators

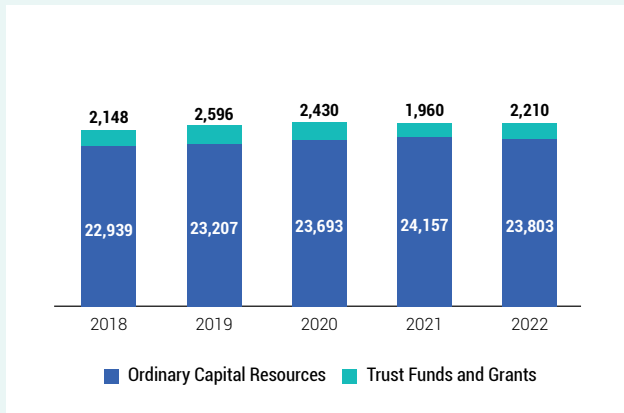
► **Table 2: Key Results from projects/grants completed in 2022**

<ul style="list-style-type: none"> • 3k people in conflict/disaster areas provided livelihood services • 23.6k shelters built • US\$ 24 million Awqaf assets built 	<ul style="list-style-type: none"> • 942k households accessed potable water supply • 7.6k households accessed improved sanitation 
<ul style="list-style-type: none"> • 5k hectares of land irrigated • 66k tons of crop production increased • 838 farmers' organizations capacity built • 11k tons of livestock production increased 	<ul style="list-style-type: none"> • 12.8m people connected to electricity • 14.4k MW of electricity generated 
<ul style="list-style-type: none"> • 226 health facilities constructed • 1.3k beds added to hospitals • 43m patients accessed outpatient services • 4.3k health personnel trained • 2m people provided healthcare awareness 	<ul style="list-style-type: none"> • 22k people employed • 10k people trained • 9k people accessed microfinance 
<ul style="list-style-type: none"> • 306k students benefited • 1.3k schools built • 4.6k teachers trained 	<ul style="list-style-type: none"> • 1.1k km of roads built • 400 enterprises benefited from STI support 
	<ul style="list-style-type: none"> • 1k people benefited from regional cooperation initiatives 

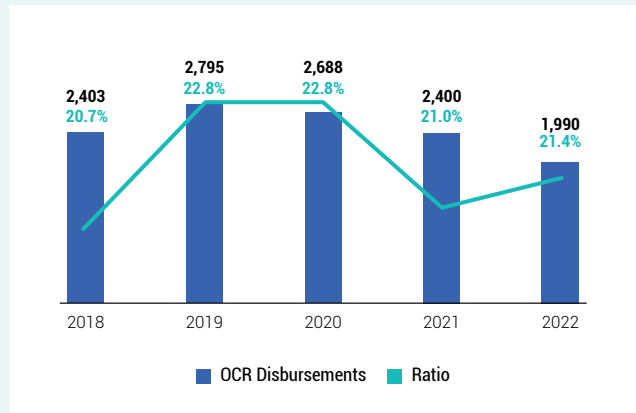
► Figure 1: OCR Approvals 2022 by Region



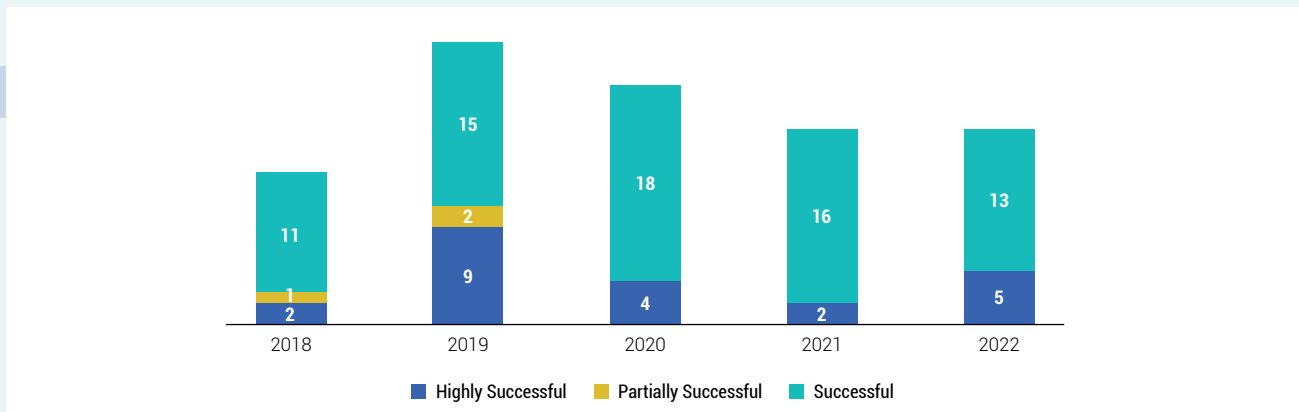
► Figure 2: Trends of Active Portfolio at Year-ends (US\$ Millions)



► Figure 3: OCR Disbursements and Ratio (US\$ Millions)



► Figure 4: Project Completion Reports Trends (2018 – 2022)



EXECUTIVE SUMMARY



In the backdrop of the global geopolitical situation triggered by the war in East Europe coupled with the after-effects of COVID-19, the developmental landscape of the MCs remained under stress in 2022. As a result, the economy of IsDB Member Countries (MCs) is estimated to grow at 5.1 percent in 2022, slightly slowing from 5.4 percent in 2021 due to challenging external economic conditions. Due to the geographical diversity of the IsDB Member Countries, the economic growth varied between different regions. The non-fuel exporting MCs are projected to be the significant drivers of growth in 2022 and 2023, with a projected growth of 5.4 percent and 4.3 percent in 2022 and 2023, respectively. However, this is a deceleration from 6.1 percent in 2021. Meanwhile, growth in fuel-exporting MCs is expected to rise from 4.3 percent in 2021 to 4.6 percent in 2022.

To be responsive to the MCs' growing needs of food security challenges, rising fuel prices, high inflation, climate change, and supply chain disruptions, the IsDB Realigned Strategy 2023–2025 was developed in 2022. This was endorsed by the BoG in the Annual Meeting held in Sharm El-Sheikh in 2022. It has three focus areas namely: (i) Boosting recovery; (ii) Tackling poverty and building resilience; and (iii) Driving green economic growth. Hence, these aspects have been embedded in the Bank's Integrated Work Program in the form of the development of the Operations and Administrative Work Programs.

▶ RESULTS-BASED MANAGEMENT FRAMEWORK (RBMF) STRUCTURE AND LEVELS:

For effective monitoring and implementation of the Bank's operations, a Results-based Management Framework (RBMF) has been developed in 2022. As an organization moves from strategy formulation to strategy implementation, it requires a results framework with clearly defined indicators and targets. The Results-based Management Framework (RBMF) aims to measure and track the Bank's progress in meeting the strategic objectives and priorities in a transparent, quantifiable, and interconnected manner.

▶ RBMF – LEVEL 1 INDICATORS (GOALS) AND SDGS:

Regarding the progress made in the Member Countries towards the SDG 2030 agenda, the overall SDG score is 62.2 in 2022 suggesting that IsDB as a group is slightly over 60 percent to achieving the 17 SDGs. Thus, IsDB MCs as a group need to accelerate their development efforts if they are to attain the 2030 SDG targets. Though, there is no SDG of IsDB MC in the very unsatisfactory category, which is a positive outcome, six (6) out of seventeen (17) SDGs in the MCs are in the category of fair performance with an achievement ranging from 40 percent to 60 percent. Eight (8) SDGs, namely SDG 1 (No Poverty), SDG 4 (Quality Education), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequality), SDG 14 (Life Below Water), SDG 15 (Life on Land), and SDG 16 (Peace, Justice, and Strong Institutions) fall into the satisfactory category. Two (2) SDG scores attained very satisfactory achievement, which are SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). These are the only SDGs with more than 80 percent of achievements.





While overall progress has been made in IsDB MCs, challenges remain and there



Eight (8) SDGs, namely SDG 1 (No Poverty), SDG 4 (Quality Education), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequality), SDG 14 (Life Below Water), SDG 15 (Life on Land), and SDG 16 (Peace, Justice, and Strong Institutions) fall into the satisfactory category.



Regarding the progress made in the Member Countries towards the SDG 2030 agenda, the overall SDG score is 62.2 in 2022 suggesting that IsDB as a group is slightly over **60%** to achieving the **17 SDGs**.

Level	Brief Definition
 Level 1: Development Goals	Country-level economic and social development indicators
 Level 2: Development Results	IsDB's contribution to the MCs' (Member Countries) sectoral and thematic priorities in terms of project outputs and intermediate outcomes.
 Level 3: Operational Effectiveness	IsDB operational performance indicators and quality of project operations at entry, during implementation, and at completion.
 Level 4: Organizational Efficiency	The quality of financial management, compliance, human resource, procurement, information technology, and administrative services.



The results show that there are disparities between MCs’ progress and the challenges due to the geographical distribution. However, there are also some commonalities among MCs. The most challenging goal is SDG 9 (Industry, Innovation, and Infrastructure) and it is an urgent top priority for more than 55 percent of MCs.

is a long road ahead to achieve the SDG targets by 2030. The results show that there is still much work to be done to reach the targets and IsDB should further accelerate the development activities in partnership with other development partners and stakeholders. IsDB has a significant role to support MCs to overcome roadblocks to development and continue to make progress toward the SDGs.

The results show that there are disparities between MCs’ progress and the challenges. However, there are also some commonalities among MCs. The most challenging goal is SDG 9 (Industry, Innovation, and Infrastructure) and it is an urgent top priority for more than 55 percent of MCs. Substantial progress is required since industry, innovation, and infrastructure are key drivers of economic growth and prosperity. The second most challenging goal is SDG 5 (Gender Equality), which shows the gender gap and the need for promoting women’s empowerment in our MCs.

Most of the macroeconomic indicators included in the report when compared against the world averages indicate that the MCs need to do more to come up at the same level as the rest of the world.

There are some positive indicators, where the performance is relatively closer to the rest of the world averages:

(i) Exports of goods and services (% of GDP)	
MCs	world average
29.2	26.3
(ii) Government expenditure on education as % of GDP	
MCs	world average
3.9	4.3
(iii) CO₂ emissions (per unit of PPP)	
MCs	world average
0.26	0.26

RBMF – Level 2 Indicators (Developmental results):

In this report results of 50 projects and 132 grants completed in 2022 have been captured. The report also captures the planned results from 46 approved projects in 2022. Special attention has been paid to the major projects and their results have been provided in the document, based on their developmental effectiveness impact, and efficiencies. These projects under the spotlight include: (i) Building Resilience to Recurring Food Insecurity Program - Burkina Faso; (ii) Regional Express Train (Dakar City Center to AIBD Airport) - Senegal; (iii) West Cairo Power Plant Project – Egypt; (iv) Djibouti Africa

Regional Express 1 Submarine Cable (Dare-1); (v) Support to the National Water Transmission and Storage Infrastructure Development (Phase II) Project-Bahrain; (vi) Support to Development of Higher Education Project - Indonesia; (vii) Support to the Polio Eradication Program (Phase-III) – Pakistan; (viii) The Reconstruction of Al-Wafa Medical Hospital In Gaza City; (ix) TADAMON Program Opened the Door for Noor Jomaa; (x) Leveraging STI to Bridge the Gender Gap Through Telemedicine; (xi) The Reverse Linkage Project Between Mauritania (Recipient) and Tunisia (Provider) for "Developing a Platform for Mobile-Based Financial Services"; (xii) Launching the "Islamic Development Bank (IsDB) Online Academy for South-South Cooperation".

Like the Strategic Preparedness and Response Program (SPRP), which was launched by the IsDB in 2021 to provide support to the Member Countries during the COVID-19 pandemic, the Bank launched the Food Security Response Program (FSRP) in 2022 in a timely manner to respond to the food security challenges faced by the MCs. This indicates the Bank's proactive approach to staying relevant and being responsive to the critical challenges facing the MCs. In this regard, the IsDB Group endorsed a US\$ 10.54 billion comprehensive Food Security Response Program (FSRP) package. The objective of the Program is to support the Member Countries by complementing their



Notable Projects in 2022

Regional Express Train, (Dakar City Center to AIBD Airport) - Senegal



The Bank completed the Regional Express Train project in 2022. The project connects the Dakar City Center to AIBD Airport in Senegal through 55 km of railway tracks.

The project aims to provide a sustainable transport mode that will help meet the increasing demand and improve efficiency in the transport sector in the country. This project has helped reduce travel time between the Dakar city center to the City of Diamniadio from 1.5 hours to 0.5 hours, improving overall railway transport efficiency, reducing operating costs, in addition to improving safety, and reducing air pollution (estimated at 17,000 tons of CO₂/year). The project can accommodate the increased flow of travelers induced by the operation of the Express Train line from 15,000 to 80,000 passengers/day.

West Cairo Power Plant Project - Egypt



The project involves the construction and operation of one electric-generating steam turbine unit of 650 MW within a rural farming region adjacent to the Cairo metropolitan area. It is on the West bank of the Nile River, approx. 12 km west of Cairo city. The project contributed to promoting Egypt's economic growth, improving the living standards of people, and satisfying the increasing electricity demand. It helps in meeting the rising needs of agriculture, industry, tourism, and services.

The Bank has contributed US\$ 188 million to this project whereas other co-financiers (Arab Coordination Group) contributed USD398 million. The following are the key results achieved. Almost 13 million households connected to electricity.

Support to the National Water Transmission and Storage Infrastructure Development (Phase II) Project - Bahrain



The project aims at fostering the integration and operational flexibility of the national water infrastructure and improving the water services level in all parts of Bahrain. At completion, the project allows for improvement of the quality of service, in terms of water availability, water quality, and pressure in distribution networks, achieving a continuous water supply for about 700,000 consumers (about half the population of Hawaii) in the central, northern, and western parts of Bahrain.

The Bank has contributed US\$ 120 million to this project whereas other co-financiers (Arab Coordination Group) contributed US\$ 246 million. The project increases the available storage in the Kingdom to 655 MIG (2,977,689 m³), which is sufficient for consumers' demand for up to 3.97 days (hence providing water security for up to 4 days for the whole country).

Notable Projects in 2022

Support to the Polio Eradication Program (Phase-III) – Pakistan



The project “Emergency Plan for Polio Eradication (2019-2021)” which is part of the Global Polio Eradication Initiative, aims at stopping wild Poliovirus transmission in the Islamic Republic of Pakistan through Countrywide mass Polio vaccination campaigns targeting all children below five years of age, along with extensive community sensitization and mobilization as well as high standard surveillance activities.

The Bank has contributed US\$ 100 million to this project whereas other co-financiers contributed US\$ 188 million. More than 43 million children are fully immunized against Polio for life.

Support to Development of Higher Education Project- Indonesia



The project aims at supporting the Higher Education Strategy of the GOI to develop qualified and competitive graduates needed in the workforce. It will specifically improve the access, quality, and relevance of Higher Education Institutions through renovating, expanding, and equipping existing and new facilities, and improving curricula & skills of the academic staff of seven universities.

The Bank has contributed US\$ 174 million to this project whereas another co-financier (Saudi Fund for Development (SFD) contributed US\$ 35 million.

102 Educational institutions built, upgraded, or equipped, 369,000 Students benefited /Year, 1,244 teachers /Staff trained.



2,607,452 people will have improved access to transportation services, and **938** kilometers of Local/rural roads will be built, upgraded, or rehabilitated.

national food security efforts in averting the ongoing food crisis and strengthening their resilience to future food security shocks. The total amount of financing approved by IsDB Group so far stands at US\$ 1,412.01 million, of which US\$ 152 million worth of accelerated disbursements has been disbursed from a pool of 78 ongoing projects within the FSRP scope.

The key expected results from Bank’s FSRP interventions: (i) Procurement and supply of 780,000 tons of wheat and barley; (ii) Building a food storage capacity of 700,000 tons that can preserve wheat and barley for 18 and 12 months respectively; (iii) Decreased the processing time to produce groundnuts from 9 months to 5 months resulting in a production of 160,000 tons yearly; (iv) Nearly 30,000 subsistence

farmers benefited from food processing projects; (v) Over 11 m people are expected to benefit from the food supply and storage facilities for the next 6 months.

The Bank’s new approvals in 2022 are expected to bring promising developmental results to the Member Countries and Muslim communities around the world. The following are some of the major highlights of key anticipated results once these operations are completed.

Planned Results from 2022 Approved Projects/Grants

Agriculture & Rural Development



11,500,050 farmers would benefit from projects approved in the agriculture sector, 736,845 tons of food storage will be built, and a total area of 18,150 hectares is expected to be irrigated.

Sustainable Transport



2,607,452 people will have improved access to transportation services, and 938 kilometers of Local/rural roads will be built, upgraded, or rehabilitated.

Clean & Renewable Energy



5,089,300 households will be connected to electricity, and 4,178,104 tons/CO₂ equivalent greenhouse gas (GHG) emissions will be reduced.

Water & Sanitation



163,222 households will be provided access to safe water supply systems, and 60,953 households will be provided access to improved sanitation (i.e., latrines, sewage system).

Information & Communication Technology



1,795 enterprises will benefit through science, technology, and innovation support.

Resilient & Quality Education



195,995 students will benefit per year, and 1,920 teachers/faculty/staff will be trained.

Universal Healthcare



150,000,000² People will be vaccinated against preventable diseases (e.g., Polio, COVID-19, HPV, DPT), and 5,034,000 people will benefit from outpatient services per year.

SMEs & Job Creation



257,215 people will improve their livelihoods/income, and 67,576 people will be employed.

Islamic Finance



20,000 people will have access to microfinance, and 801 policies /regulations will be introduced or improved

The actual results that are extracted from 50 projects and 132 grants completed during 2022 are shared in a detailed manner throughout the document and the major highlights are shared below. In addition to the Bank's publicly financed projects, the report highlights key achievements from grants, technical assistance, and special trust funds managed by the Bank.

Actual Results from 2022 Completed Projects/Grants

Agriculture & Rural Development



54,260 tons of Crop production increased, and 5,155 hectares were irrigated.

Sustainable Transport



380,000 people with improved access to transportation services, and 10,000 tons per year of transport or logistics gateways/hubs increased.

Clean & Renewable Energy



12,809,848 Households connected to electricity, and 13,850 MW equivalent Installed energy generation capacity using non-renewable sources.

Information & Communication Technology



401 Enterprises benefited through science, technology, and innovation support.

Water & Sanitation



941,943 Households provided access to safe water supply systems, and 196,870 m³/day potable water treatment capacity increased.

Resilient & Quality Education



285,789 students benefited per year, and 1,279 Classrooms were built or upgraded in educational institutions.



43 million

people per year benefited from outpatient services, and

12.8 million

Households connected to electricity, and

13,850 MW

equivalent Installed energy generation capacity using nonrenewable sources.



2. Construction of Manufacturing unit in Senegal which will produce 300 million doses yearly (150 million people will be vaccinated yearly for Senegal and other African countries).



The Bank did not lose sight of the implementation of the operations portfolio amounting to **US\$ 26 billion**. This was ensured by an effective project implementation in the form of management of **1,054** projects and grants as of the end of 2022. This was complemented by the approval of **46** new projects.

Universal Healthcare



Over 43 million people per year benefited from outpatient services, and 43 million people were vaccinated against preventable diseases (e.g., Polio, COVID-19, HPV, DPT).

SMEs & Job Creation



22,000 people employed, and 8,871 people with access to microfinance increased.

RBMF – LEVEL 3 AND LEVEL 4 INDICATORS (OPERATIONAL EFFECTIVENESS AND ORGANIZATION EFFICIENCIES):

These indicators focus on the internal effectiveness and efficiencies of the Bank. Operational effectiveness drives the delivery of operational projects in a timely and efficient manner and hence plays a significant role in the achievement of results. As the theory of change concept has been used in the development of RBMF, the causal nature of these KPIs is designed to improve the developmental results and the developmental goals in the MCs. There are 37 corporate-level indicators in the RBMF, however, the major operational

performance measures included in the report are: (i) Operations approvals; (ii) Resource mobilization; (iii) Member Country Partnership Strategy (MCPS) Updates (iv) Financial performance; and (v) Building human capital

Operations Work Program 2022

Performance: Though 2022 was a year in which the Bank chalked out the strategic direction of the Bank over the course of the next three years, i.e., 2023-2025, nevertheless, the Bank did not lose sight of the implementation of the operations portfolio amounting to US\$ 26 billion. This was ensured by an effective project implementation in the form of management of 1,054 projects and grants as of the end of 2022. This was complemented by the approval of 46 new projects. At the end of 2022, the operations approvals stood at 100% of the Operations Plan, at US\$ 3 billion.

Member Country Partnership Strategy (MCPS):

The IsDBG MCPS under the IsDB Realigned Strategy 2023-2025 are founded upon and driven by the National Development Plans of MCs, utilize a 'One Group, One Goal' IsDB Group synergy approach to ensure joint programming



and providing holistic financing packages, and focus on a programmatic approach to solving developmental issues of MCs. The MCPS is the central strategic programming tool to ensure that the Bank's programming is not only driven by national priorities but also empirically grounded in rigorous analysis. The formulated MCPSS are fully aligned with the Realigned Strategy 2023-2025 of the Bank.

The Country Strategy & Engagement Division (CSED) in coordination with the management of the Country Program Directorate targeted the completion of 6 MCPSS in 2022 and exceeded its target by completing 7 MCPSS by the end of 2022. The 7 Member Country Partnership Strategies (MCPSS) completed in 2022 are Maldives, Indonesia, Senegal, Niger, Guinea, Uzbekistan & Turkmenistan.

Amount of Grant Resources Mobilized in US\$ (Million): Building partnerships and mobilizing resources are priority areas for the Bank: (i) The Bank mobilized US\$ 11.5 million in grants for BRAVE and WISE Projects in Yemen and Bangladesh under the We-Fi initiatives; (ii) An amount of US\$ 5 million was mobilized from Abdallah Al-Nouri Foundation, which has already

been committed to the STEP Program; (iii) The Bank mobilized US\$ 27 million from Spark, which has also been committed to contributing to the STEP Program; (iv) the Bank mobilized US\$ 3.5 million through GMPFC for STEP Jordan and Lebanon; (v) Microsoft Philanthropist Contributed US\$ 0.12 million to the tech for the project in Nigeria; (vi) US\$ 46.9 million were mobilized from ICRC to the Tadamon CSO Pandemic Accelerator to support Afghanistan.

Financial Performance: The Bank's financial performance was strong in 2022 with the reported OCR's net income of ID173.1 million in 2022, which was 62% higher when compared to 2021's net income of ID106.9 million. The Bank also successfully maintained the AAA rating KPI as all four international credit rating agencies, namely S&P, Fitch, and Moody's, along with MARC have reaffirmed the AAA rating of the Bank in 2022.

Building Human Capital: The Bank developed a "Talent Management Strategy" to ensure that the Bank acquires and retains quality staff. The Bank is also engaged in the rolling out of the Leadership Development Program (LDP) to prepare future Bank leaders.



The 7 Member Country Partnership Strategies (MCPSS) completed in 2022

are **Maldives, Indonesia, Senegal, Niger, Guinea, Uzbekistan & Turkmenistan.**

The formulated MCPSS are fully aligned with the Realigned Strategy 2023- 2025 of the Bank.



CHAPTER 01

INTRODUCTION



► 1.1 OBJECTIVE OF ADER

The ADER is the Bank's flagship publication that takes stock of the results generated by the diverse interventions of the Bank during the year. The ADER celebrates the achievements and highlights the challenges and opportunities for improvement. The Bank has been publishing ADER since 2017. These reports are available under the publication section of the Bank's website.

The Bank follows the tradition of other MDBs (Multilateral Development Banks), most of whom are publishing similar Development Effectiveness Reports annually across the tiers of their results frameworks.

The ADER provides an assessment of the Bank's effectiveness in bringing desired developmental results to its Member Countries and Muslim communities around the world. The report leverages the four pillars of the Results Based Management Framework (RBMF) to organize the narrative and the sections of the report. The report highlights the progress made against the four levels of the RBMF during the year 2022, and as such the chapters of the reports correspond to these pillars.

This report is one of the suites of reports

prepared by the Bank and should be read with other reports and tools developed. Each report has its clear scope. ADER focuses on the development effectiveness aspects of the Bank.

These reports are:

- **Annual Development Effectiveness Report** (Reports on the development effectiveness and consolidated results of the Bank's interventions).
- **Annual Evaluation Report** (Assesses the relevance, effectiveness, efficiency, sustainability, and other critical aspects of IsDB's interventions).
- **Annual Report**. (The Bank's yearly report documenting the organizational activities and financing aspects).



The ADER provides an assessment of the Bank's effectiveness in bringing desired developmental results to its Member Countries and Muslim communities around the world. The report leverages the four pillars of the Results Based Management Framework (RBMF) to organize the narrative and the sections of the report.



IsDB has conducted a major overhaul of its strategic framework and produced a Realigned Strategy that lays out the Bank's priorities from 2023 to 2025. The realigned strategy is titled: **“IsDB Strategic Realignment 2023-2025: Promoting Comprehensive Human Development and Sustainable Infrastructure”**

The report is also aligned with the Realigned Strategy 2023-2025 and the structure is based on the six (6) sectors of the first pillar, i.e., building green, resilient, and sustainable infrastructure, and the five (5) thematic areas of the second pillar, i.e., inclusive, human capital development (see figure 5 below). Each section highlights the results achieved from the completed projects and grants and the planned results from the new projects and grants approved in the year.

▶ 1.2 BANK'S STRATEGIC DIRECTION

IsDB has conducted a major overhaul of its strategic framework and produced a Realigned Strategy that lays out the Bank's priorities from 2023 to 2025. The realigned strategy is titled: “IsDB Strategic Realignment 2023-2025: Promoting Comprehensive Human Development and Sustainable Infrastructure”.

The Realigned Strategy addresses the three focus areas: (i) Boosting recovery; (ii) Tackling poverty and building resilience; and (iii) Driving green economic growth. Towards this goal, IsDB's interventions in the next 3 years will be driven by two key pillars.

The First one aims at supporting Green, Resilient, and Sustainable infrastructure,

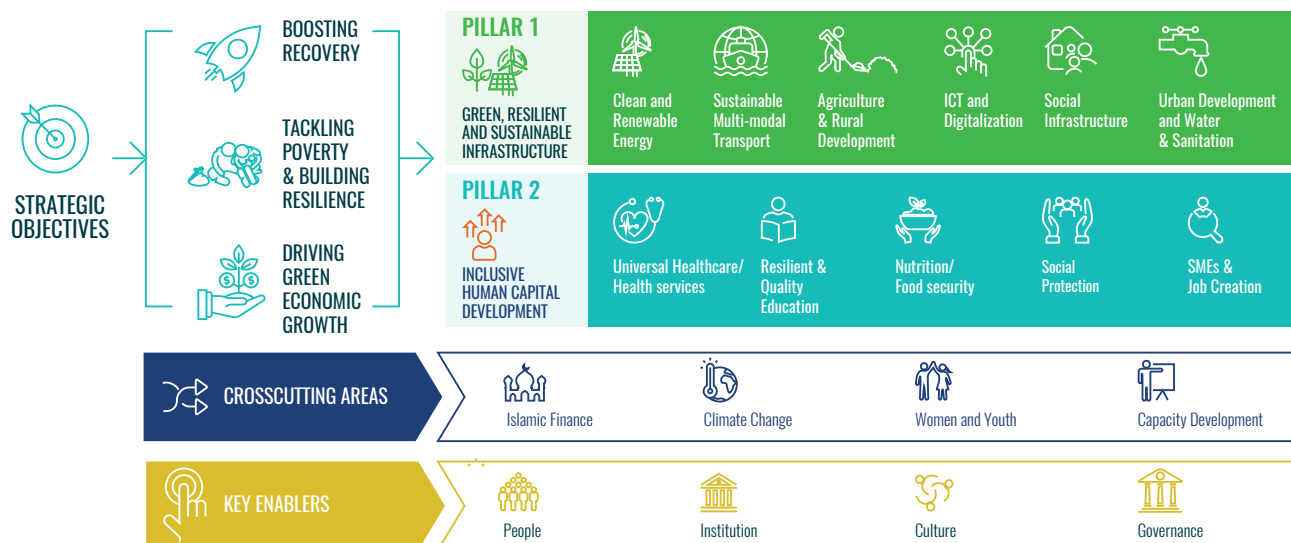
by tackling six critical infrastructure sectors: (i) Clean and Renewable Energy; (ii) Sustainable Multi-modal Transport; (iii) Agriculture and Rural Development; (iv) Information and Communication Technology & Digitization; (v) Social Infrastructure; and (vi) Urban Development, Water and Sanitation.

The Second Pillar promotes inclusive human capital development by focusing on 5 thematic areas: (i) Universal Healthcare; (ii) Resilient and Quality Education; (iii) Nutrition and Food Security; (iv) Social Protection; and (v) MSMEs and Job Creation.

To support these pillars, four cross-cutting enablers were identified, namely: Islamic Finance, Climate Change, Women and Youth, and Capacity Development. Additionally, The Strategy's Implementation will be driven by four guiding principles: (i) responsiveness to MCs; (ii) drive for results; (iii) strong regional presences; and (iv) enhanced Group Synergy under the “One Group - One Goal” approach which aims at enabling IsDBG entities to work together to offer holistic services to the MCs.

Toward a seamless implementation of the realigned strategy, in early 2022 IsDB launched Phase II of the exercise to ensure institutional readiness in various aspects related to the Bank's organizational

Figure 5: Framework of the Realigned Strategy (2023-2025)



structure, human resources, culture, systems, processes, etc. To this end, the Bank's different business units worked collectively to achieve some key initiatives.

In this regard, the Bank conducted a major institutional realignment by adopting a fine-tuned organizational structure in September 2022. In conjunction with this, an entire revision of the Bank's Organizational Manual, Charters of the Managerial Committees, and Business Processes was finalized. Also, the necessary revision of the Delegation of Authority (DoA) matrixes has been completed.

Similarly, the IsDB conducted a major operational Realignment to ensure the adoption of the strategy. Remarkable progress was achieved in enhancing the Bank's operations business delivery model, by empowering staff, particularly at the Regional Hubs and project technical teams, through delegating operations authorities, aiming at enhancing operational efficiency. Furthermore, the Bank started formulating a revamped Member Country Partnership Strategy (MCPS) for Strategic engagements with the MCs.

The Bank has also laid solid ground for operational efficiency by adopting an Integrated Work Program (IWP) for 2023-2025 and developing a Results-Based Management Framework (RBMF). Going forward, IsDB will focus on expanding partnerships and mobilizing additional financing to scale up its financing to ensure the successful implementation of the Realigned Strategy.

► 1.3 METHOD AND LIMITATIONS

Progress on socio-economic indicators is analyzed from data sources maintained by international organizations such as the World Bank and the IMF. Aggregations at Member Countries and regions are calculated in-house.

The results generated by the Bank's interventions are recorded at the time of



physical completion of the projects in the Operation Management System (OMS). The seventy Core Results Indicators (CRIs) are the only indicators reported in the ADER which represent a subset of a bigger list of indicators used in the Logical Framework of projects. The results are aggregated, analyzed, and verified by the Project Completion Reports (PCRs) whenever available. Level II results indicate the Bank's contribution towards attaining project outcomes where other co-financiers have also contributed financially and hence no attribution is claimed solely to the Bank in these co-financed projects.



Toward a seamless implementation of the realigned strategy, in early 2022 IsDB launched Phase II of the exercise to ensure institutional readiness in various aspects related to the Bank's organizational structure, human resources, culture, systems, processes, etc.

CHAPTER 02

DEVELOPMENT PROGRESS IN MEMBER COUNTRIES (LEVEL 1)



The Chapter 2 (level I) traces the socio-economic landscape globally, and benchmarks that against the situation in the Member Countries. This analysis gives the Bank an opportunity to align its strategy with global development.

► 2.1 ECONOMIC GROWTH AND FORECAST IN ISDB MEMBER COUNTRIES

The economy of IsDB Member Countries (MCs) is estimated to grow at 5.1 percent in 2022, slightly slowing from 5.4 percent in 2021 due to challenging external economic conditions, especially in the major economic powers, and the spillover effect of the Eastern Europe crisis. The projection still indicates a strong position due to the gains made by the energy-exporting MCs, who are net gainers from higher energy prices (Figure 6).

In 2023, some growth deceleration is forecasted for MCs at 4.0 percent, owing to lower energy prices projection and the easing financial conditions in the major trading partners. The forecasts reflect the variability of the economic activities of IsDB MCs, where some are forecasted to gain from high commodity and energy prices. In contrast,

some of the net oil and commodity-importing MCs are predicted to lose.

Non-fuel exporting MCs are still projected to be the significant drivers of growth in 2022 and 2023, with projected growth of 5.4 percent and 4.3 percent in 2022 and 2023, respectively. However, this is a deceleration from 6.1 percent in 2021. Meanwhile, growth in fuel exporting MCs is expected to rise from 4.3 percent in 2021 to 4.6 percent in 2022 before dipping to 3.4 percent in 2023, against the backdrop of tighter global financial conditions in advanced economies, higher inflation, and other challenging global economic conditions.

At the regional level, the growth outlook for 2022 appears to remain optimistic across all IsDB geographical categories relative to the rest of the world despite the slight downgrade for 2023 (Figure 6). Growth in the IsDB MENA MCs is expected at 5.5 percent in 2022, up from 4.1 percent in 2021, making it the fastest-growing IsDB region. It will, however, soften to 3.9 percent in 2023,

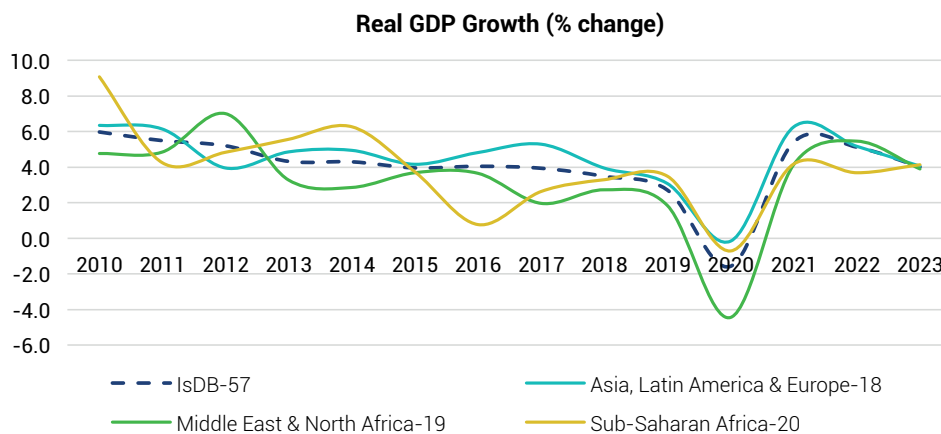


At the regional level, the growth outlook for 2022 appears to remain optimistic across all IsDB geographical categories relative to the rest of the world despite the slight downgrade for 2023



Non-fuel exporting MCs are still projected to be the significant drivers of growth in 2022 and 2023, with projected growth of **5.4 percent and 4.3 percent in 2022 and 2023, respectively.**

Figure 6: Real GDP Growth (% change)



Source: IsDB Economic Research and Statistics (ERS) calculations based on IMF-WEO October 2022



Asia, Latin America, and Europe (ASIA) region of the IsDB MCs has the second highest estimated GDP growth rate of **5.2** percent in 2022 from **6.3** percent in 2021, followed by the IsDB Sub-Saharan Africa (SSA) region with a growth forecast of **3.7** percent in 2022 compared to **4.2** percent in 2021, reflecting the effect of growing economic crisis and the spillover effect of the East Europe crisis.

with much of the growth coming from the fuel-exporting countries in the region. Asia, Latin America, and Europe (ASIA) region of the IsDB MCs has the second highest estimated GDP growth rate of 5.2 percent in 2022 from 6.3 percent in 2021, followed by the IsDB Sub-Saharan Africa (SSA) region with a growth forecast of 3.7 percent in 2022 compared to 4.2 percent in 2021, reflecting the effect of growing economic crisis and the spillover effect of the Eastern Europe crisis.

All IsDBMC economies are projected to grow in 2022, except Libya and Sudan. Guyana is

expected to have the highest growth rate of 57.8 percent, followed by Iraq (9.3 percent), Maldives (8.7 percent), Kuwait (8.7 percent), and Saudi Arabia (7.6 percent) (Table 3). Guyana's oil per capita will be the highest in the world because of the discovery and exploitation of substantial offshore reserves, which is expected to expand the economy significantly. In contrast, Libya is projected to contract at 18.5 percent and Sudan by 0.3 percent. Other MCs with lower growth rates in 2022 include Morocco (0.8 percent), Turkmenistan (1.2 percent), and Brunei (1.2 percent) (Table 4).

Table 3: IsDB MCs with the highest real GDP growth forecast for 2022 (Percent)

Member Country	Estimate	Projection	
	2021	2022	2023
Guyana	23.8	57.8	25.2
Iraq	7.7	9.3	4.0
Maldives	37.0	8.7	6.1
Kuwait	1.3	8.7	2.6
Saudi Arabia	3.2	7.6	3.7
Bangladesh	6.9	7.2	6.0
Niger	1.3	6.7	7.3
Egypt	3.3	6.6	4.4
Pakistan	5.7	6.0	3.5
Benin	7.2	5.7	6.2

Source: IMF-WEO October 2022

This is as per the IMF available data at the time of preparation of report

Table 4: IsDB MCs with lowest real GDP growth forecast for 2022 (Percent)

Member Country	Estimate	Projection	
	2021	2022	2023
Libya	28.3	-18.5	17.9
Sudan	0.5	-0.3	2.6
Morocco	7.9	0.8	3.1
Turkmenistan	4.6	1.2	2.3
Brunei	-1.6	1.2	3.3
Suriname	-3.5	1.3	2.3
Somalia	2.9	1.9	3.1
Yemen	-1.0	2.0	3.3
Tunisia	3.3	2.2	1.6
Jordan	2.2	2.4	2.7

Source: IMF-WEO October 2022

This is as per the IMF available data at the time of preparation of report

► 2.2 PROGRESS TOWARDS SUSTAINABLE DEVELOPMENT GOALS

The United Nations (UN) 2030 global development agenda was assumed to tackle major global challenges through 17 Sustainable Development Goals (SDGs) and its 5P dimensions (Figure 7). The agenda is universal and ambitious by design; it is apparent that to attain these goals, collective efforts and partnerships are necessary. Unfortunately, improving the living standards of millions through achieving SDGs is hampered due to the COVID-19 pandemic and the East European crisis. More country and SDG-specific interventions are needed in assisting MCs to move in the right direction toward achieving the SDGs.

IsDB MCs' overall SDG score is 62.2 in 2022 suggesting that IsDB as a group is slightly over 60 percent to achieving the seventeen (17) SDGs. Thus, IsDB MCs as a group need to accelerate their development efforts if they are to attain the 2030 SDG targets. In terms of the average scores of 17 SDGs and their classifications, the good news is that there is no SDG of IsDB MC in the very unsatisfactory category and SDG 9 (Industry, Innovation, and Infrastructure) is

the only SDG in the unsatisfactory category. Six (6) out of seventeen (17) SDGs are in the category of fair performance with an achievement ranging from 40 percent to 60 percent. Eight (8) SDGs, namely SDG 1 (No Poverty), SDG 4 (Quality Education), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequality), SDG 14 (Life Below Water), SDG 15 (Life on Land), and SDG 16 (Peace, Justice, and Strong Institutions) fall into the satisfactory category. Two (2) SDG score very satisfactory achievement, which are SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). These are the only SDGs with more than 80 percent of achievements.

When viewed from the 5Ps dimensions (People, Planet, Prosperity, Peace, and Partnership), IsDB MCs face the greatest challenges in the dimension of Prosperity. The prosperity dimension has the lowest score due to low achievement on SDG 9 (Industry, Innovation, and Infrastructure). On the other hand, IsDB MCs performed well on the Planet dimension. Planet dimension's highest score is related to the high achievements on SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).



IsDB MCs as a group need to accelerate their development efforts if they are to attain the **2030 SDG** targets.

Two (2) SDG score very satisfactory achievement, which are SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). These are the only SDGs with more than 80 percent of achievements.

Figure 7: 17 SDGs and 5Ps



Source: IsDB Institute "Reaching the SDGs: Progress of the IsDB Member Countries, 2022"

Figure 8: IsDB MCs SDGs Achievement by 17 Goals, 2022



There is wide variation among IsDB Member Countries in achieving the SDG targets. In addition, SDG priorities differ from country to country. This information reflects a need for IsDB to adopt a more country-focused approach when assisting its MCs with their development initiatives towards attaining the SDG goals and increasing its cooperation with MCs in identifying and tackling SDGs of specific concern to countries.

Figure 9: IsDB MCs SDGs Achievement Score by the Five Dimensions (5Ps), 2022

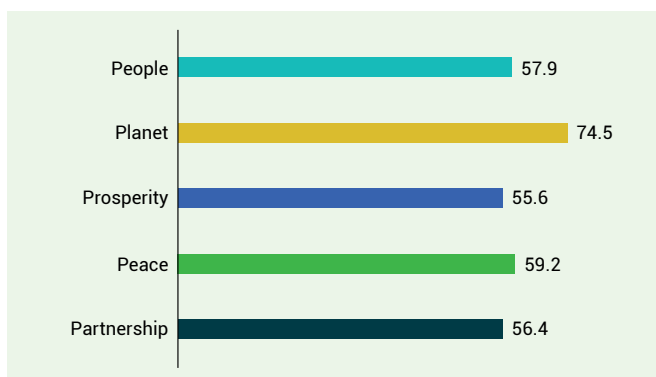















Table 5: Selected Socio-Economic Indicators

	IsDB	World
 Mortality rate, under-5 (per 1,000 live births)	46.3	36.6
 Maternal mortality ratio (per 100,000 live births)	266.7	211.0
 People using at least basic drinking water services (% of the population)	86.2	90.0
 People using safely managed sanitation services (% of the population)	43.8	54.0
 Gross enrolment ratio, secondary, total (%)	67.6	76.8
 Government expenditure on education as % of GDP (%)	3.9	4.3
 Labour force - 15+ - female (participation rate)	38.8	47.4
 School enrollment, secondary, female (% gross)	67.6	76.3
 Access to electricity (% of the population)	80.9	90.4
 The unemployment rate, total (% of the total labor force)	7.2	6.2
 Individuals using the internet (% of population)	47.0	59.6
 Manufacturing, value added (% of GDP)	16.4	16.6
 Industry including construction, value added (% of GDP)	36.7	27.6

The results show that there are disparities between MCs' progress and the challenges due to the vast geographical distribution. However, there are also some commonalities among MCs. The most challenging goal is SDG 9 (Industry, Innovation, and Infrastructure) and it is an urgent top priority for more than 55 percent of MCs. Substantial progress is required since industry, innovation, and infrastructure are key drivers of economic growth and prosperity. The second most challenging goal is SDG 5 (Gender Equality), which shows the gender gap and the need for promoting women's empowerment in our MCs.

In conclusion, while overall progress has been made in IsDB MCs, challenges remain and there is a long road ahead to achieve the SDG targets by 2030. The results show that there is still much work to be done to reach the targets and IsDB should further accelerate the development activities in partnership with other development partners and stakeholders. IsDB has a significant role to support MCs to overcome roadblocks to development and continue to make progress toward the SDGs.

The table 5 lists a set of selected socio-economic indicators comparing the aggregate values of all IsDB Member Countries against all countries.

▶ 2.3 EFFECT OF FOOD CRISIS ON MCS

The East European crisis induced another unprecedented disruption to the global economy after the COVID-19 pandemic ravaged economies, pushing millions into poverty, and raising hunger globally. The situation is estimated to worsen after the outbreak of the East European crisis because Russia and Ukraine are one of the world's breadbasket, accounting for 14 percent of world wheat production, 30 percent of world wheat export, and 60 percent of global production of sunflower oil. The disruptions in the cereal production and exports of these countries have threatened to cause a global cereal shortage and cause grain price hikes.

The global food price index has kept rising in both nominal and real terms since 2019, triggered by the COVID-19



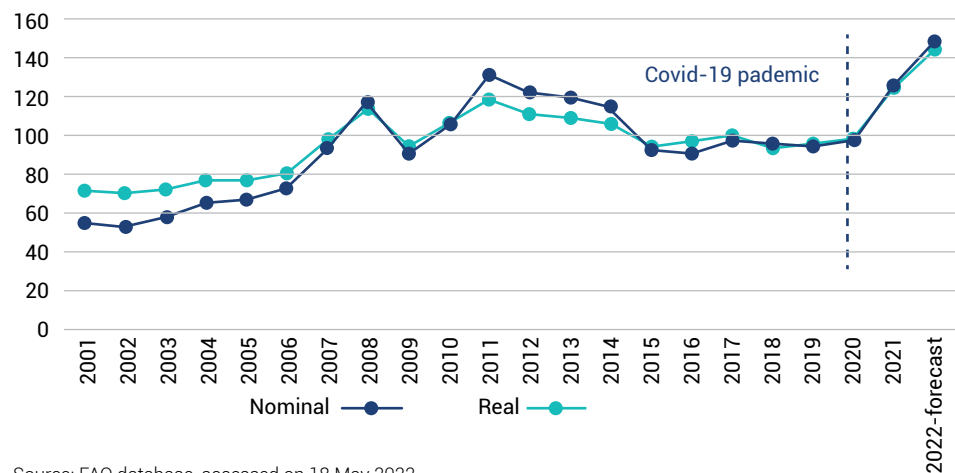
IsDB has a significant role to support MCs to overcome the roadblocks to development and continue to make progress toward the SDGs.



Results show that food vulnerability is high in many IsDB MCs, and 10 MCs face this with weak food resilience.

MCs with high food resilience and low food exposure, such as Azerbaijan, Malaysia, Suriname, Türkiye, and Guyana, have the potential to provide food support to other MCs at risk.

Figure 10: FAO Food Price Index



Source: FAO database, accessed on 18 May 2022

pandemic and now fueled by the East European crisis. From 2019 to 2021, the nominal food price index increased 32.2 percent, because of the slowly recovering world economy and demand picking up from pre-recession. With the current East European crisis, nominal food prices are expected to increase further by 18.3 percent in 2022 compared to 2021. Similar trends are observed in the real food price index, which rose by 30.8 percent between 2019 and 2021. By the end of 2022, with impacts aggravated by the East European crisis, real food prices are forecast to increase further by 16.3 percent from 2021. The increases in food prices are led by cereals, followed by oils, and dairy products. The first two are among the major products supplied by Russia and Ukraine to the world.

▶ 2.4 IsDB MCs' FOOD SECURITY AND IMPLICATIONS FOR IsDB

Food vulnerability illustrates the exposure of MCs to food trade, their dependency on cereal imports, their positions on the global hunger index, and the number of people that face severe food insecurity in the country. Thus, a country is highly vulnerable if it has severely food insecure people, a high food deficit, and high cereal

import dependency, and it is classified among countries in high hunger situations. Meanwhile, food resilience indicates the potential and capacity a Member Country can use to boost food security through financial muscles, climate, and agricultural activity. The financial muscle is measured using net external financing needs (% of GDP), climate by precipitation, agricultural activity by arable lands (% of total lands), and arable lands equipped with irrigation systems (% of arable lands).

Results show that food vulnerability is high in many IsDB MCs, and 10 MCs face this with weak food resilience. These countries require close monitoring for emergency support. MCs with high food vulnerability and moderate food resilience are also recommended to be closely monitored. In population terms, out of 152 million people that face severe food insecurity in 28 MCs, 112 million come from MCs with high food vulnerability. MCs with high food resilience and low food exposure, such as Azerbaijan, Malaysia, Suriname, Türkiye, and Guyana, have the potential to provide food support to other MCs at risk.

EFFECT OF COVID-19 ON MCs

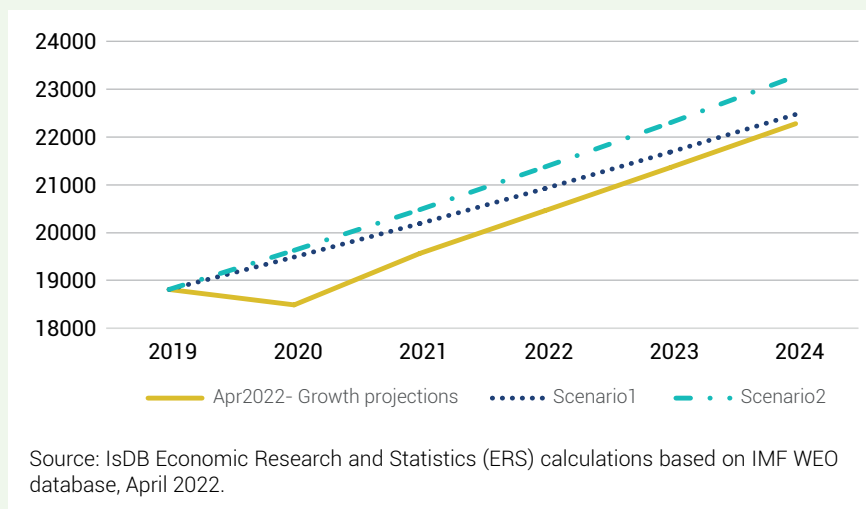
The COVID-19 pandemic has deeply affected the economic performance and prospects of IsDB MCs. Like its consequences at the global level, the pandemic has disrupted economic activity in MCs and heightened development challenges, in particular the fulfilment of the 2030 sustainable development agenda.

The pandemic has had undeniably devastating, long-lasting impacts on global development and affected different MCs and demographic groups unevenly. 80% of MCs experienced a decrease in their per capita real GDP in 2020. Out of 25 IsDB Least Developed Member Countries (LDMCs), 21 have seen their per capita real GDP decline, suggesting a rise in poverty and a reversal in income convergence between developing and developed countries.

Growth rebounded in 2021 and commodity prices started increasing to the recovery in global demand. By 2022, the recovery trajectory was disrupted by yet another shock, which is the crisis in East Europe. The East European crisis induced a negative spillover, which was transmitted through soaring prices in the energy and food commodities markets, leading to spiraling inflation, and monetary tightening.

Consequently, growth in IsDB MCs is forecast to slow down from 5.4% in 2021 to 5.1% in 2022 and to about 4.3% over the medium term. The combined impact of the pandemic and the East European crisis could translate into an estimated cumulative loss in terms of real GDP ranging from US\$ 2.6 trillion to US\$ 4.9 trillion between 2020 and 2024, compared to pre-crisis trend—that is determined in two different scenarios (Figure 11)³.

Figure 11: Trends in Real GDP of IsDB MCs - Constant GDP PPP 2017 US\$ (billion)



³ The magnitude of the loss depends on the assumptions about pre-crisis trend. In the upper-case scenario (scenario 2), the pre-crisis trend is determined using the average growth rate between 2010 and 2019. In the lower-case scenario (scenario 1), the trend is determined using the average growth rate between 2015-2019. During the latter period, real growth was slower, due to the sharp decline in fuel prices from 2015.



“

Consequently, growth in IsDB MCs is forecast to slow down from **5.4%** in 2021 to **5.1%** in 2022 and to about **4.3%** over the medium term.

Based on the IMF WEO April 2022 projections, about 26 MCs lag in their pre-pandemic per capita real GDP in 2022 (of which 13 are LDMCs). By 2024, it is estimated that 14 MCs⁴ would still lag their pre-pandemic per capita real income (of which 8 are LDMCs).

Figure 12: IsDB LDMCs, Percent Change in Per Capita Real GDP 2019-2022

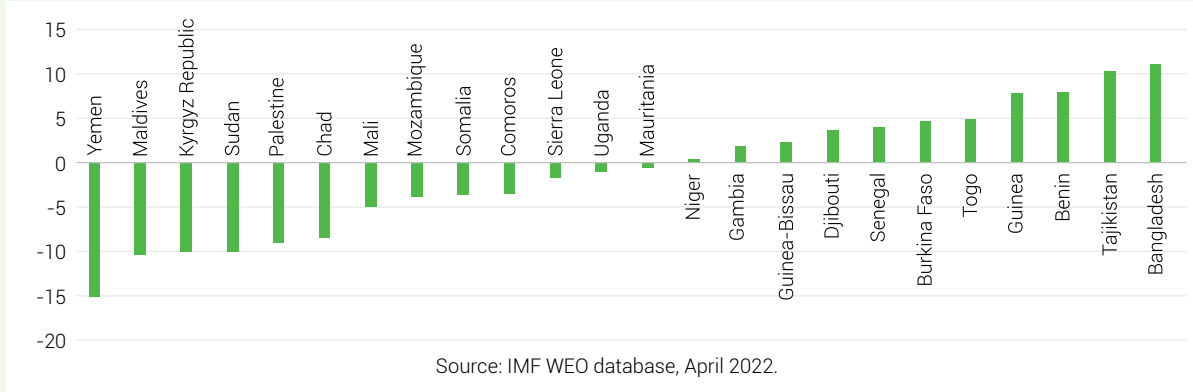
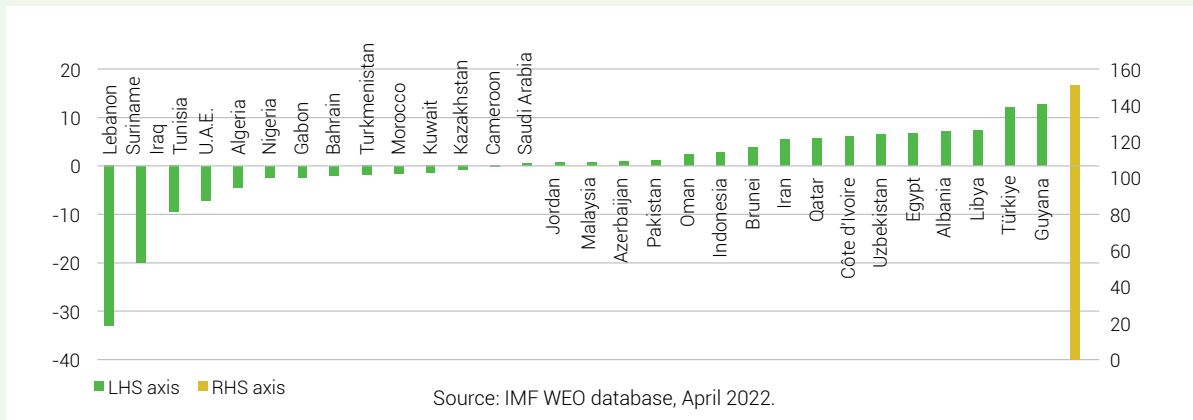


Figure 13: IsDB non-LDMCs, Percent Change in Per Capita Real GDP 2019-2022



4 These exclude Afghanistan, Syria, and Tunisia for which data is missing.





CHAPTER 03

DEVELOPMENTAL RESULTS OF BANK'S OPERATIONS (LEVEL 2)



This chapter highlights key developmental results the Bank's interventions have brought to the Member Countries and Muslim communities in non-Member Countries

The Bank tracks the development effectiveness of its projects at three main stages: at approval, during implementation, and at completion. Level 2 measures development results, which are defined as project outputs and immediate outcomes. This chapter is organized along the two strategic pillars and cross-cutting thematic areas of the Realigned Strategy 2023-2025. The planned key results described in this chapter are captured from 46 projects and 131 grants and trust fund operations approved during 2022, whereas the actual results are extracted from 50 projects and 132 grants completed during 2022. In addition to the Bank's publicly financed projects, the chapter highlights key achievements from grants, technical assistance, and special trust funds managed by the Bank. The following box highlights some key special and trust funds.



IsDB Management Funds

ISFD

The Islamic Solidarity Fund for Development (ISFD) was established in 2007 as a special fund within the IsDB Group with the dedicated purpose of financing productive and service projects and programs that help in reducing poverty in Member Countries (MCs) of the OIC. ISFD provides grants and concessional financing to MCs in tackling extreme poverty by reducing unemployment, fighting diseases and epidemics, eliminating illiteracy, and building the capacities of MCs.



The fund has approved US\$ 1.2 billion since inception, of which US\$ 48.7 million was approved in 2022.

KAAP

The Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz Program for Charity Works (KAAP) is a trust fund founded in 2007 by the late King Abdullah bin Abdulaziz Al Saud. The Program is implemented by the Islamic Development Bank (IsDB) in coordination with the King Abdullah Humanitarian Foundation (KAHF) to alleviate the suffering of needy people and victims of natural disasters and conflicts. The Fund's operations have reached a total allocation of US\$ 693 million.



The planned key results described in this chapter are captured from **46** projects and **131** grants and trust fund operations approved during 2022, whereas the actual results are extracted from **50** projects and **132** grants completed during 2022.



In 2022, the Bank has completed eight agriculture and rural development projects, contributing to the irrigation of over **5,000** hectares of land. These projects have helped in the capacity building of over **838** farmers' organizations.

LLF

In 2016, The Islamic Development Bank, together with 5 development partners launched the US\$ 2.5 billion Lives and Livelihoods Fund (LLF). The LLF is a joint vision of the Islamic Development Bank (IsDB) with the Abu Dhabi Fund for Development (ADFD), the Bill and Melinda Gates Foundation (BMGF), the Islamic Solidarity Fund for Development (ISFD), the King Salman Humanitarian Aid and Relief Center (KSRelief), and the Qatar Fund for Development (QFFD).



The LLF's objective and mission is to increase funding for projects benefiting the poorest and most vulnerable in eligible Member Countries, targeting key drivers of poverty i.e., health, agriculture, and basic infrastructure. Since its inception in 2016, the fund has been transforming the lives of thousands of people through 37 projects in the fields of healthcare, agriculture, and basic infrastructure in 22 IsDB's least-developed and lower-middle-income Member Countries. LLF since inception has approved approx. US\$ 1.5 billion in concessional financing through a unique financing model that combines grants from regional and international donors with the lending capital of IsDB. In 2022 LLF approved project financing amounting to US\$ 39 million.

Al-Aqsa Fund

In October 2000, an emergency Arab Summit was held in Cairo to establish vital funding support and financial mechanisms to support the socio-economic development and reconstruction of Palestine. The Arab League created the Al-Aqsa Fund to provide support to the Palestinian economy, entrusting the IsDB to manage the funds. As part of the Al Aqsa fund, the IsDB is managing trust funds contributed by the Arab Fund for Economic and Social Development, Arab Monetary Fund, Arab Bank for Economic Development in Africa, Kuwait Fund for Development, Saudi Fund for Development, and other donors. The total portfolio is over US\$ 2 billion, with new approvals in 2022 of approximately US\$ 50 million.



► 3.1 PILLAR 1: GREEN, RESILIENT & SUSTAINABLE INFRASTRUCTURE



AGRICULTURE & RURAL DEVELOPMENT



Approved Projects

In 2022, the Bank approved 15 agriculture and rural development projects (worth US\$ 807.7 million) ten of them in the Sub-Saharan region. These projects, when completed, are expected to yield promising results for the communities. Table 6 below provides more details.



Completed Projects

In 2022, the Bank has completed eight agriculture and rural development projects, contributing to the irrigation of over 5,000 hectares of land. These projects have helped in the capacity building of over 838 farmers' organizations. Moreover, over 11,000 tons of livestock production increased due to 80,000 livestock heads bred or raised. More result indicators are given in table 7 below.

Table 6: Agriculture & Rural Development Planned Result Indicators

Result Indicator	Planned Results
Agricultural storage capacity built or upgraded (tons)	736,845
Area irrigated (hectares)	18,150
The capacity of public institutions (e.g., Ministry of Agriculture/ livestock) built	100
Crop production increased (tons)	248,950
Crop productivity increased (tons/hectare)	15,485
Farmers' incomes increased	11,500,050
Farmers benefited from agricultural services and investments (number)	7,798
Improved yielding seeds introduced	480
Jobs for farmers created	60,000
Livestock production increased (tons)	2,000
Seed production and processing facilities established	8
Water resources developed for multiple uses (m ³)	2,500

Table 7: Agriculture & Rural Development Completed Result Indicators

Result Indicator	Achieved Results
Agricultural commodities linked to value chains (number)	40
Agricultural storage capacity built or upgraded (tons)	176
Animals vaccinated	80,000
Area irrigated (hectares)	5,155
The capacity of public institutions (e.g., Ministry of Agriculture/ livestock) built	101
Crop production increased (tons)	54,260
Farmers' organizations capacity built or trained	838
Improved yielding seeds introduced	600
Livestock heads bred or raised	80,000
Livestock herders'/pastoralists associations established	20,000
Livestock production increased (tons)	11,034
A new irrigation network was designed and installed	225
The number of animals having access to forage increased	100,000
Seed production and processing facilities established	5

IN THE SPOTLIGHT 01

BUILDING RESILIENCE TO RECURRING FOOD INSECURITY PROGRAM - BURKINA FASO



1: Distribution of Small Ruminants in Nacer - Burkina Faso for Building Resilience to Recurring Food Insecurity Program



2: Beneficiaries in their Field (Cow/Pea Production) - Burkina Faso for Building Resilience to Recurring Food Insecurity Program

This project – which was completed in 2022 - aims at contributing to warding-off droughts and famine that devastate populations and sets-back the economic and social achievement resulting from a decade of positive economic growth. More specifically, the project aims at securing the livelihood of the targeted rural population, developing their capacity to adapt to climate change, and helping decision-makers to have the necessary information to manage the food crises. The following are the key results achieved.



225

new irrigation networks designed and installed.



5,000

tons of livestock feed constituted in livestock feed banks.



80,000

animals vaccinated.



90

warehouses were built with a total capacity of 11,550 tons to store essential food



Notable Projects

- ▶ In 2022, the Bank has completed the **Integrated Agricultural Development Project in Kef and Kasserine Governorates in Tunisia** which has resulted in an increase of 218,000 tons of crop production in the catchment area.
- ▶ The **Phase II of the Integrated Rural Development Project of the District of Kita, Mali** has also been completed successfully which has helped in increasing over 12,000 tons of crop production with an irrigated land of 1780 hectares.
- ▶ **Phase III of the Hydro-Agricultural Development Project in Upper Sassandra and Fromager Regions in Cote d'Ivoire** was approved in 2022, and when completed this project is expected to improve the income of 11.5 million farmers.
- ▶ ISFD has participated in the **Sustainable Village Project in Kyrgyzstan** which was completed successfully in 2022 and resulted in the irrigation of 2,000 hectares.
- ▶ In **Palestine and through Bank's managed funds, 72,000 hectares of land have been revitalized.**



Approved Projects

In 2022, the Bank has approved eight (8) transport projects with an allocation of US\$ 1.2 billion, in Côte d'Ivoire, Guinea, Guinea-Bissau, Guyana, Kyrgyz Republic, Senegal, Uganda, Uzbekistan. Together, these projects will benefit 2.6 million people and enable them access to improved transportation services. Table 8 below provides more details.



Completed Projects

In 2022, the Bank has completed six (6) transport projects in Chad, Cote d'Ivoire, Kyrgyzstan, Senegal, and Tajikistan. The projects in Kyrgyzstan and Senegal together have granted access to improved transportation services to over 380,000 people per day. These projects were able to build or upgrade 1,140 km of mostly rural roads. Table 9 below provides more details.

Table 8: Sustainable Transport Planned Results

Result Indicator	Planned Results
Expressways/highways built, upgraded, or rehabilitated (kilometer)	888
Local/rural roads built, upgraded, or rehabilitated (kilometer)	938
People with improved access to transportation services increased (number)	2,607,452

Table 9: Sustainable Transport Completed Results

Result Indicator	Achieved Results
The capacity of transport or logistics gateways/hubs increased (tons, per year)	10,000
Expressways/highways built, upgraded, or rehabilitated (kilometer)	194
Local/rural roads built, upgraded, or rehabilitated (kilometer)	946
People with improved access to transportation services increased (number)	380,000
Railway tracks constructed, upgraded, or rehabilitated (kilometer)	72



In 2022, the Bank has approved eight (8) transport projects with an allocation of **US\$ 1.2 billion**, in Côte d'Ivoire, Guinea, Guinea-Bissau, Guyana, Kyrgyz Republic, Senegal, Uganda, Uzbekistan. Together, these projects will benefit 2.6 million people and enable them access to improved transportation services.

IN THE SPOTLIGHT 02

REGIONAL EXPRESS TRAIN (DAKAR CITY CENTER TO AIBD AIRPORT) - SENEGAL



3: Regional Express Train (Dakar City Center to AIBD Airport) 1



4: Regional Express Train (Dakar City Center to AIBD Airport) 2

The Bank completed the Regional Express Train project in 2022. The project connects the Dakar City Center to AIBD Airport in Senegal through 55 km of railway tracks.

The project aims to provide a sustainable transport mode that will help meet the increasing demand and improve efficiency in the transport sector in the country. This project has helped reduce travel time between the Dakar city center to the City of Diamniadio from 1.5 hours to 0.5 hours, improving overall railway transport efficiency, reducing operating costs, in addition to improving safety, and reducing air pollution (estimated at 17,000 tons of CO₂/year). The project can accommodate the increased flow of travelers induced by the operation of the Express Train line from 15,000 to 80,000 passengers/day.

The project took 5.4 years to complete. The Bank has contributed EUR300 million to this project, where other co-financiers such as the **African Development Bank contributed EUR183 million**, and the **French Development Agency contributed EUR100 million**.



Notable Projects

- ▶ The **Daraw Solar Power SAE (Scatec Solar)** was a **Public-Private Partnership project** which has increased the capacity of transport or logistics gateways/hubs by 10,000 tonnes per year.
- ▶ The **72 km Soesdyke-Linden Highway Project in Guyana** is approved in 2022, and when completed is promised to grant access to over 1 million population to transportation services.
- ▶ **Under the Al-Aqsa and Al-Quds Fund, 690km of roads have been paved and constructed in Palestine.**



CLEAN & RENEWABLE ENERGY



Approved Projects

In 2022, the Bank approved five (5) energy sector projects with a total allocation of US\$ 370 million in Guinea, Pakistan, Uganda, and Uzbekistan. Once completed, these projects will connect over 5 million people to the electricity grid. Table 10 below provides more details.



Completed Projects

The completed energy generation projects are expected to grant access to electricity to 13 million people with a generation capacity of 1,130 MW. Table 11 below provides more details.

Table 10: Clean & Renewable Energy Planned Results

Result Indicator	Planned Results
Energy Efficiency Improvement - Loss reduced per year (%)	20
Greenhouse gas (GHG) emissions reduced (tons, CO ₂ equivalent)	4,178,104
Households connected to electricity (number)	5,089,300
Installed energy generation capacity using renewable sources (MW equivalent)	802
Substations, Installed, upgraded, or Rehabilitated (MVA)	229
Transmission /distribution lines installed, upgraded, or rehabilitated (kilometer)	1,232

Table 11: Clean & Renewable Energy Completed Results

Result Indicator	Achieved Results
Households connected to electricity (number)	12,809,848
Installed energy generation capacity using non-renewable sources (MW equivalent)	13,850
Installed energy generation capacity using renewable sources (MW equivalent)	580
Length of Oil/Gas pipes installed	47
Substations, Installed, upgraded, or Rehabilitated (MVA)	1,772
Transmission /distribution lines installed, upgraded, or rehabilitated (kilometer)	56



IN THE SPOTLIGHT 03

WEST CAIRO POWER PLANT PROJECT – EGYPT



5: West Cairo Power Plant Project - Turbine and Generator 1



6: West Cairo Power Plant Project - Turbine and Generator 2

The project involves the construction and operation of one electric-generating steam turbine unit of 650 MW within a rural farming region adjacent to the Cairo metropolitan area. It is on the West bank of the Nile River, approx. 12 km west of Cairo city. The project contributed to promoting Egypt's economic growth, improving the living standards of people, and satisfying the increasing electricity demand. It helps in meeting the rising needs of agriculture, industry, tourism, and services.

The Bank has contributed US\$ 188 million to this project whereas other co-financiers (Arab Coordination Group) contributed USD398 million. The following are the key results achieved.

Result Indicator	Achieved Results
Households connected to electricity (number)	12,809,848
Installed energy generation capacity using non-renewable sources (MW equivalent)	13,200



Notable Projects

- ▶ As part of a **Public-Private Partnership (PPP)** a **solar power generation project is completed in Egypt** covering six locations with a total capacity of 300 MW. The Bank has contributed US\$ 75 million to this project. Using renewable energy this project has successfully saved the emission of 62,000 tons of CO₂.
- ▶ Another completed project in 2022 is the **"Access to Energy for Rural Communities" project in Togo**, which has connected 10,000 households to electricity to which the Bank contributed US\$ 11 million. The project has installed a transmission line that has extended to 1,404 kilometers.
- ▶ Among the approved projects in 2022, the **Mohmand Dam and Hydropower Project in Pakistan** is expected to generate a capacity of 800 MW.
- ▶ Another recently approved project is the **Surkhandarya power plant project in Uzbekistan** to which the Bank has contributed US\$ 100.4 million and is expected to benefit the 5 million population and would reduce 4.7 million tons of CO₂ equivalent Greenhouse gas emissions.
- ▶ Under the LLF programs and since its inception, 13,317 households and social facilities were connected to electricity, among them through 317 mini off-grid solar power plants.



Approved Projects

In 2022, the Bank has supported grant programs to foster education, entrepreneurship, and innovation among women and youth in Libya and Nigeria.



Completed Projects

The grant program on STI by the Bank has benefited over 400 enterprises in the year 2022.

Table 12: Information and Communication Technology Planned Results

Result Indicator	Planned Results
Enterprises benefited through science, technology, and innovation support (number)	1,795

Table 13: Information and Communication Technology Completed Results

Result Indicator	Achieved Results
Enterprises benefited through science, technology, and innovation support (number)	401



IN THE SPOTLIGHT 04

DJIBOUTI AFRICA REGIONAL EXPRESS 1 SUBMARINE CABLE (DARE-1)



The National Development Plan of Djibouti is to make the country a commercial and logistics hub for the region and ICT is one of the main enablers towards achieving this objective. The developmental objective of the DARE-1 project is to contribute to the socio-economic development of the Republic of Djibouti by providing efficient and reliable Information & Communication Technology Services to make Djibouti a regional ICT hub by 2024 and to contribute to providing internet access to 60,000,000 subscribers in the region by 2024. The project has successfully added 5,340 Kilometers of Fiber Optics Network.

The Bank has contributed US\$ 39 million to this project with the Government of Djibouti contributing US\$ 51 million.

The developmental objective of the DARE-1 project is to contribute to the socio-economic development of the Republic of Djibouti by providing efficient and reliable Information & Communication Technology Services to make Djibouti a regional ICT hub by 2024 and to contribute to providing internet access to **60,000,000** subscribers in the region by 2024. The project has successfully added **5,340** Kilometers of Fiber Optics Network.



7: Djibouti Africa Regional Express 1 Submarine Cable (Dare-1) 1



8: Djibouti Africa Regional Express 1 Submarine Cable (Dare-1) 2



Approved Projects

In 2022, the Bank has approved a total of US\$ 56 million on two (2) projects in Mauritania and Togo. Together these projects are expected to provide shelter and housing for 15,000 households. And to provide access to safe potable drinking water to 163,000 households and improved sanitation to another 70,000 households. Table 14 below provides more details.



Completed Projects

In 2022, the Bank has completed eight (8) projects in the sector of Water, Sanitation, and Urban Development. These projects have provided 23,614 shelters and houses to the population. Table 15 below provides more details.

Table 14: Water & Sanitation Planned Results

Result Indicator	Planned Results
Households provided access to improved sanitation (i.e., latrines, sewage system) (number)	60,953
Households provided access to safe water supply systems (number)	163,222
Potable water treatment capacity increased (m ³ /day)	1,410
Sewerage network installed or upgraded (length in kilometers)	16
Wastewater treatment capacity increased (m ³ /day)	30
Water supply network installed or upgraded (length in kilometers)	61
Households benefited from improved urban areas and services (number)	1,522
Households provided access to improved shelter/houses (number)	15,071
Shelters/houses built, upgraded, or rehabilitated (number)	12,000

Table 15: Water & Sanitation Completed Results

Result Indicator	Achieved Results
Households provided access to improved sanitation (i.e., latrines, sewage system) (number)	7,645
Households provided access to regular solid waste collection services (number)	138
Households provided access to safe water supply systems (number)	941,943
Potable water treatment capacity increased (m ³ /day)	196,870
Sewerage network installed or upgraded (length in kilometers)	24
Shelters/houses built, upgraded, or rehabilitated (number)	23,614



Notable Projects

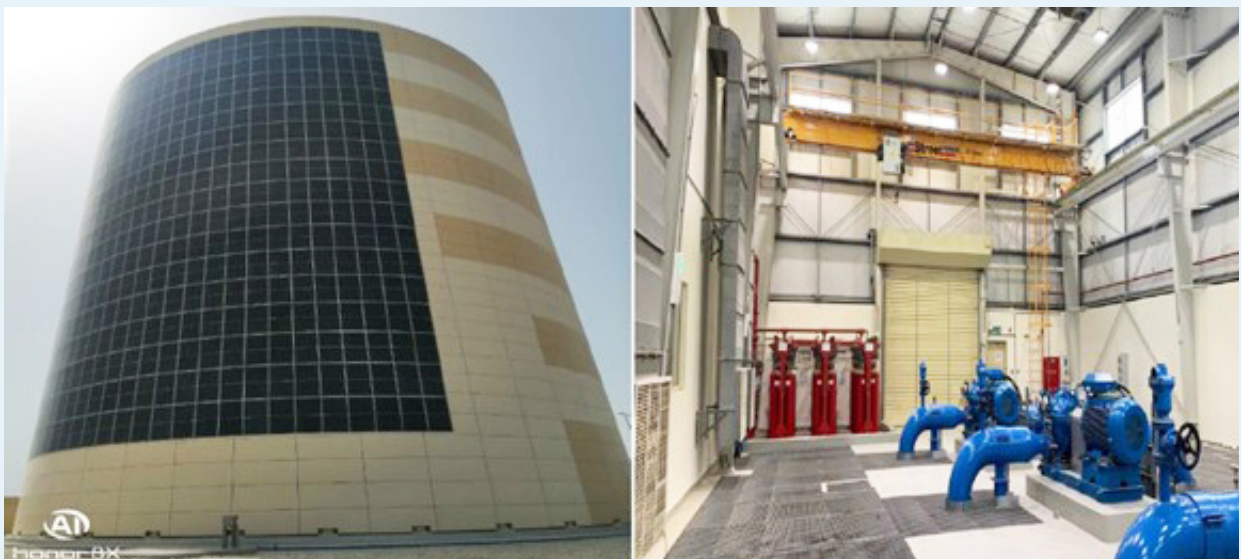
- ▶ Another project completed in 2022 was the **Modern Rural Housing project in Uzbekistan** to which the Bank contributed US\$ 148.4 million. This project has constructed 19,208 houses.
- ▶ The Bank completed the **Rice Value Chain Development Project in the Plaine of Chari-Logone** in Chad to which the Bank contributed US\$ 39.95 million. The project enabled shelter for the population with 8,687 new houses

IN THE SPOTLIGHT 05



SUPPORT TO THE NATIONAL WATER TRANSMISSION AND STORAGE INFRASTRUCTURE DEVELOPMENT (PHASE II) PROJECT-BAHRAIN

The project aims at fostering the integration and operational flexibility of the national water infrastructure and improving the water services level in all parts of Bahrain. At completion, the project allows for improvement of the quality of service, in terms of water availability, water quality, and pressure in distribution networks, achieving a continuous water supply for about 700,000 consumers in the central, northern, and western parts of Bahrain.



9: ESR with Aluminum Cladding in Nabih Saleh DS Pumps Hall in Issa Town Est DS



10: Pumps Hall in Sitra Forwarding Distillate Station FDS Variable Speed Pump/MEICA Room Sitra FDS

The Bank has contributed US\$ 120 million to this project whereas other co-financiers (Arab Coordination Group) contributed US\$ 246 million.

The project increases the available storage in the Kingdom to 655 MIG (2,977,689 m³), which is sufficient for consumers' demand for up to 3.97 days (hence providing water security for up to 4 days for the whole country). Through the additional 23 km of transmission mains (for IsDB components) that the project has installed, some 700,000 inhabitants (equivalent to 140,000 households) in the Central, Northern, and Western parts of Bahrain have access to clean and safe drinking water 24/7.



Notable Projects

- ▶ In Benin, the Bank completed a rural water supply and sanitation project with a contribution of US\$ 12.5 million. This project has provided access to safe drinking water to 224,000 households. Another 2,360 households have benefited from improved sanitation facilities.
- ▶ The completed project **"Ouagadougou Suburban Areas Development Project" in Burkina Faso** has granted access to improved sanitation to 4,500 households. The project has built a sewerage network canal extending 24 kilometers. The Bank contributed US\$ 29 million to this project.
- ▶ In **Guinea, the Conakry Water Supply Project** has provided access to safe drinking water to 1,343 households through a water supply network extending 11 kilometers. The Bank contributed US\$ 14.3 million to this project.
- ▶ Under the LLF program and since the inception of the program, over 2,150 households were granted access to potable water supply, and 97,077 households were given access to improved sanitation.
- ▶ Under the KAAP fund, 500,000 beneficiaries in Somalia benefited through 64 wells constructed.



▶ 3.2 PILLAR 2: INCLUSIVE HUMAN CAPITAL DEVELOPMENT

2
ZERO
HUNGER



NUTRITION & FOOD SECURITY



The agriculture projects described at the start of Section 3.1 in the Agriculture sector have contributed towards meeting the nutrition and food security needs of the Member Countries.

For example, the Food Security Program in Burkina Faso has successfully contributed to bringing resilience to food insecurity in the country. It has established 20,000 livestock herders' associations and has enabled 100,000 animals to have access to forage land.



11: Forage Pastoral de Tibilindi/Bani



12: Demonstration of the Use of Triple Bottom Bags

Food Security Response Program (FSRP)

In 2022, the Bank launched the Food Security Response Program to mitigate the effect of the global food crisis on Member Countries.

Anticipated Results from the Food Security Response Program (FSRP)

On 28 July 2022, the IsDB Group endorsed a US\$ 10.54 billion comprehensive Food Security Response Program (FSRP) package. The objective of the Program is to support Member Countries by complementing their national food security efforts in averting the ongoing food crisis and strengthening their resilience to future food security shocks.

The total amount of financing approved by IsDB Group so far stands at US\$ 1,412.01 million, of which US\$ 152 million worth of accelerated disbursements has been disbursed from a pool of 78 ongoing projects within the FSRP scope (at the time of preparation of the report for the year 2022).

As part of the results reporting under FSRP operations, the Bank's projects approved so far are expected to mitigate the impact of high grain prices and ensure a steady supply of essential foods thus alleviating the suffering of poor households.

Following are some key expected results from Bank's FSRP interventions:

- Procurement and supply of 780,000 tons of wheat and barley
- Building a food storage capacity of 700,000 tons that can preserve wheat and barley for 18 and 12 months respectively
- Decreased the processing time to produce groundnuts from 9 months to 5 months resulting in a production of 160,000 tons yearly
- 30,000 subsistence farmers benefited from food processing projects
- Over 11 m people are expected to benefit from the food supply and storage facilities for the next 6 months.



Approved Projects

In 2022, the Bank allocated a total of US\$ 107.7 million to the education sector covering 5 projects in Burkina Faso, Cameroon, Guinea, Tajikistan, and Uzbekistan. Together, these projects are expected to benefit 200,000 students. Table 16 below provides more details.



Completed Projects

The Bank has completed eight (8) education projects in 2022 which have benefited over 285,789 students through 1,000 educational institutions. Countries that benefited from these projects were Chad, Cote d'Ivoire, Indonesia, Kyrgyzstan, Nigeria, and Pakistan. Table 17 below provides more details.

Table 16: Resilient & Quality Education Planned Results

Result Indicator	Planned Results
Accommodation rooms built in educational institutions (number)	36
Classrooms built or upgraded in educational institutions (number)	416
Educational institutions built, upgraded, or equipped (number)	466
People provided technical or vocational skills (number)	822
Students accommodated in educational institutions (number, per year)	340
Students benefited (number, per year)	195,995
Teachers/Faculty/staff trained (number)	1,920

Table 17: Resilient & Quality Education Achieved Results

Result Indicator	Achieved Results
Classrooms built or upgraded in educational institutions (number)	1,279
Educational institutions built, upgraded, or equipped (number)	1,254
Students benefited (number, per year)	285,789
Teachers/Faculty/staff trained (number)	4,503

In 2022, the Bank allocated a total of **US\$ 107.7 million** to the education sector covering 5 projects in Burkina Faso, Cameroon, Guinea, Tajikistan, and Uzbekistan. Together, these projects are expected to benefit 200,000 students.



IN THE SPOTLIGHT 06

SUPPORT TO DEVELOPMENT OF HIGHER EDUCATION PROJECT- INDONESIA



📍 13: Support to Development of Higher Education Project- Indonesia 1



📍 14: Support to Development of Higher Education Project- Indonesia 2

The project aims at supporting the Higher Education Strategy of the GOI to develop qualified and competitive graduates needed in the workforce. It will specifically improve the access, quality, and relevance of Higher Education Institutions through renovating, expanding, and equipping existing and new facilities, and improving curricula & skills of the academic staff of seven universities.

The Bank has contributed US\$ 174 million to this project whereas another co-financier, Saudi Fund for Development (SFD) contributed US\$ 35 million.

102 Educational institutions built, upgraded, or equipped, 369,000 Students benefited /Year, 1,244 teachers /Staff trained.



Notable Projects

- ▶ The **support for basic education development in Pakistan** which has benefited almost 30,000 students through 256 new schools containing 1,163 classrooms. The project included training 2,021 teachers. The Bank has contributed US\$ 35 million to this project.
- ▶ ISFD has participated in two education sector projects in **Togo: Vocation Literacy Program and Bilingual Lower Secondary Education** which have been completed successfully. These projects have benefitted over 11,000 students.
- ▶ The KAAP Fund – since its inception - has benefited 13,257 orphans who have lost either or both of their parents in the Indonesian tsunami. In Bangladesh, 44,400 students in 185 schools, have access to quality education through the Response to Cyclone Sidr. In Somalia, 12,600 students have access to education through the construction of 35 schools. In addition, over 2,600 female college students benefitted through the **King Abdullah Girls Campus construction at the Islamic University in Niger**.
- ▶ **Under the Al-Aqsa and Al-Quds Fund, 276 schools/universities have been constructed** and/or equipped leading to provide access to quality education for Palestinian students.
- ▶ The Bank has also been extending support to foster education among the **Muslim communities in non-Member countries**. To this end, in 2022 the Bank has approved six projects with a total amount of US\$ 1.2 million in five countries, namely: (i) Infrastructure and Equipment Enhancement **Grant for Iqra Girls' Academy in Lusaka (Zambia)** with the amount of US\$ 0.2 million; (ii) Expansion of **Public Second Gymnasium School in Mostar (Bosnia and Herzegovina)** with the amount of US\$ 0.18 million; (iii) Expansion of **Vocational Training Center for Hamidiya Islamiya School Society in Panwari (India)** with the amount of US\$ 0.2 million; (iv) Expansion of **Markaz-E-Adab-O-Science Primary School in Ranchi (India)** with the amount of US\$ 0.2 million; (v) Construction of **Primary School Building within the Institute of Islamic & Secular Studies (IISS), Vallée des Prêtres, Port-Louis, Mauritius**, with the amount of US\$ 0.25 million; and (vi) The Expansion of **Rahma Pre School and Primary School, Dodoma City -Tanzania**, with the amount of 0.2 million.

Key Results from Scholarship Program

Over the past 39 years of operations, the Bank offered scholarships to 17,806 students from 122 countries worldwide (56 MCs and 66 Muslim communities in non-MCs) consisting of 15,177 for Scholarship Program for Muslim Communities (SPMC), 911 M.Sc. 1,280 Merit Scholarship Program (MSP), and 338 IsDB-ISFD. Gender representation is 70% Male and 30% Female.

During the academic year 2022, the Programs continue to monitor and support 1,528 students and scholars studying in 83 countries. As of the end of December 2022, 13,711 were from 104 countries (51 MCs and 53 Muslim communities in NMCs). The IsDB Scholarship Program is one of the few development-focused Programs that provides mid-career professionals from MCs and students from Muslim communities in non-MCs with the enhanced knowledge and skills, international exposure, and confidence needed to serve their countries.



Approved Projects

In 2022, the Bank has approved nine (9) health sector projects in different Member Countries in Asia and Africa amounting to US\$ 462.3 million. Together, these projects when completed would bring health services to over 8 million population through 800 different hospitals and health facilities. Table 18 below provides more details.



Completed Projects

The Bank has completed eight (8) health sector projects in 2022 in Kyrgyzstan, Mauritania, Niger, Pakistan, Uzbekistan, and Yemen. These projects have started to bring improved health services to over 43 million people in these countries, through 226 hospitals and health centers. Moreover, 40 million people have benefited from COVID-19 vaccinations. Table 19 below provides more details.

Table 18: Universal Healthcare Planned Results

Result Indicator	Planned Results
Health facilities constructed, upgraded, or equipped (number)	792
Health personnel trained e.g., doctors, nurses, paramedics, technicians (number)	12,455
Number of beds added to health facilities (number)	100
People benefited from in-patient hospitalization services (number, per year)	3,065,400
People benefited from outpatient services (number, per year)	5,034,000
People reached through preventive healthcare awareness campaigns (number)	2,188,000
People vaccinated against preventable diseases (e.g., Polio, COVID-19, HPV, DPT)/Year*	150,000,000

Table 19: Universal Healthcare Completed Results

Result Indicator	Achieved Results
Health facilities constructed, upgraded, or equipped (number)	226
Health personnel trained e.g., doctors, nurses, paramedics, technicians (number)	4,251
Number of beds added to health facilities (number)	1,282
People benefited from in-patient hospitalization services (number, per year)	16
People benefited from outpatient services (number, per year)	43,223,988
People reached through preventive healthcare awareness campaigns (number)	2,546,522
People vaccinated against preventable diseases (e.g., Polio, COVID-19, HPV, DPT)	43,000,000

*Construction of Manufacturing unit in Senegal which will produce 300 million doses yearly (150 million people will be vaccinated yearly for Senegal and other African countries)

The Bank has completed eight (8) health sector projects in 2022 in Kyrgyzstan, Mauritania, Niger, Pakistan, Uzbekistan, and Yemen. These projects have started to bring improved health services to over 43 million people in these countries, through 226 hospitals and health centers.

IN THE SPOTLIGHT 07

SUPPORT TO THE POLIO ERADICATION PROGRAM (PHASE-III) – PAKISTAN



15: Support to the Polio Eradication Program (Phase-III) – Pakistan 1



16: Support to the Polio Eradication Program (Phase-III) - Pakistan 2

The project “Emergency Plan for Polio Eradication (2019-2021)” which is part of the Global Polio Eradication Initiative, aims at stopping wild Poliovirus transmission in the Islamic Republic of Pakistan through Countrywide mass Polio vaccination campaigns targeting all children below five years of age, along with extensive community sensitization and mobilization as well as high standard surveillance activities.

The Bank has contributed US\$ 100 million to this project whereas other co-financiers contributed US\$ 188 million.

At completion, more than 43 million children are fully immunized against Polio for life.



Notable Projects

- ▶ The Bank completed the **National Program for Reproductive Health project in Mauritania** to which the Bank contribute US\$ 2.6 million. The Program has contributed to the reduction of child and maternal mortality and reached out to over half a million population with awareness campaigns. The project was among the LLF portfolio.
- ▶ Another notable completed project this year was the **strengthening of specialty healthcare services in Niger** to which the Bank contributed Euro.63 million. The project reached over 876,000 people and extended specialty health care in areas covering oncology, odontology, ophthalmology, and mental health.
- ▶ The Bank has also completed another project in **Uzbekistan to support the development of oncology services** to which the Bank has contributed US\$ 37 million and extended health service to over 134,000 cancer patients through 15 treatment facilities. More than 308 health personnel were trained to offer this specialized health service.
- ▶ The Bank has approved in 2022 an **LLF project to support and strengthen the health system in Togo** allocating US\$ 33.47 million including the participation of US\$ 5.65 million from ISFD. This project will facilitate vaccination to 565,000 people and will construct or rehabilitate 56 health facilities.
- ▶ ISFD has participated in the **COVID-19 emergency support project in Yemen** which has resulted in the building of 32 health facilities and adding 1,280 beds to hospitals.
- ▶ Under the **Al-Aqsa and Al-Quds Fund**, and since the start of the program, 56 Hospitals and clinics have been constructed and/or equipped giving Palestinian people access to healthcare.

IN THE SPOTLIGHT 08

THE RECONSTRUCTION OF AL-WAFA MEDICAL HOSPITAL IN GAZA CITY



Al-Wafa Hospital for Medical Rehabilitation and Specialized Surgeries, which was destroyed during the July 2014 war, is considered one of the most important medical centers operating in the Gaza Strip. It provides services to the injured and the physically disabled for about 10,000 patients annually from patients with motor and cognitive disabilities, strokes, fractures, nerves, accidents, falls, diabetic foot, and ischemic problems. Blood in the extremities, cerebral palsy, and Involuntary urination.

Through Mobile Medical Units, the KAAP has funded a total of \$242 million which has benefited over 377,000 patients in Yemen, India, Pakistan, Bangladesh, Afghanistan, Tajikistan, and Kyrgyzstan. Moreover, the Program has enabled access to quality healthcare to over 1.3 million Muslim communities in Asia.



17: The Reconstruction of Al-Wafa Medical Hospital in Gaza City



SOCIAL PROTECTION

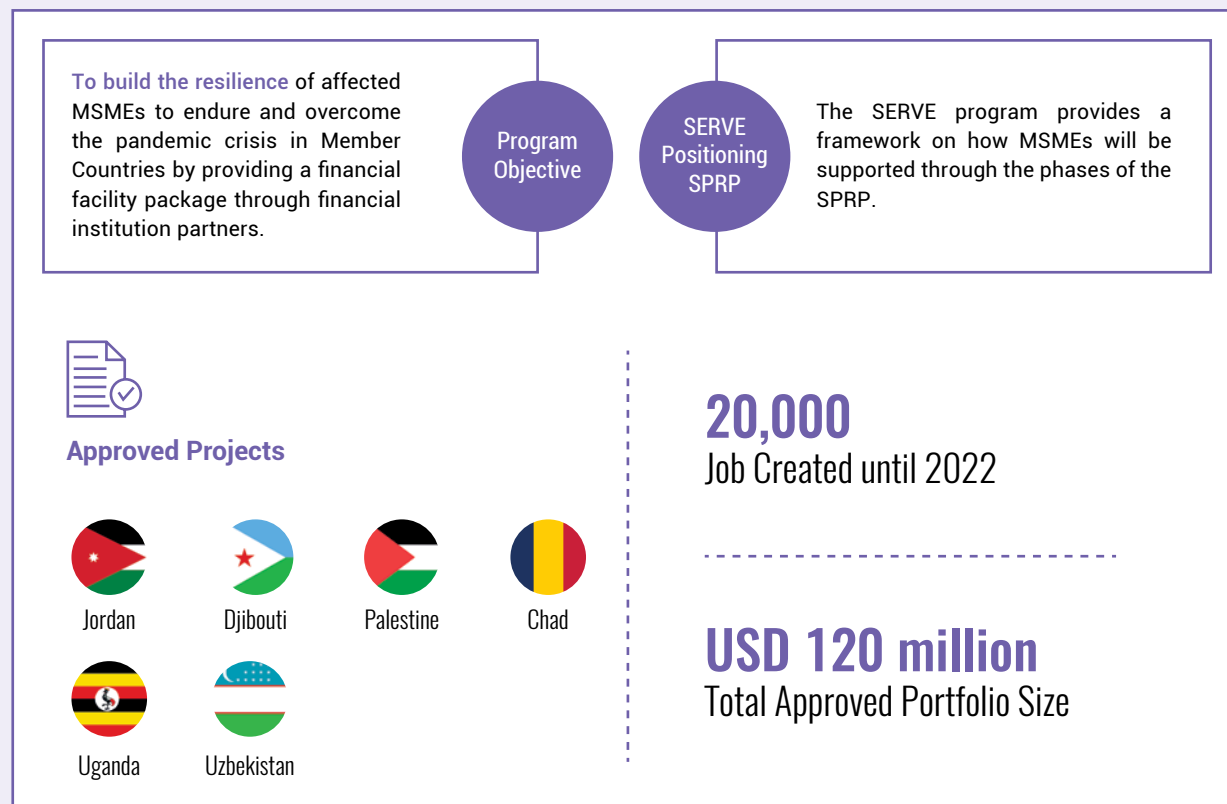


The Bank through its Economic Empowerment Approach promotes access to finance, coupled with access to non-financial services (i.e., markets, capacity building, smart partnership, and access to a supportive regulatory environment). These financial and non-financial services are engineered in a developmental way to create sustainable economic opportunities for the end beneficiaries.

The flagship IsDB-ISFD Strengthening the Economic Resilience of Vulnerable Enterprises (SERVE) Programme continued its prominence in weathering the COVID-19 impacts the vulnerable people and enterprises in its Member Countries by providing a financial facility package through financial institution partners.

The total projects approved of more than US\$ 120 million within 3 years. The new approvals for Chad and Uganda this year made up seven (7) approved SERVE projects in total, including the existing ones in Djibouti, Jordan, Palestine, and Uzbekistan, of which four (4) countries are under LDMC category. Combined with other ongoing economic-empowerment-related projects in Sudan, Libya, Egypt, and Albania, that created or sustained around 20,000 direct and indirect jobs in 2022 alone. In addition, this program has successfully mobilized funds and guaranteed facility nearing US\$ 400 million which were contributed by public and private partners alike.

Figure 14: IsDB Economic Empowerment COVID-19 Response | SERVE Program





Approved Projects

New projects approved by the Bank in 2022 are promised to extend Islamic microfinance support to 20,000 people and would create employment for over 67,000 people. Overall, these projects will bring economic relief and improve the livelihood of 257,000 people. Table 20 below provides more details.



Completed Projects

Fifteen (15) projects completed in 2022 have resulted in SME support and job creation in Burkina Faso, Chad, Egypt, Niger, Tunisia, Türkiye, and Uzbekistan. Table 21 below provides more details.

Table 20: SMEs & Job Creation Planned Results

Result Indicator	Expected Results
Market centers established, upgraded, or rehabilitated (numbers)	27
People employed (number)	67,576
People with access to microfinance increased (number)	20,000
People with improved livelihoods/ income increased (number)	257,215
Small/medium enterprises established or promoted (number)	21,712

Table 21: SMEs & Job Creation Completed Results

Result Indicator	Achieved Results
Market centers established, upgraded, or rehabilitated (numbers)	85
People employed (number)	22,000
People with access to microfinance increased (number)	8,871
Small/medium enterprises established or promoted (number)	40



Notable Projects

- ▶ The **Vocational Literacy Program for Poverty Reduction (VOLIP) in Chad** was able to extend Islamic microfinance to 5,000 people. This included providing education to 2000 out-of-school children and vocational training to 3,000 young adults. The Bank has contributed US\$ 11 million to this project.
- ▶ The **Strengthening of the Economic Resilience of Vulnerable Enterprises (SERVE) Program** has extended the financing this year to Chad and Uganda to make a total of (7) approved SERVE projects. Together they have enabled 20,000 direct or indirect job creation.
- ▶ The **PPP solar power projects in Egypt** have enabled employment for 1,400 people. The US\$ 100 million line of finance extended to Eximbank Türkiye – another PPP project – has created another 1,500 jobs.
- ▶ Under the LLF Program, and since its inception, 1,100 people were employed and another 5,000 were trained. Moreover, 200 SMEs are covered by financial or non-financial assistance.
- ▶ Under the KAAP fund and since its inception, 344,300 locals have been provided (interest-free) **microcredit facilities through the Response to Cyclone Sidr in Bangladesh**.
- ▶ In Palestine and through Bank's managed funds, 24,000 beneficiaries have received economic empowerment support.



LLF TRANSFORMS LIVELIHOODS IN RURAL MOROCCO

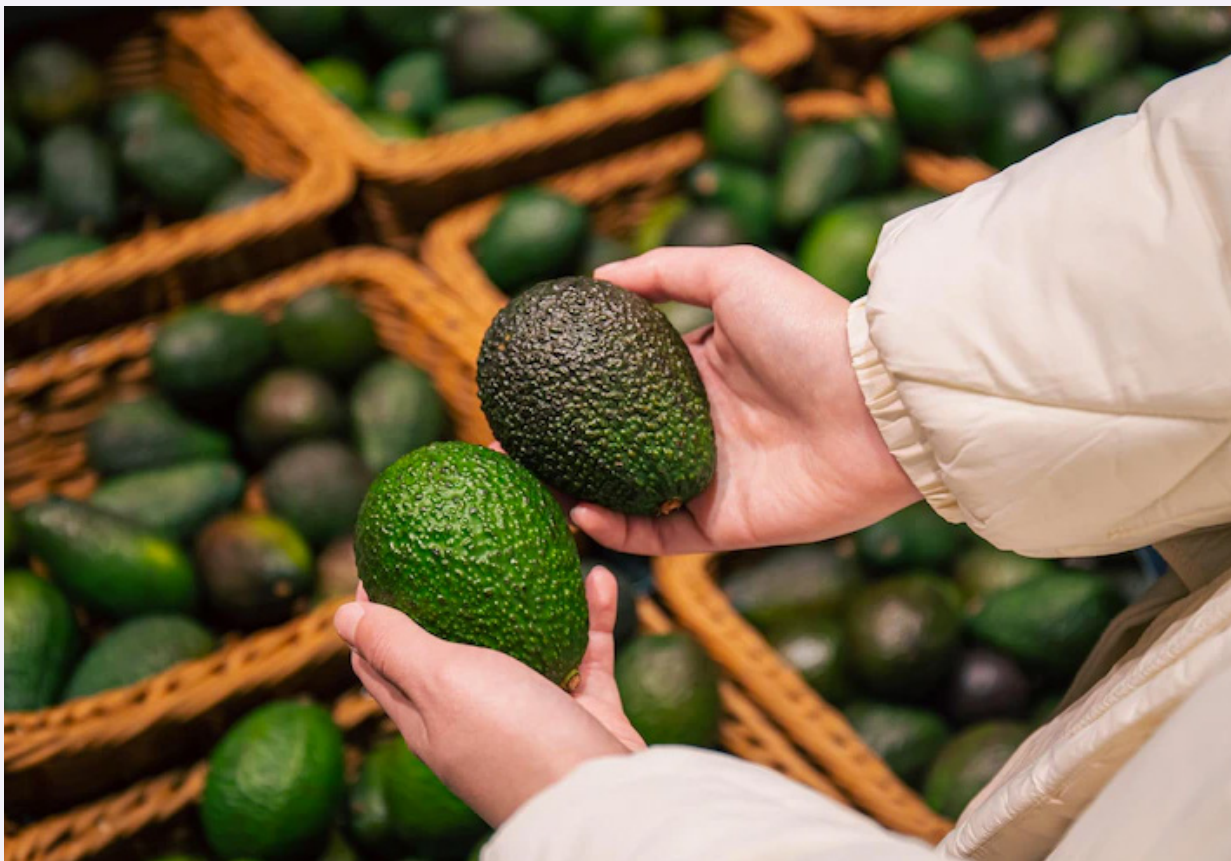


Mr. Abdisalam, a beneficiary of the LLF-funded “Inclusive Rural Growth Project,” planted 300 avocado trees two years ago, and is delighted to see many of them bearing large fruits already. He says, “Soon, life will be very different for me and my family of nine,” before adding with relief, “This includes my son who is now job searching in a distant town. He is anxiously waiting to come back home and start a family business that the avocado production will allow. We plan to open a coffee shop at our local market in Tassfit in the Tetouan region, thanks to the profit from the avocado farm that was funded by LLF.”

The Inclusive Rural Growth Project established in 2019, lays a solid foundation for improving livelihoods in rural Morocco. It aims to provide 3,308 farmers and their families with the resources needed to grow high-value

crops and trees including avocados, olives, chestnuts, figs, grapes, pomegranates, cacti, medicinal plants, etc. The project is already over halfway to its goal of planting 1,654 hectares of these crops.

The project provides high-quality avocado seedlings, and contracts technical firms to plant and manage the land. The farmers take over the orchards two years later. Additionally, the project provides the farmers with training sessions via their cooperatives on tree management, good agronomic practices, and the development of the avocado value chain as well as for the other high-value trees and crops supported by the project. The project is also currently developing additional support for an efficient drip irrigation system and access to microfinance.





18: Two-year-old avocado under production at Mr. Abdisalam Ichou's farm in the Tetouan region

Mr. Abdisalam shares his newfound excitement and hopes with the other 152 members of the agricultural cooperative over which he presides. Together, they have a cumulative 600 hectares of avocado orchards with about 477 trees per hectare, totaling 286,200 trees. When their trees reach full production potential, each tree is expected to produce at least 300-400 fruits (with older trees producing 800-1,000 avocados if good agronomic practices are used). The orchards' production could provide high-quality yields for 60 to 70 years.

The avocado value chain has already reached the local market **Mr. Rafiq Chirgi, one of many local entrepreneurs selling avocados from the LLF-funded project**, says: One kilogram of avocados (2-3 fruits) is sold for 20 Moroccan Dirham (about US\$ 1.90) at the local market in the Tassfit region and at least 3-4 times



19: Mr. Rafiq Chirgi, is a beneficiary of the avocado value chain and vendor at a local market in the Tetouan region.

more, at 60-80 Moroccan Dirhams (US\$ 5.7 – US\$ 7.6), in Rabat and other bigger markets.

While the project has already achieved significant success, the avocado value chain will experience an even greater transformation with the establishment of processing plants through Public Private Partnerships (PPPs). Creating processing plants requires greater accessibility to regions, a challenge that the project is undertaking with the development of a 160-km road network, 80% has been completed.

The future looks bright for Mr. Abdisalam and his fellow smallholder farmers, as the Government of Morocco is committed to sustainably scaling the initiative – in collaboration with the LLF-funded "Inclusive Rural Growth Project."

▶ 3.3 KEY RESULTS IN CROSS-CUTTING AREAS

3.3.1 Islamic Finance



Approved Projects

In 2022, the Bank has approved two (2) projects and fourteen (14) grants and technical assistance operations in the finance sector for a total sum of US\$ 38.8 million covering eight (8) Member Countries.

Table 22: Islamic Finance Planned Results

Result Indicator	Planned Results
Number of policies /regulations introduced or improved (number)	801
People with access to microfinance increased (number)	20,000



Completed Projects

In 2022, fifteen (15) completed projects contributed to the indicators related to Islamic microfinance and poverty alleviation including two Awqaf projects.

Table 23: Islamic Finance Completed Results

Result Indicator	Achieved Results
The income of the Waqf beneficiary organization increased (US\$, per year)	1,000,000
Islamic finance products and services developed (number)	3
Number of policies /regulations introduced or improved (number)	14
People with access to microfinance increased (number)	8,871
Value of Awqaf assets (land/built-up area) increased (US\$)	24,100,000



Notable Projects

- ▶ The **rice value-chain development project in Cameroon** was approved in 2022. The project is expected to provide microfinance to 10,000 people. The Bank has approved US\$ 84.6 million for this project.
- ▶ In Chad two projects were completed in 2022: the **Rice Value Chain Development Project in the Plaine of Chari-Logone**, and the **Vocational Literacy Program for Poverty Reduction (VOLIP)**. Together these projects provided access to microfinance for 8,800 people. Moreover, 838 farmers' organizations were established.
- ▶ **Awqaf development projects completed in Niger and Saudi Arabia** in 2022 have successfully built real estate with a value of US\$ 29 million and have helped the Waqf beneficiaries to increase their annual income by US\$ 4.1 million.

3.3.2 Resilience & Disasters

The Bank continued to implement its flagship program to support the education of Syrian refugees in Jordan, Lebanon, Türkiye, and Iraq, creating pathways for youth to transition from education into decent employment opportunities through job placements and/or starting their businesses, as well as increasing access to education for IDPs and refugees who have no access to education through smart education enrollment.

In this regard, the Project with SPARK has been completed successfully. The project benefited 1,430 Syrian students among them 561 females. The project co-financed with International Islamic Charity Organization (IICO) is progressing well with impactful results. Upon graduation, 477 students (229 female) established their businesses through the SPARK services.

As a good practice learned from this program, a new Program targeting 15 MCs under the name "Skills, Training and Education Program (STEP) for Refugees, IDPs and host Community in MCs" is approved. Under this new program, the IsDB, Al Ghurair Foundation, and Spark have signed a new agreement to support refugees, IDPs, and host communities in Jordan and Lebanon.

The Bank also finalized joint Fragility and Resilience Assessments (FRAs) for Afghanistan, Uganda, Sierra Leone, and Nigeria, to assess challenges and opportunities and identify sources of resilience.

In Palestine and through Bank's managed funds, 35,000 houses have been rehabilitated.

3.3.3 Climate Change

The Bank continues to engage and support Member Countries through grant financing mobilized from specialized climate funds and other climate facilities including the Green Climate Fund and Nationally Determined Contributions (NDC) Partnership. In 2022, the Bank mobilized

resources under the NDC Partnership to support Palestine in mainstreaming gender in the implementation of its (NDC), for several sectors.

In 2022, the IsDB alongside the Arab Coordination Group (ACG) members committed at COP27 to provide at least a cumulative amount of US\$ 24 billion in financing by 2030 to address the global climate crisis. Within this commitment, based on its 35% target of climate finance by 2025, IsDB pledged to approve at least US\$ 13 billion in adaptation and mitigation finance during the period 2023-2030.

Two newly approved projects in Maldives and Uzbekistan in the agriculture and energy sectors respectively have adopted climate-friendly approaches that are expected to reduce greenhouse gas emissions of 4.1 million tons of CO₂ equivalent.

3.3.4 Women and Youth

The IsDB continued to prioritize mainstreaming gender and youth needs and priorities in the Bank's programs and projects in areas such as business finance,



The CSO Pandemic Response Accelerator Program (Tadamon) has benefited 15 million population in 13 Member Countries.

In 2022, the IsDB alongside the Arab Coordination Group (ACG) members committed at COP27 to provide at least a cumulative amount of **US\$ 24 billion** in financing by 2030 to address the global climate crisis.





The IsDB, together with the UNDP, launched the Ecosystem Diagnostic Toolkit, which provides step-by-step guidance and data collection tools on how to conduct an Entrepreneurship Ecosystem Diagnostic Study.

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

In 2022 the Bank has extended financing of a US\$ 50 million loan and additional US\$ 260,000 technical assistance to Sindh Integrated Health and Women's Empowerment Project to strengthen and improve the quality of reproductive, maternal, and newborn, child, and adolescent health in Pakistan.

The Bank was granted funding of US\$ 5.5 million by the Women Entrepreneurs Finance Initiative (We-Fi) to implement a second phase of the BRAVE Women 2.0 that will build on the achievements from

the first phase of the program and focus on increasing the incomes of Women-owned and led small and medium enterprise (WSMEs) in Yemen. Another grant of US\$ 6.1 Million was received to support the Women in Sanitation Enterprises Project (WISE). The project aims to support women entrepreneurs actively engaged in sanitation-related businesses in 15 municipalities across Bangladesh.

IsDB approved a Youth Leadership Pilot Project in Jordan. The main goal of this project is to promote youth leadership and civic engagement and to contribute to the engagement of youth between the ages of 16 and 18 in the process of sustainable development in Jordan.

In partnership with the UNDP, the IsDB developed two Youth Entrepreneurship Ecosystem Diagnostic Reports for Pakistan and Maldives. Moreover, the IsDB, together with the UNDP, launched the Ecosystem Diagnostic Toolkit, which provides step-by-step guidance and data collection tools on how to conduct an Entrepreneurship Ecosystem Diagnostic Study applying a youth-responsive lens, available as a public good that can be used by both UNDP and IsDB offices and wider stakeholders.

3.3.5 Civil Society

In 2022, in line with the Civil Society Engagement Policy pillar of diversifying sources of financing, the Bank has mobilized US\$ 46.9 million amount of concessional grant resources through a partnership agreement with the International Committee of the Red Cross (ICRC) to support the delivery of urgently needed medical items for health centers in Afghanistan. Moreover, over 11 capacity-building virtual workshops were organized on key thematic including the development effectiveness with other MDBs.

The CSO Pandemic Response Accelerator Program (Tadamon) has benefited 15 million population in 13 Member Countries. These countries include Burkina Faso, Comoros, Djibouti, Guinea, Iraq, Jordan, Lebanon, Libya, Mali, Niger, Somalia, and Sudan. To date, around 8 projects have been completed. The main achievements of the program include (i) 667,141 vulnerable

people have gained access to basic medical services to help mitigate the health impact of COVID-19; (ii) capacity building provided for 2,426 community health workers; (iii) awareness raising and sensitization campaigns reached 4.8 million vulnerable people in affected communities; (iv) 6,944 children, refugees and those at risk of being left behind have had access to continuing basic education and skills development; (v) 2,337 of the most deprived households will access financing to set up their income generating activities.

Civil society engagement has been mainstreamed during the MCPS process in Bangladesh, Guinea, Indonesia, Kyrgyz Republic, Morocco, Niger, Senegal, Turkmenistan, and Uzbekistan.

In the NGO grant programs, the Bank has approved new operations in Egypt and Somalia for health care access and the promotion of knowledge and skills for children with disabilities.



The main achievements of the Tadamon program include

667,141

vulnerable people have gained access to basic medical services to help mitigate the health impact of COVID-19.



IN THE SPOTLIGHT 09

HOW THE TADAMON PROGRAM OPENED THE DOOR FOR NOOR JOMAA

Noor Jomaa was a talented Syrian student characterized by diligence and distinction during her various stages of education. Thanks to her parents' encouragement, she charted a path for herself to achieve her unlimited dreams. Like all students at the beginning of their school lives, she always thought about the academic field that would suit her and shape her scientific and practical future, and luckily, she did not find much difficulty in determining her educational options from an early age. The financial and economic field was one of her main choices. She was assured that those who specialize in this field will find many opportunities for employment, promotion, and the possibility of working in major companies. Foreign languages and information technology were also options.

Years passed, and in 2012 Noor found herself a stone's throw away from achieving her buoyant dreams, as she succeeded in joining Damascus University, the English literature college. However, things did not go well. The Syrian civil war broke out and expanded very quickly to become a strong threat to those hopes and aspirations, and a threat to the life of Noor, her family, and her companions. As a result, Noor, her family, and, up to about 600 thousand people were forced to seek refuge in Jordan. Noor was sad because she believed her dream had been shattered, and her survival, and that of her family, had become the only goal of their daily life.

After a long time of dismay, fear, and sadness, a different day came, to turn the sadness into overwhelming joy and great happiness. A lady called Nafissa from a Jordanian charity organization visited them to revive hope in their souls, where she assured Noor and her colleagues that they could continue their education with the help of many organizations that provide aid to the refugees and explained to them how to apply and take advantage of this opportunity.

"How did you know about us and managed to reach us here?" Asked Noor with tears of joy filling her eyes!"

"Do not mind, I am trained for it" said Nafissa with a wide smile on her face. She told her how she was trained to reach out to the refugees and gave her some information about her charity organization and the ISFD TADAMON program which trained them on how to reach out to and restore hope to their "dear Syrian guests"!!

Indeed, Noor set out to prepare herself and provide what was required of her to benefit from this fantastic opportunity.

After a few weeks, Noor got a scholarship to study Accounting, which was one of the majors she dreamt of. She started very successfully to achieve the highest grade in all of Jordan in the comprehensive exam and, thus, was offered a job within the financial department of her college, Luminus Technical University College. Now, she hopes to complete her BA and master's degrees to become a qualified accounting instructor.



20: TADAMON program opened the door for Noor Jomaa

"Do not mind, I am trained for it" said Nafissa with a wide smile on her face. She told her how she was trained to reach out to the refugees and gave her some information about her charity organization and the ISFD TADAMON program which trained them on how to reach out to and restore hope to their "dear Syrian guests"!!



3.3.6 Science, Technology & Innovation

In 2022, IsDB approved a project for the Establishment of a Manufacturing Unit for COVID-19 Vaccines and other Routine Vaccines for Preventable Diseases in the Republic of Senegal, under the Strategic Preparation Response Program for COVID-19 – Restart (SPRP). The project seeks to strengthen the capacities of Senegal and Africa in terms of preparedness and response to new pandemics, including COVID-19, diseases control, and immunization coverage through manufacturing and supplying high-quality, affordable, and other relevant vaccines (Measles, Rubella, Influenzas, etc.) by Institut Pasteur de Dakar (IPD), and building autonomy.

The Bank endorsed the Multilateral Energy Compact for Health Facility Electrification, a platform, managed by Sustainable Energy for All (SEforALL), a UN initiative, and supported by USAID Power Africa Program, in which Development Partners express

their ambitions and coordinate potential partnerships towards energizing the health facilities in SSA. IsDB will offer a waqf-based solution on the supply side of the spectrum. IsDB and UNDP have agreed to conduct comprehensive feasibility studies in 2 Countries (Cameroon and Senegal) to assess the health sector needs, and resource requirements, and reveal the most adequate financing mechanisms along with the most optimum delivery systems.

In a bid to strengthen and build resilient STI ecosystems capable of contributing to SDGs, IsDB in partnership with UNESCO supported the Republics of Uzbekistan and Mozambique to develop, implement and monitor gender responsive STI policies. This partnership leveraged the application of UNESCO's Global Observatory of Science, Technology, and Innovation Policy Instruments (GO-SPIN) to collect and analyze information on STI ecosystems of Member Countries, identify areas of strategic investment, and facilitate the development of evidence-based STI policies.



In 2022, IsDB approved a project for the Establishment of a Manufacturing Unit for COVID-19 Vaccines and other Routine Vaccines for Preventable Diseases in the Republic of Senegal, under the Strategic Preparation Response Program for COVID-19 (SPRP).

IN THE SPOTLIGHT 10

LEVERAGING STI TO BRIDGE THE GENDER GAP THROUGH TELEMEDICINE

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

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

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

Educast will continue to work with IsDB to replicate its success in Afghanistan. In December 2022, IsDB has

approved a grant operation for the Establishment of Tele-Health Education and Clinical Support Facilities in Afghanistan. The overall objective of the project is to set up telehealth education and clinical support facilities in six regional hospitals in Afghanistan covering (Kabul, Jalalabad, Kandahar, Herat, Mazar, and Khost).

The Centers will be utilized to develop the medical capacity of up to 1,500 Afghani doctors by delivering online training and certification programs; enabling doctors to doctor online consultation, between Pakistan and Afghanistan, which will benefit thousands of patients; and facilitating in-person training courses for Afghani doctors at Pakistani teaching hospitals in key health-related areas of high demand in the country including maternal and neonatal child health, infectious and non-communicable diseases.



The Centers will be utilized to develop the medical capacity of up to 1,500 Afghani doctors by delivering online training and certification programs.



3.3.7 Capacity Building

Regional Cooperation and Integration

The Bank promotes regional connectivity, particularly through the development of regional economic corridors, global trade integration, regional and cross-border trade, and promotion of cross-border investments among IsDB Member Countries. To this end, several achievements were observed in 2022.

IsDB and the United Nations Economic Commission for Europe (UNECE) launched the International Transport Infrastructure Observatory (ITIO). ITIO utilizes advanced geographic information system (GIS) technology for the mapping of regional infrastructure networks. It is a handy tool to identify missing connectivity links for data-driven regional transportation planning.

During the 38th Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation COMCEC in Istanbul, IsDB launched the first IsDB Group Integration Report, which analyzes the status and progress of economic integration among IsDB Member Countries.

Within the framework of a joint capacity development program in the field of trade facilitation, IsDB, the Islamic Centre for Development of Trade (ICDT), and UNECE organized a Training Workshop on the International Road Transport (TIR) and the Contract for the International Carriage of Goods by Road (CMR) Conventions in Casablanca. The training workshop allowed the participants from IsDB Member Countries in Sub-Saharan Africa to learn about the benefits of implementing the TIR and CMR Conventions, including the reduction of customs administrative procedures and the adequate allocation of resources for proper risk assessment.

The Bank, through its Investment Promotion Technical Assistance Program (ITAP), and ICDT organized an OIC-Investment Promotion Agencies (IPA) Policy Dialogue Forum in Dakar. The objective of the Policy



Dialogue Forum was to support IsDB Member Countries' Investment Promotion Agencies (IPAs) to advance their interaction and to provide them with a platform for a strategic dialogue on various investment promotion issues.

IsDB and the United Nations Conference on Trade and Development (UNCTAD) have jointly developed a set of Non-Binding Guiding Principles for Investment Policymaking to support the improvement of the investment climate in IsDB Member Countries.

IsDB and ICDT have jointly prepared the "Annual Report on Investment Climate and Opportunities in OIC Countries 2022". The report offers an analysis of long-term trends in foreign direct investment (FDI) flows and stocks worldwide and in OIC member countries to support the improvement of the investment climate in IsDB Member Countries.

In 2022, IsDB continued to play its catalyst role to facilitate the transfer of development solutions among its Member Countries (MCs) as well as from the countries of the South through many mechanisms and programs, particularly, the Technical Cooperation Program (TCP) and Reverse Linkage mechanism.



IsDB and the United Nations Conference on Trade and Development (UNCTAD) have jointly developed a set of Non-Binding Guiding Principles for Investment Policymaking to support the improvement of the investment climate in IsDB Member Countries.

IN THE SPOTLIGHT 11

THE REVERSE LINKAGE PROJECT BETWEEN MAURITANIA (RECIPIENT) AND TUNISIA (PROVIDER) FOR “DEVELOPING A PLATFORM FOR MOBILE-BASED FINANCIAL SERVICES”

In Mauritania, access to the Information and Communication Technology (ICT) infrastructure has been improving in recent years. Mobile network coverage reached 94% of the country, and the total number of subscribers for these networks exceeded the country's population.

The ICT infrastructure is not fully leveraged yet to deploy user applications that save Mauritians' time and effort and ease business transactions, especially across scattered cities and villages. Therefore, most of the population has no access to financial services such as payment and cash transfer, hence suffering from financial exclusion.

The Mauritanian Post Corporation (MauriPost) enjoys the trust of the Mauritanian society and has experience in providing traditional financial services through its offices for long years. On the other hand, the Tunisian Post has successful experience in providing digital financial services, through mobile phones.

In this context, the IsDB led the formulation and implementation of the Reverse Linkage project

between Mauritania (Recipient) and Tunisia (Provider) for “Developing a Platform for Mobile-Based Financial Services.”

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

The new platform will automate several financial services for the benefit of Mauritanian citizens such as cash transfers, invoices of public utilities such as water and electricity, settlement of traders' bills, and paying the subscriptions of mobile phones.

This new platform will be operated by the MauriPost following its development by the Tunisian Post – the project's source of expertise and technology. With that, the project will contribute to creating an enabling environment for fast and secure business transactions at the personal and institutional levels.





Technical Cooperation Program (TCP)

Through its TCP, IsDB supports short-term capacity development interventions to foster MCs' socio-economic development. In 2022, 22 TCP operations totaling US\$ 650,000 were approved. These included three (3) on-the-job training sessions amounting to US\$ 99,700, nine (9) knowledge-sharing events amounting to US\$ 321,000, seven (7) study visits amounting to US\$ 198,000 and two (2) recruitments of experts amounting to US\$ 31,300. Priority was given to the LDMCs as well as to activities related to Food Security and Health.

Reverse Linkage Program

Under Reverse Linkage, IsDB connected its MCs among themselves and with countries from the South to tackle common development challenges. In 2022, a US\$ 1.95 million grant was allocated for Reverse Linkage. Three Reverse Linkage interventions were mainstreamed in IsDB's ordinary operations. These

mainstreamed components under Reverse Linkage benefited Mauritania, Morocco, and Senegal in areas such as aquaculture and health.

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



In its efforts to support vaccine producers in the Member Countries, IsDB through Reverse Linkage is supporting the **Institut Pasteur de Dakar** in enhancing its capacities as well as achieving self-reliance in vaccine production. This will help the Institut Pasteur de Dakar to **support 13 African MCs** which will help them **fight pandemics and communicable diseases**.

IN THE SPOTLIGHT 12

LAUNCHING THE “ISLAMIC DEVELOPMENT BANK (IsDB) ONLINE ACADEMY FOR SOUTH-SOUTH COOPERATION”

The Bank launched the “IsDB Online Academy for South-South Cooperation” on 12th September 2022, which corresponded to the United Nations Day for South-South Cooperation (SSC).

As the only multilateral development institution whose entire membership is drawn from the Global South, the IsDB joins every year the international development community worldwide in celebrating the United Nations Day for SSC.

South-South Cooperation aims at giving southern countries an alternate channel of development and exposing them to knowledge and expertise that could be more relevant to their context. SSC implements good principles such as mutual benefits, non-conditionality, and respect for national sovereignty, and it complements the North-South Cooperation.

In 2022, the Bank celebrated the United Nations Day for launching the “IsDB Online Academy for South-South Cooperation”, which was developed by the Bank to contribute to enriching the body of knowledge of South-South Cooperation. Enriching SSC knowledge will lead to expanding the range and scale of SSC interventions which will eventually contribute to expediting the achievement of the Sustainable Development Goals during this decade of action

EXPECTED RESULTS FROM PROJECTS APPROVED DURING 2022

The Bank's new approvals in 2022 are expected to bring promising developmental results to the Member Countries and Muslim communities around the world. The following is a highlight of key anticipated results once these operations are completed.



Over 11 million farmers would benefit from projects approved in the agriculture sector. Over 700,000 tons of food storage will be built. A total area of 18,000 hectares is expected to be irrigated.



In the health sector, over 8 million patients will benefit from 800 new health facilities and hospitals annually. The vaccination programs financed in 2022 against preventable diseases (such as Polio, and COVID-19) will reach over 200 million population.



Projects approved in the education sector are expected to benefit 200,000 students through 466 educational institutions that will be built or upgraded.



Water and Sanitation projects are expected to bring safe drinking water to 163,222 households. Another 60,000 households will benefit from improved sanitation and sewage system.



Energy generation projects will benefit over 5 million households, connecting them to the electricity grid.



The transport project will benefit the population of over 2 million through 940 km of newly constructed paved roads.



The Bank's interventions will benefit the populations affected by disasters and conflicts. This includes providing improved shelters and houses to over 63,000 people.



The Bank's new operations will benefit over 21,000 SMEs and provide microfinance services to another 20,000 people. Moreover, 130,000 new employment includes 60,000 farmers. Another 215,000 people will benefit from vocational and technical training programs.

KEY RESULTS FROM ISDB RESPONSE PROGRAM FOR COVID-19 (SPRP)

By the end of 2022, the total IsDB Group commitment to the COVID-19 response is US\$ 4.6 billion. The total amount of financing approved by the Bank Group has reached US\$ 4.6 billion. The Group level disbursements have increased to \$2.05 billion.

Under OCR, in 2022 the Bank has approved eleven projects (11) worth US\$ 265m. The Program is anticipated to benefit a total of about 63 million beneficiaries out of which: (i) 3.4 million population provided vaccination through 1,522 newly established vaccination centers (ii) 48.7 million people would be reached through awareness campaigns to sensitize them on COVID-19 transmission and prevention; (iii) 9.7 million households in acute food insecurity would be supported with food rations to fulfill their nutritional needs; (iv) 351,000 jobs would be created for the revival of priority value-chains and economic sectors; (v) 31,876 health workers would be provided capacity building support to manage COVID-19 response; (vi) 15,000 micro-enterprises or households would benefit from micro-finance services; (vii) 87,891 students will benefit from e-Learning programs during COVID-19, and (viii) 39,569 small and medium enterprises (SMEs) would be provided with financial assistance.



CHAPTER 04

ORGANIZATIONAL EFFECTIVENESS (LEVELS 3 & 4)



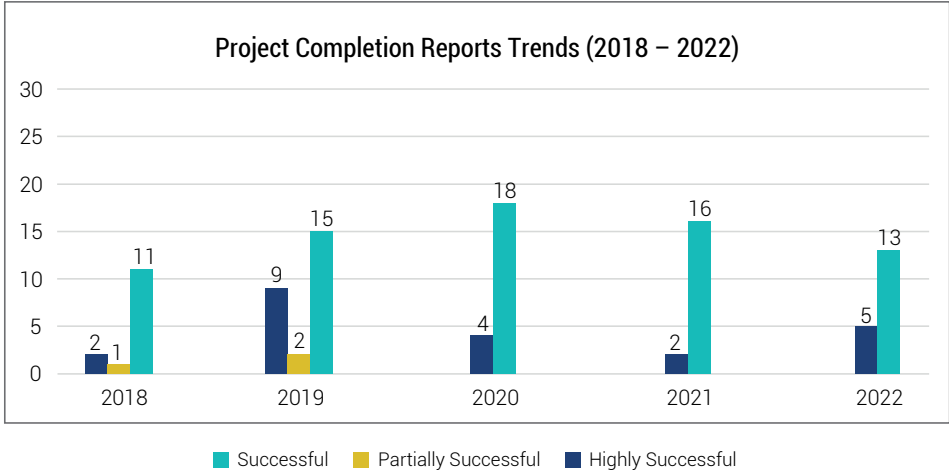
The Chapter 4 (Level III and IV of the Results-Based Management Framework (RBMF)) examines the performance and results at the organizational level and assesses the internal efficiencies of the Bank to ensure quality delivery of operations in an effective manner.

► FINDINGS AND LESSONS LEARNED FROM OPERATION EVALUATIONS AND PROJECT COMPLETED REPORTS

In 2022, the Bank completed 18 PCRs, 16 covering sovereign projects and one covering public-private partnerships. One PCR was jointly done with the OECD and adopted different rating criteria and hence was not included in the analysis of scores below.

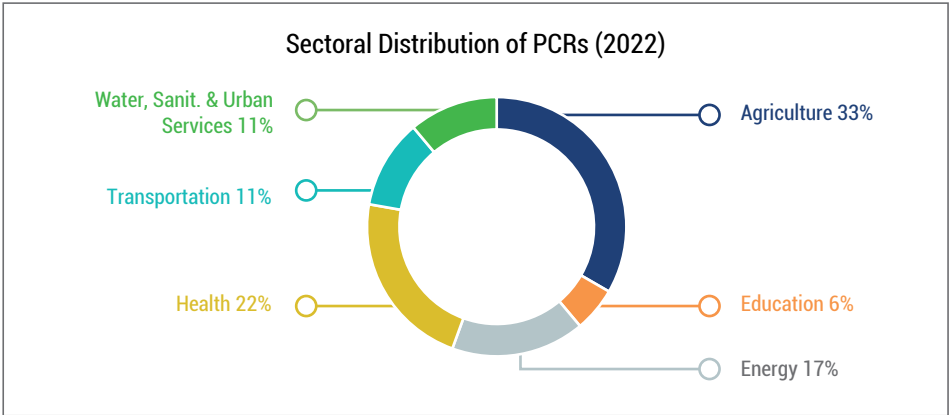
Four projects were rated "Highly Successful" and the remaining 13 were "Successful". Figure 15 shows the trend over the years where it shows an overall increase in the ratio of highly successful ratings. However, 2022 has witnessed a decreasing number of PCRs due to COVID-19 travel restrictions.

Figure 15: Project Completion Reports Trends (2018 – 2022)



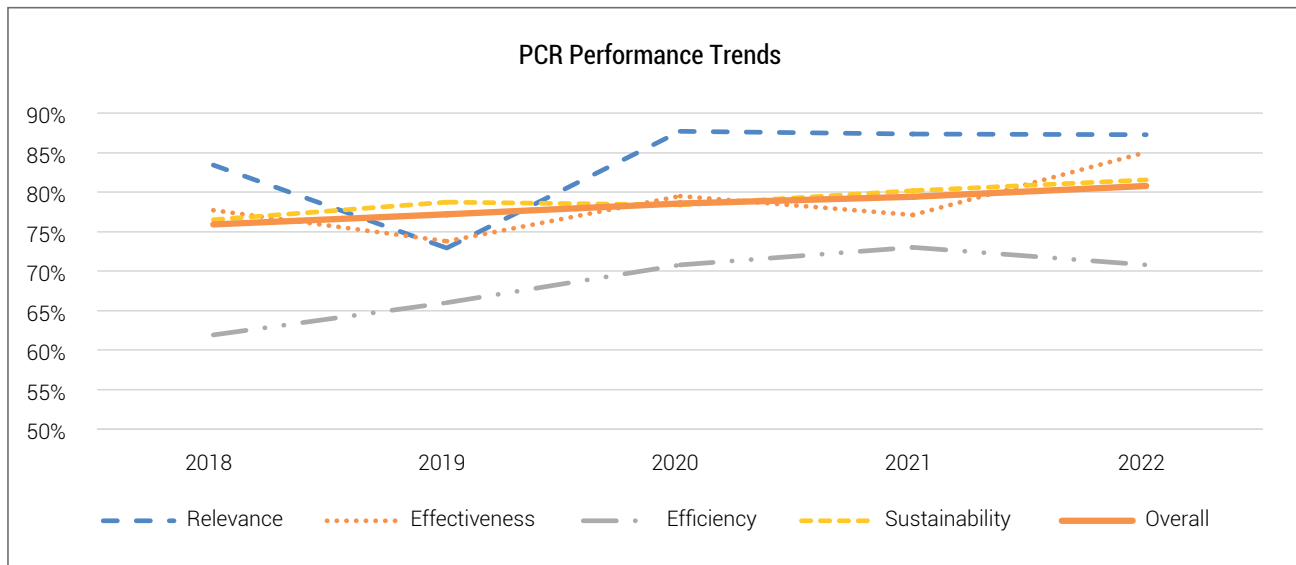
Six (6) PCRs were completed for agriculture sector projects, followed by four (4) PCRs in the health sector and three (3) in the energy sector. Two (2) each for transport and water & urban sector and one (1) for the education sector.

Figure 16: Sectoral Distribution of PCRs (2022)



“Four projects were rated “Highly Successful” and the remaining 13 were “Successful”

Figure 17: PCR Performance Trends



“
The average performance of PCR scores for all projects in 2022 stands at **80%**. Over the years, the effectiveness score has improved.

The average performance of PCR scores for all projects in 2022 stands at 80%. Over the years, the effectiveness score has improved. While relevance and sustainability criteria are almost maintained, the efficiency criteria have declined.

The Independent Evaluation Department has carried out ten (10) project evaluations during 2022. The following are key lessons from these evaluations.

- Proper design and effective planning are key to ensuring the successful implementation of a water supply project.

- Use of lessons and best practices from similar projects enhances effectiveness and efficiency in project implementation.
- Effective and efficient project implementation is ensured through a superior design and structuring of the project along with advance procurement of an EPC contract, combined with strong supervision by the executing agency.
- Ensuring the completion of the land acquisition process before the project starts prevents delays and improves the project implementation's overall efficiency.
- Proper planning of infrastructures upstream and downstream is crucial for the projects' success.
- The involvement of the districts and communities in the implementation of road projects ensures local ownership of the infrastructure post-project implementation.
- Macroeconomic stability and predictability are critical in ensuring PPP projects' success.
- An experienced and capable project sponsor and PMU contribute to successful project implementation.

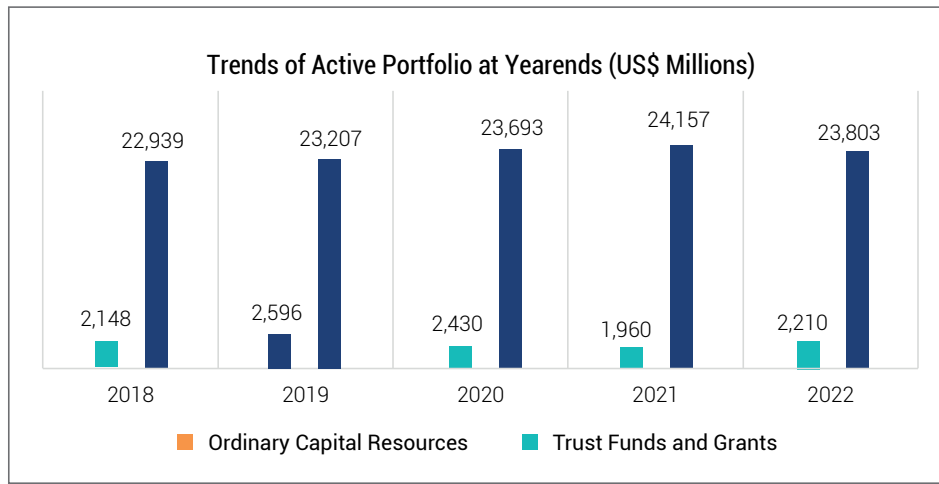


► 4.1 OPERATIONS EFFICIENCY

4.1.1 Performance of the Active Portfolio

At the end of 2022, IsDB's active portfolio stands at US\$ 26 billion, compared to US\$ 25.3 billion at the end of 2021, an increase of US\$ 0.72 billion (3%). This includes sovereign and non-sovereign projects and equity investments financed by Ordinary Capital Resources (OCR), technical assistance, grants, and trust funds. Figure 18 below shows the trend of portfolio growth, which includes 1,054 projects, among them 393 from the OCR.

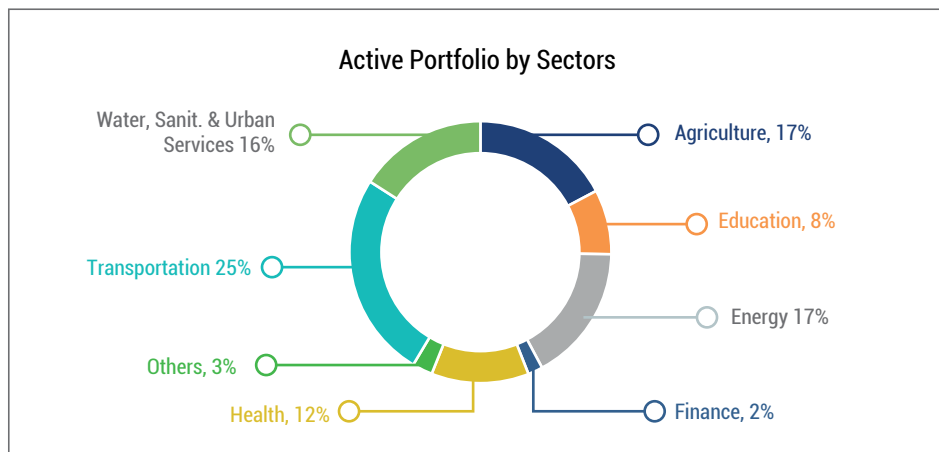
Figure 18: Trends of Active Portfolio at Year-Ends (US\$ Millions)



The largest concentration of the Bank's financing is in the transport sector (25%), followed by energy and agriculture each at 17%, followed by Water and Urban services (16%), health (12%), education (8%), and the remaining 5% on finance, ICT, trade, and industry sectors. See figure 19.

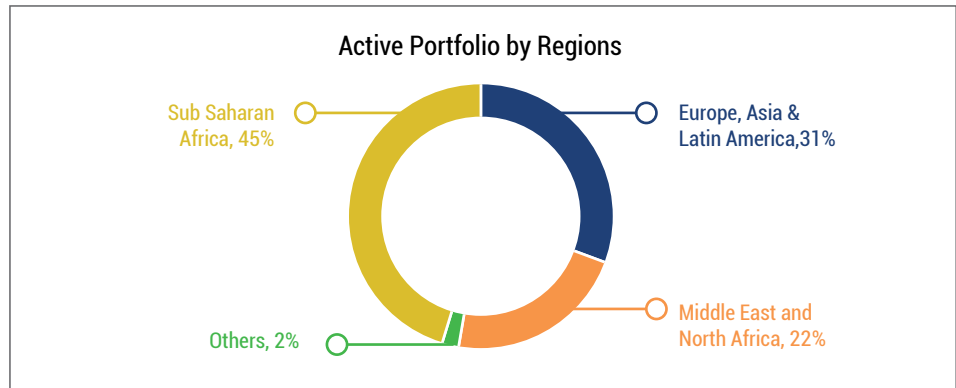
Given the Bank's focus on the LDMCs, 45% of the active portfolio is concentrated in the Sub-Saharan Africa region, followed by 31% in Asia, Europe, and Latin America, 22% in the Middle East and North Africa, and the remaining 2% in the Non-Member Countries or regional projects. See Figure 20.

Figure 19: Active Portfolio by Sectors



Given the Bank's focus on the LDMCs, **45%** of the active portfolio is concentrated in the Sub-Saharan Africa region, followed by **31%** in Asia, Europe, and Latin America, **22%** in the Middle East and North Africa, and the remaining **2%** in the Non-Member Countries or regional projects.

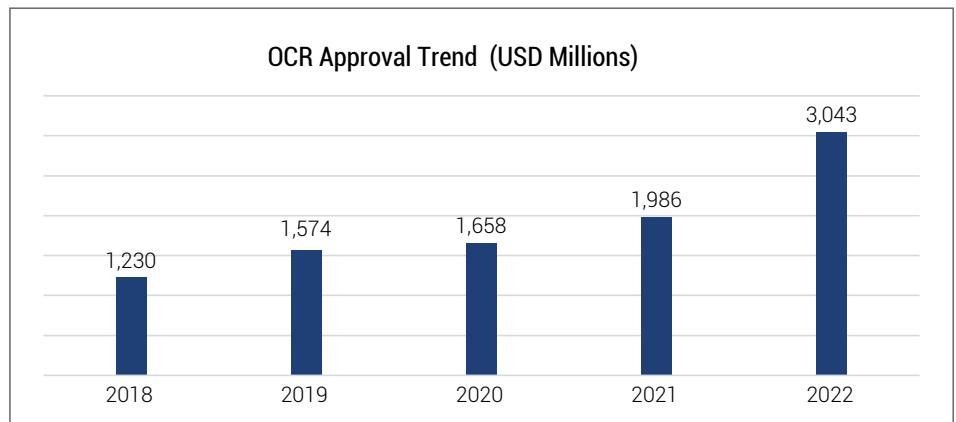
Figure 20: Active Portfolio by Regions



Project Approvals in 2022

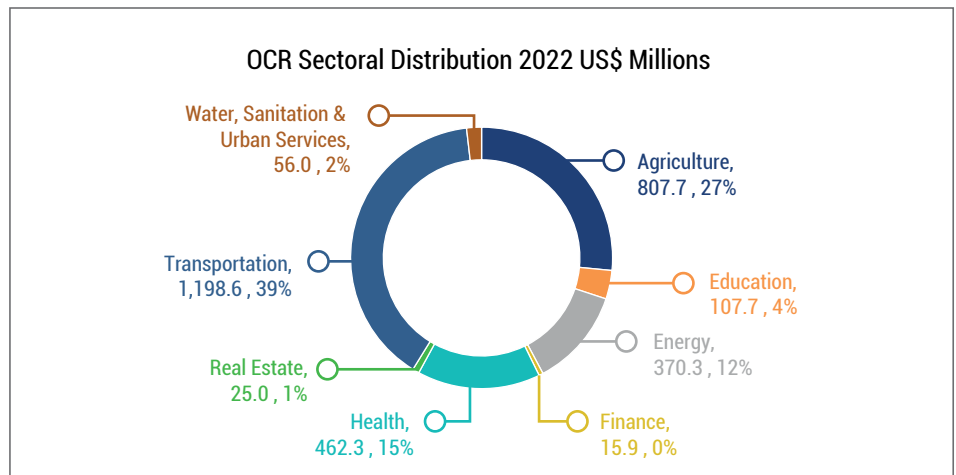
The year 2022 witnessed a significant increase in financing projects under the OCR reaching US\$ 3 billion. See figure 21 for details.

Figure 21: OCR Approval Trends



In 2022, most of the OCR projects approved were for the transport sector (39%), followed by agriculture (27%), health (15%), energy (12%), education (4%), water and sanitation (2%), and the remaining 1% were in other sectors. Figure 22 below gives the details.

Figure 22: OCR Approvals in 2022 by Sector



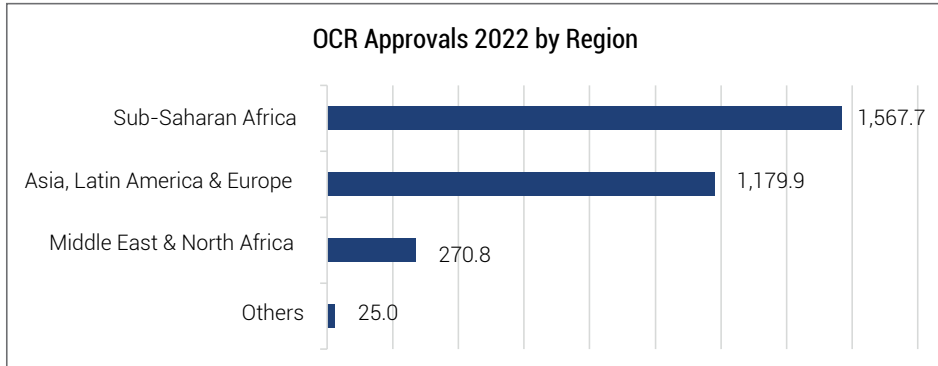
The year 2022 witnessed a significant increase in financing projects under the OCR reaching **US\$ 3 billion.**

The largest portion of the approvals from OCR in 2022 went to Sub-Saharan Africa (US\$ 1.6 billion, 53%), followed by Asia, Europe, and Latin America (39%), and the MENA region 9%. See Figure 23.



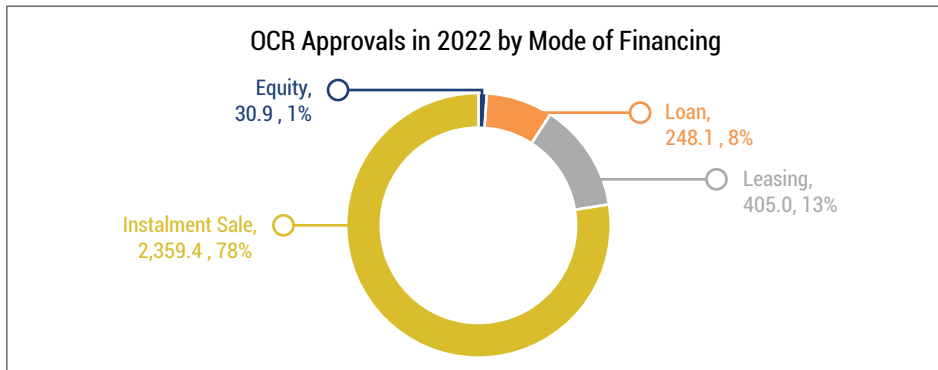
The largest portion of the approvals from OCR in 2022 went to Sub-Saharan Africa (US\$ 1.6 billion, 53%), followed by Asia, Europe, and Latin America (39%), and the MENA region 9%.

Figure 23: OCR Approvals 2022 by Region



In terms of modes of finance, 78% of OCR approvals in 2022 are based on an installment sale, followed by leasing (13%), loan (8%), and equity (1%). See figure 24.

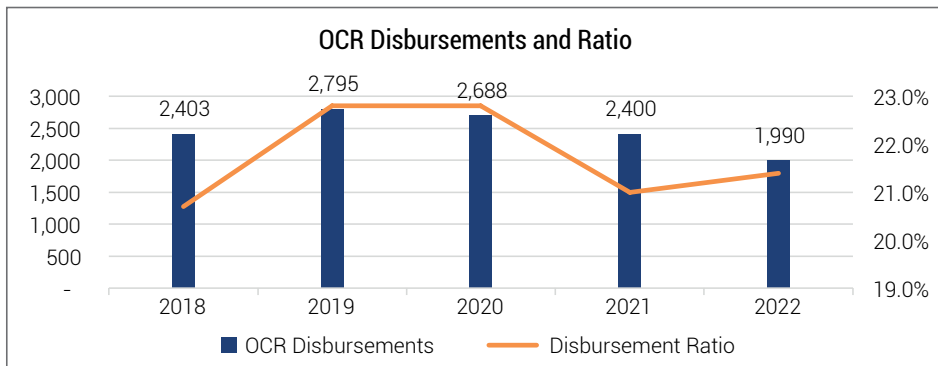
Figure 24: OCR Approvals in 2022 by Mode of Financing



OCR Disbursements

In 2022, the Bank has made OCR disbursements worth US\$ 1.9 billion lower than the disbursements made in 2021 which were US\$ 2.4 billion. The disbursement ratio – which is the ratio of disbursements made during the year and the cumulative undisbursed commitments (CUC) at the beginning of the year – has slightly increased to 21% from 20%.

Figure 25: OCR Disbursements and Ratio



Disbursement Ratio: It is the ratio of disbursement made during the year to cumulative undisbursed commitments at the beginning of the year



The Bank continues to reinforce measures to improve the active portfolio’s quality through the introduction of a formal selectivity process for Selecting Countries for annual CPPR. In this regard, the Bank has recently mainstreamed New CPPR and PIASR processes designed to further enhance portfolio quality and standardize the procedure of conducting both PIASR and CPPR across all Regional Hubs.

4.1.2 Effective Portfolio Management

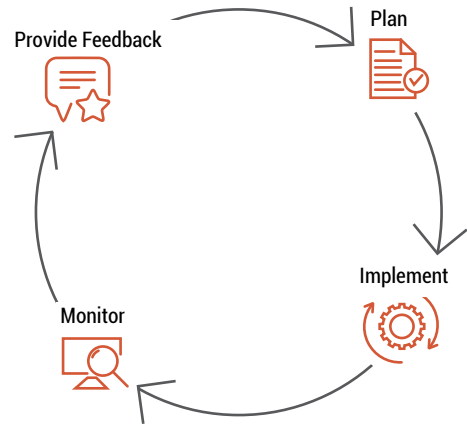
A. Effective Implementation Assessment, Monitoring, and Reporting:

The fundamental objective of operations resides in its ability to effectively and efficiently monitor and report on the performance of the active portfolio through the Regional Hubs (RHs) using a multipronged approach involving: (i) active project supervision through PIASRs; (ii) Country Portfolio Performance Reviews (CPPRs); (iii) cross-departmental task force to focus on portfolio improvement; (iv) measuring and managing results in the form of quality at the exit of projects, and (v) development of IT dashboards for continuous monitoring of the quality of the portfolio for effective management.

Also, the Bank continues to reinforce measures to improve the active portfolio’s quality through the introduction of a formal selectivity process for Selecting Countries for annual CPPR. In this regard, the Bank has recently mainstreamed New CPPR and PIASR processes designed to further enhance portfolio quality and standardize the procedure of conducting both PIASR and CPPR across all Regional Hubs.

The Bank has also developed Project Implementation Assessment and Support

Report (PIASR) Guidelines to facilitate the supervision activities of the RHs and monitoring at the HQ level to improve the Bank’s portfolio of projects. This was followed by mapping the entire PIASR process in the SIGNAVIO system for access by all RHs to ensure consistency of approach across all RHs.



The introduction of Country Portfolio Review Note (CPRN) as an instrument to plan for conducting CPPR in MCs is expected to reinforce the comprehensive desk-based annual performance assessment of Country Portfolio.

B. Effective Grant Operations Management:

Grant operations constitute a critical component of the IsDB operations



as a catalyst for program/project implementation in MCs. The programs/projects receive allocated funding from the Bank and other development partners to respond to the priority development needs of MCs as well as Muslim Communities in Non-Member Countries (MCNMC).

The Bank developed Grant Operations Handbook (Grant Handbook) in 2021 and this was enhanced in 2022, which introduced additionalities in the planning, resource allocation, identification, programming, processing, implementation, and monitoring of the grant programs. The Grant Handbook also provides key information on important definitions, grant typology, and funding sources.

C. Technical Reviews of Projects:

The Bank has separate committees like the Technical Review Committees and Operations Management Committees that carry out the due diligence and quality assurance of projects. The purpose of these forums is to carry out quality reviews, with a focus on compliance with operational, sectoral, thematic, legal, procurement, and fiduciary aspects of the operations documents produced by RHs, and other concerned stakeholders. The committees facilitate the resolution of any issues relating to the processing, and approval of the operations documents makes recommendations to the Management to facilitate informed decision-making and continues to reinforce efforts to enhance the quality of project documentation submitted to the committee.

The Technical Review Committee's guidelines and procedures were prepared to catalyze and reinforce the dynamic quality review process of operational documents and to facilitate and expedite the clearance of documents presented. Moreover, multiple stakeholder workshops and webinars were conducted to familiarize the RHs and the HQ-based staff with the new processes and procedures underpinning the functioning of the Committee. The process has resulted in the reinforcement



of a quality assurance mechanism within the process of reviewing the project documents including the introduction of a single point of accountability for quality assurance in all project documents.

4.1.3 Operations Efficiency Initiatives

A. Adaptive Results-based Management (aRBM):

In 2022, LLF has worked on rolling out the adaptive Results Based Management (aRBM) program to enhance the effectiveness and impact of LLF investments. Adaptive Results-Based Management (aRBM) is about one important change: Focusing on results that benefit the people and the communities we serve. The Islamic Development Bank (IsDB) is a large, complex ecosystem with projects in multiple countries; aRBM reinforces a shared sense of purpose, a clear view of impact, a mindset focused on learning—and a path towards lasting change.

B. Environmental and Social Safeguards and Climate Action:

In terms of climate mainstreaming, in line with its Climate Action Plan (2020-2025), the Bank incorporated climate change and green growth elements in all the Member Country Partnership Strategies (MCPS) developed in 2022 including Indonesia, Niger, Uzbekistan, Bangladesh, Senegal,



In 2022, LLF has worked on rolling out the adaptive Results Based Management (aRBM) program to enhance the effectiveness and impact of LLF investments. Adaptive Results-Based Management (aRBM) is about one important change: Focusing on results that benefit the people and the communities we serve.



The Bank is also ramping up the operationalization of its Environmental and Social Safeguards (ESS) Policy with the ongoing recruitment of a dedicated team to help formalize the do-no-harm approach of the Bank in its interventions in Member Countries.

and Turkmenistan. In addition, all projects and investments with physical assets approved in 2022 were screened against physical climate risk across all regions and sectors and adjusted to address such risks, harness opportunities, and mitigate the impact of climate change.

The Bank is also ramping up the operationalization of its Environmental and Social Safeguards (ESS) Policy with the ongoing recruitment of a dedicated team to help formalize the do-no-harm approach of the Bank in its interventions in Member Countries. A roadmap to fully operationalize the ESS was established to this effect.

C. DOA and Business Processes (2022)

After the fine-tuning and calibration of the Bank's organizational structure, in early 2022, a new Delegation of Authorities Matrix (DOA) was issued, together with the Organizational Manual, and Committee Charters. The DOA, as it pertains to the Operations business (OC-DOA) was developed based on the extensive feedback given by the Operations Complex. The feedback given was based on the lessons learned from the 2018 version, and over 2.5 years of extensive deliberations and multiple reviews by staff across the Bank.

The new OC-DOA espouses the principles of prioritizing staff empowerment, especially in the Regional Hubs (RHs), and accountability, and transfers a considerable number of routine and operational tasks to RH staff in line with the Bank's Realigned Strategy.

► 4.2 ORGANIZATIONAL PERFORMANCE

4.2.1 Corporate Performance Indicators





A. Results-Based Management Framework (RBMF):

For effective monitoring and implementation of the Bank's operations, a Results-based Management Framework (RBMF) has been developed. As Any organization moves from strategy formulation to strategy implementation, it requires a results framework with clearly defined indicators and targets. The Results-based Management Framework (RBMF) aims to measure and track the Bank's progress in meeting the strategic objectives and priorities in a transparent, quantifiable, and interconnected manner.



The RBMF is structured along four levels: Development Goals (Level 1); Development Results (Level 2), Operational Effectiveness (Level 3); and Organizational Efficiency (Level 4). There are well-defined indicators at each of these levels, with clear targets set for Level 3 and Level 4 as per the best industry practices.

Table 26: RBMF Structure and Levels

Level	Brief Definition
 Level 1: Development Goals	Country-level economic and social development indicators
 Level 2: Development Results	IsDB's contribution to the MCs' (Member Countries) sectoral and thematic priorities in terms of project outputs and intermediate outcomes.
 Level 3: Operational Effectiveness	IsDB operational performance indicators and quality of project operations at entry, during implementation, and at completion.
 Level 4: Organizational Efficiency	The quality of financial management, compliance, human resource, procurement, information technology, and administrative services.

Some of the major KPIs are highlighted below:

B. Operations Work Program 2022 Performance:

Though 2022 was a year in which the Bank chalked out the strategic direction of the Bank over the course of the next three years, i.e., 2023-2025, nevertheless, the Bank did not lose sight of the implementation of the operations portfolio amounting to US\$ 26 billion. This was ensured by an effective project implementation in the form of management of 1,054 projects and grants as of the end of 2022. This was complemented by the approval of 46 new projects. At the end of 2022, the operations approvals stood at 100% of the Operations Plan, at US\$ 3 billion. Of this US\$ 248 million is the loan financing, while US\$ 2.76 million is the Ordinary financing. US\$ 204 million was approved under the non-sovereign (public-private partnership) section of the Operations Plan.

C. Revamped Member Country Partnership Strategy (MCPS):

The IsDBG MCPS under the IsDB Strategic Realignment 2023-2025 are founded upon and driven by the National Development Plans of MCs, utilize a 'One Group, One Goal' IsDB Group synergy approach to ensure joint-programming and providing holistic financing packages, and focus on a programmatic approach to solving developmental issues of MCs. The MCPS is the central strategic programming tool to ensure that the Bank's programming is not only driven by national priorities but also empirically grounded in rigorous analysis. The formulated MCPS' are fully aligned with the Strategic Realignment 2023-2025 of the Bank.

Work Program 2022: The Country Strategy & Engagement Division (CSED) in coordination with the management of the CP Directorate targeted the completion of 6 MCPSs in 2022 and exceeded its target by completing 7 MCPS by the end of 2022. The 7 MCPS completed



The Results-based Management Framework (RBMF) aims to measure and track the Bank's progress in meeting the strategic objectives and priorities in a transparent, quantifiable, and interconnected manner.



The MCPS is the central strategic programming tool to ensure that the Bank's programming is not only driven by national priorities but also empirically grounded in rigorous analysis. The formulated MCPS' are fully aligned with the **Strategic Realignment 2023-2025** of the Bank.



The Bank's financial performance was strong in 2022 with OCR's net income of **ID173.1 million** reported in 2022, which was **62%** higher when compared to 2021's net income of ID106.9 million. The Bank also successfully maintained the AAA rating KPI as all four international credit rating agencies, namely S&P, Fitch, and Moody's, along with MARC have reaffirmed the AAA rating of the Bank in 2022.

in 2022 are Maldives, Indonesia, Senegal, Niger, Guinea, Uzbekistan & Turkmenistan.

The Maldives, Indonesia, Senegal, Niger, Guinea, Uzbekistan, and Turkmenistan MCPS' are themed around; facilitating post-pandemic recovery; driving green, resilient, and sustainable structural transformation; inclusive human capital development; and ensuring food security across these MCs.

Work Program 2023: Meanwhile, in 2023, the Bank aims to complete 6 MCPS for Malaysia, Qatar, Kyrgyzstan, Bangladesh, Benin & Gabon. In addition to targeting the delivery of 2 Country Engagement Frameworks (CEF), a new tool that focuses on engagement with countries in conflict or post-conflict situations, fragile countries with their borrowing ability affected by external or internal conditions, and countries with political crises or transitions.

D. Amount of Grant Resources Mobilized in USD (Million):

Building partnerships and mobilizing resources are priority areas for the Bank: (i) The Bank mobilized US\$ 11.5 million in grants for BRAVE and WISE Projects in Yemen and Bangladesh under the We-Fi initiatives; (ii) An amount of US\$ 5 million was mobilized from Abdallah Al-Nouri Foundation, which has already been committed to contributing to the STEP Program; (iii) The Bank mobilized US\$ 27 million from SPARK, which has also been committed contributing to the STEP Program; (iv) the Bank mobilized US\$ 3.5 million through GMPFC for STEP Jordan and Lebanon; (v) Microsoft Philanthropist Contributed US\$ 0.12 million to the tech for the project in Nigeria; (vi) US\$ 46.9 million were mobilized from ICRC to the Tadamon CSO Pandemic Accelerator to support Afghanistan.

E. Financial Performance:

The Bank's financial performance was strong in 2022 with OCR's net income of ID173.1 million reported in 2022, which was

62% higher when compared to 2021's net income of ID106.9 million. The Bank also successfully maintained the AAA rating KPI as all four international credit rating agencies, namely S&P, Fitch, and Moody's, along with MARC have reaffirmed the AAA rating of the Bank in 2022.

4.2.2 Integrated Work Program

The Bank has introduced a formal mechanism of planning, i.e., Integrating Work Programming, that was introduced to ensure a cohesive approach of integrating strategy, finance, operations, and resource allocation of the Bank. This is well embedded in the Programming exercise. This ensures a wider stakeholders' consultation exercise is carried out for inclusive participation in the process. This results in an organization-wide approach, which is incorporated into programming and project selectivity.

The major strategic initiatives under the IWP are as follows:



Partnership & Official Co-financing Program:

In 2022, the Partnership & Official Co-Financing (POC) Program mainly focused on following up on the implementation of cooperation and co-financing arrangements with other MDBs. These institutions included EIB, ADB, AfDB, World Bank, IMF, AIIB, UK Aid-FCDO & BII, JBIC, Japan's NEXI, IFAD, and BADEA.



Operationalization of IsDB's alignment of its operations with the objectives of the Paris Agreement in coordination with other stakeholder departments:

The program implements actions initiating the piloting and further operationalization of IsDB's Paris alignment. The implementation happens through the development of



new tools and strengthening of existing tools and processes while setting key capacity development actions towards that objective. The main actions under the program are: (i) Mainstreaming of the GHG accounting tool for Bank operations; (ii) Set-up of the Bank-wide Physical Climate Risk Management System (PCRMS) with RMD; (iii) Complete the drive of familiarization process of all RH OTL staff with Paris Alignment principles and dissemination of guidance documents and materials that was started in 2022.

and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs) in project appraisals. (ii) developing a detailed guidance document on the assessment of individual safeguards, including a compendium of relevant existing international laws and regulations, tools and guidelines for the use of IsDB project Operations Team Leaders (OTLs) and ESS experts; and (iii) preparing the business process and guidelines on ESIAs and ESMPs for the project.



Development and roll-out of IsDB Environmental and Social Safeguards program and practices: The program seeks to address environmental and social impacts and risks to IsDB's operations, through the operationalization and implementation of the IsDB Environmental and Social Safeguards items by: (i) supporting Regional Hubs at appraisal as they analyze and integrate Environmental

Implementation of Climate Action Plan 2020-2025 and Advocacy at COP28: The program oversees the implementation of the CC Action Plan, through partnership development and mainstreaming of climate change in IsDB operations and climate-aligned pipeline by: (i) leading and showcasing the work of the IsDB Group at COP28 to be held at MC, UAE and expected to organize at least 20 side events and launch critical programs; (ii)



Operationalization of IsDB's alignment of its operations with the objectives of the Paris Agreement in coordination with other stakeholder departments is a critical strategic program of the Bank.

Organizing the set-up of the IsDB Group pavilion; and (iii) Facilitate and participate with the senior management of the Bank at flagship international events on Climate Change at UN, UAE, and KSA organized events throughout the year such as Middle East Green Initiative, and with key strategic partners such as Community Jameel and KAPSARC.



Addressing Fragility, Disaster Risk Management and Resilience through partnerships and programs:

The program covers several new and scaled-up partnership products and programs, covering the following: (i) Rolling out the Transition Management and Mitigation Strategy (TMMS) to complement MCPS in fragile contexts; (ii) Operationalization of the Fragility Financing Facility; (iii) Coordinate the work of the MDB Working Group and platform on Forced Displacement; and (iv) Conduct 3 steering committee meetings for partners for the flagship STEP program.



Developing National Ecosystems for SSTRc:

To address the emerging challenges of our MCs amid global uncertainties, the Bank needs to leverage on South-South and Triangular Cooperation (SSTRc) and support the Member Countries to fully benefit from the SSTRc framework. This should be used as one of the key instruments to achieve their national development objectives as well as contribute to the agenda 2030. In line with the recommendations of the outcome document of the BAPA+40 UN Global Agenda, the Bank continued deploying the Capacity Development Program for Enhancing National Ecosystems for SSTRc through several interventions.



Enhance the IsDB Sukuk Program:

The Bank continued to explore and incorporate new features to the existing Sukuk MTN Program. The Bank successfully mobilized resources for IsDB-OCR from the market (short to medium-term) and expanded the investor base through outreach and engagement.



To address the emerging challenges of our MCs amid global uncertainties in 2023, the Bank needs to leverage on South-South and Triangular Cooperation (SSTRc) and support the Member Countries to fully benefit from the SSTRc framework and use it as one of the key instruments to achieve their national development objectives as well as contribute to the agenda 2030





Employee Engagement and Culture:

People, Institutions, and Governance are key enablers in ensuring the successful and effective implementation of the realigned strategy, with the intent to nurture a revitalized institutional cultural model inspired by Islamic ethics and core values. The new culture of IsDB should promote qualities of fairness and trust, transparency and inclusiveness, teamwork, drive for results, empowerment, accountability, innovation, and humility.



Review and Update of the Exposure Management Framework:

Exposure Management Framework was approved in 2016. Though this has served its purpose, however with changes in the portfolio dynamics, the risk profile of the Member Countries, and the expectation for growth in business following the 6th GCI, it has become extremely urgent to update and recalibrate the Bank’s exposure management framework.

4.2.3 Building Organizational Capabilities

Human Resource Strategies:

• **Leadership Development Program (LDP):**

Leadership Development Program (LDP) started in 2021, to prepare the new directors and managers on becoming true leaders of the Bank with the target of preparing a new generation that can take the bank to a different level. The Program started its first round in 2021 with training attended by all the directors at the time. In 2022, the program continued its second round with the target of 50% of newly joined directors and managers attending the program. In 2022, the LDP includes workshops and cohort discussions, and other exercises which will prepare the newly joined participants to act based on their roles.

• **Talent Management Project:**

The Talent Management Strategy document has been approved in 2022 by the EMC and was presented to the BED. The Talent Management Strategy document was reviewed to reflect the people element under the Key Enabler of the IsDB Strategic



The new culture of IsDB should promote qualities of fairness and trust, transparency and inclusiveness, teamwork, drive for results, empowerment, accountability, innovation, and humility.



The move to cloud infrastructure is in line with the paradigm shift that has happened in the IT industry over the past 10 years. This reduces on-premises storage and the risks that are associated with it.

The Talent Management Strategy document was reviewed to reflect the people element under the Key Enabler of the IsDB Strategic Realignment 2023-2025.

Realignment 2023-2025. The program will allow the implementation of the recommended actions as part of the talent strategy.

4.2.4 Integrating Technology for Operational Efficiency

In 2018, a preliminary assessment was conducted to strengthen the role of IMDT within the Bank. It recommended that IsDB should have a comprehensive IMDT Strategy and Operating Model aligned to the Bank's strategic priorities and to address the prevailing gaps.

The purpose of the IT Strategy is to upscale IMDT as a business enabler. Technology has become one of the key components in enabling businesses to achieve organizational strategic objectives in this dynamic global pace. The strategy delivery exercise was done in consultation with stakeholders in IsDB, and IT advisors and by international standards and best practices. Benchmarking exercises were also conducted across other MDBs to make comparisons and evaluate similar areas.

The strategy establishes the vision and mission and outlines the key objectives

guiding the strategy in achieving IMDT's vision and mission, and the evolving role as a business partner by strengthening its position as a supporter, enabler, and disruptor. This translates the strategy to three (3) main functional pillars i.e., Business and IT alignment, Operational Maintenance and Emerging Technology. These 3 functional pillars define six (6) strategic areas across Information Management, Application, Infrastructure, Cyber Security and Governance, Resourcing, and Innovation.

The overall strategy is stabilizing key IT functions and building the fundamentals of new IT functions across three to four years, and the 6 strategic areas are interlinked to achieve the high-level objectives in stages. This translates to business stabilization of the current IsDB environment to increase the efficiency of IT alignment to the business with proper governance and process based on international standards and best practices in managing demands with a practical supply chain. This requires strategic outsourcing with internal capabilities. This will also include increasing the mobility of resources and infrastructure considering the decentralization model and strengthening alignment with the regional hubs.

The move to cloud infrastructure is in line with the paradigm shift that has happened in the IT industry over the past 10 years. This reduces on-premises storage and the risks that are associated with it and shorten infrastructure deployment times inherent in the on-premises model due to the procurement cycle for acquisition, setup, and any required upgrades or replacement of hardware. It will also enable IsDB IT services to be future-proof as most hardware and software vendors are moving away from the on-premises model to the cloud model and will stop supporting the on-premises model shortly.





CHAPTER 05

CONCLUSION



The IsDB has demonstrated its full commitment to the 57 Member Countries and Muslim communities in the non-Member Countries in the form of providing regular operations financing as well as developing customized programs as and when needed. This is evident by the increase in operations financing every year as the Bank aims to increase the 2023 operations financing to US\$ 4 billion from 2022's level of US\$ 3 billion. The Bank's regular operations are spread across all three regions of Sub-Saharan Africa, Asia, Europe, and Latin America, and the Middle East and North America with an active portfolio of US\$ 26 billion.

In addition to the regular operations, the Bank has developed customized programs. In 2022, the Bank developed the Food security and Response Program (FSRP) amounting to US\$ 10.5 billion. As of October 30th, 2022, the total IsDB Group (IsDBG) Commitment to the COVID-19 response (SPRP) is US\$ 4.6 billion. The total amount of financing approved by the IsDBG has increased to US\$ 4.4 billion.

► 5.1 SUMMARY OF RESULTS

The journey from financing the operation to achieving results is critical, and the Bank has made strong inroads to ensure that the right level of focus is paid towards development effectiveness. As a result, the Bank has contributed to substantial developmental impact as reflected in the results achieved by the Bank that have been captured in chapters 2 and 3 in a comprehensive manner. The Bank is monitoring and reporting these results across the two strategic pillars: (i) Pillar 1: Green, resilient, and sustainable infrastructure across the six (6) sectors of clean and renewable energy, sustainable multi-modal; transport, agriculture, and rural development, ICT and digitalization, social infrastructure and urban development, water, and sanitation; and (ii) inclusive human capital development across the areas of universal healthcare, resilient and quality education, nutrition and food security, social protection, and MSMEs and job creation. A summary of results from the projects and grants completed in 2022 are:

- 54,260 tons of Crop production increased, and 5,155 hectares of the

area were irrigated.

- 380,000 people with improved access to transportation services increased, and 10,000 tons, per year of transport or logistics gateways/hubs increased.
- 12,809,848 Households connected to electricity, and 13,850 MW equivalent Installed energy generation capacity using non-renewable sources.
- 401 Enterprises benefited through science, technology, and innovation support.
- 941,943 Households provided access to safe water supply systems, and 196,870 m³/day Potable water treatment capacity increased.
- 285,789 students benefited per year, and 1,279 Classrooms were built or upgraded in educational institutions.

“
54,260 tons
of Crop production
increased, and
5,155 hectares
of the area were
irrigated.”



“

285,789 students benefited per year, and **1,279** Classrooms were built or upgraded in educational institutions.

- Over 43 million people per year benefited from outpatient services, and 43 million people were vaccinated against preventable diseases (e.g., Polio, COVID-19, HPV, DPT).
- 22,000 people employed, and 8,871 people with access to microfinance increased.

▶ 5.2 KEY CHALLENGES

The real developmental effectiveness is gauged by the impact that the IsDB has brought on the lives of millions of people in the MCs and Muslim communities in non-Member Countries. The results are a demonstration of how people have benefitted from the Bank's interventions across six (6) sectors and five (5) thematic areas. The Bank is conscious of the exogenous, and endogenous challenges faced because of global shifts due to geopolitical situation, natural disasters, regional conflicts, and climate change effects. This is reflected in the Realigned Strategy 2023–2025 as MCs' needs and challenges have been prioritized to provide Bank's response to these pressing challenges.

Due to the increase in reference rates, there are demands from the MCs for the Bank's interventions, for more concessional financing. The Bank will try to increase the concessional funding through the completion of LLF-2's replenishment process by March 2023 and scaling-up partnership and resource mobilization initiatives.

Off-balance sheet resource mobilization needs to be strengthened. There is a need to have an integrated resource mobilization strategy for the Bank that could bring together all the different partnership aspects to reach out to the donors.

Making the Bank more efficient in the form of improved productivity is of the essence and necessitates continuous improvements in the business processes and product lifecycles.

Lessons learnt from the previous completed projects should be captured in the programming and future design of projects to ensure enhanced operational delivery and results in a sustainable manner.

Exogenous factors such as MCs' debt sustainability issues, inflation, supply chain disruptions, food security, and countries facing economic and political fragility could pose challenges in the future.

▶ 5.3 WAY FORWARD

As per the IWP 2-23-2025 and Budget 2023, the 2023 Operations Plan (OP) funding is US\$ 4 billion, which is US\$ 1 billion more than the funding in 2022. The IsDB has formulated a strong project intervention pipeline with a healthy Operations Work Program planned for 2023. The Work Program covers nine major sectors which are Transport, Agriculture, Water, Health, Education, Energy, Finance, ICT, and STI (Science, Technology, and Innovation).

The 2023 Operations Work Program includes Category-A projects (at an advanced stage of readiness) amounting to US\$ 3.5 billion. These projects are aligned with one or more of the 3 Strategic Objectives of the Bank's new Strategic Outlook of engaging MCs for sustainable development under Building Resilience and Tackling Poverty (44%), Driving Green Economic Growth (40%), and Boosting Recovery (16%).

The same pipeline is further aligned with 2 Strategic Pillars of the new Strategic Outlook, i.e., Green Sustainable and Resilient Infrastructure amounting to US\$ 2.9 billion (82%) and Inclusive Human Capital Development amounting to US\$ 614 million (18%).



**Acknowledgement**

This publication is produced by staff of Strategy, Budget, and Corporate Performance Department (SBCP). The team would like to sincerely thank and acknowledge the support of staff of other key functions, who have worked closely with us. This includes staff of Country Programs Directorate and Global Practices and Partnerships Directorate from the Operations Complex, staff of Economic Research and Statistics Department, staff of Executive Office of the President, staff of the Strategy Update Team, and staff of all the business units of the Islamic Development Bank (IsDB), who have worked diligently during 2022 towards achieving the IsDB's goals and objectives.



📍 8111 King Khalid St.
Al Nuzlah Al Yamania Dist.
Unit No.1 Jeddah 22332-2444
Kingdom of Saudi Arabia

📞 +966 12 636 1400
☎ +966 12 636 6871
🌐 www.isdb.org