IsDB
البنك الإسلامي للتنمية
Islamic Development Bank

IsDB Center of Excellence in Kuala Lumpur

Annual Report 2025

Key Activities and Engagements

Realising IsDB Group 10-Year Strategic Framework Aspirations

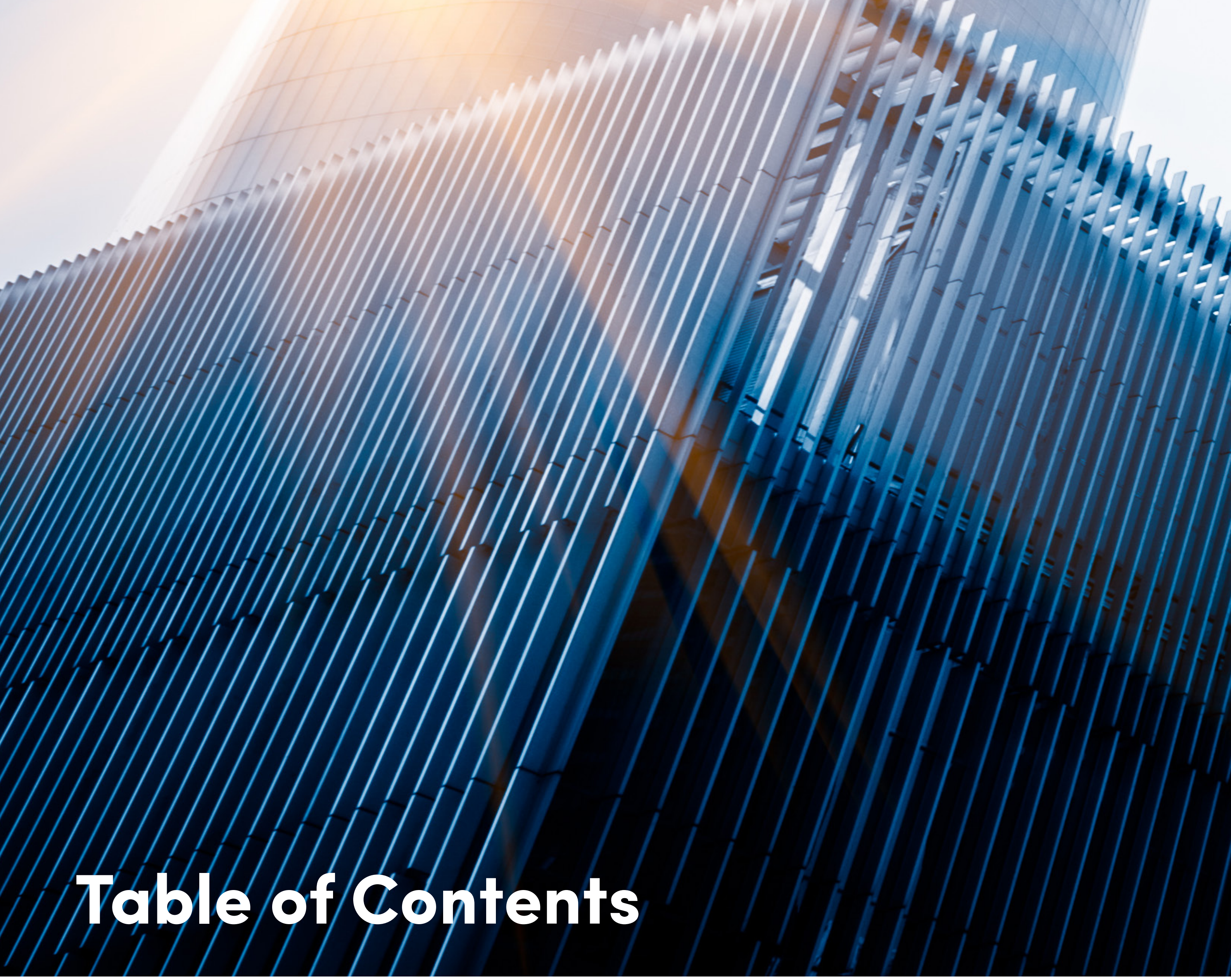

Table of Contents

Executive Summary

In 2025, the Islamic Development Bank (IsDB) Center of Excellence in Kuala Lumpur (KLCoE) strengthened its role as a regional and global platform for advancing Islamic finance and halal industry ecosystems, aligned with the IsDB Group's 10-Year Strategic Framework. Guided by its dual pillars (i) Halal Industry Ecosystem Development and (ii) Islamic Finance Ecosystem Development, KLCoE aspires to deliver development impact for Malaysia and IsDB MCs in the area of Islamic finance and the halal economy.

In 2025, KLCoE implemented a total of **seven (7) capacity development programs**, training **fifty-nine (59) officials from 19 countries**. The Center also strengthened knowledge sharing and outreach by participating in **twelve (12) high-level thematic forums** globally and conducting **fifteen (15) technical capacity building workshops**, further expanding its engagement with key stakeholders across member countries.

Under the Halal Industry pillar, the *Greening Halal Businesses (GHB)* initiative and the *Halal Industrial Park 2.0 Functional Design* Report was approved as thematic interventions to support halal ecosystems in Malaysia, with opportunities for model replication across other IsDB MCs. High-level platforms and international engagements further strengthened global collaboration.

In Islamic finance, KLCoE successfully launched the *Multi-Country Islamic Finance Capacity-Building Program* with Bank Negara Malaysia and co-organized a regional regulatory program with the Islamic Financial Services Board. Knowledge leadership was further reinforced through the joint *"Islamic Finance and Climate Agenda"* report with the World Bank.

Overall, KLCoE's 2025 deliverables positioned Malaysia as a hub for innovation, capacity building, and sustainable Islamic economy solutions for IsDB MCs.

Key Metrics

7 NUMBER OF CAPACITY DEVELOPMENT PROGRAMS

19 NUMBER OF COUNTRIES ENGAGED

59 NUMBER OF OFFICIALS TRAINED

12 NUMBER OF CONFERENCES PARTICIPATED AS SPEAKER

15 NUMBER OF WORKSHOPS CONDUCTED

Introduction

The KLCoE activities are uniquely synchronized with the IsDB Group's 10-Year Strategic Framework (10YSF) 2026-2035. This alignment ensures that the Center's activities contribute directly to the Bank's long-term vision of promoting inclusive productivity and Islamic economics. The 10YSF focuses on two core development perspectives, both of which are central to the KLCoE mission:

Development from the Perspective of Islamic Economics and Finance:

The Center aims to systematize Islamic finance to support climate resilience and human capital development. This is achieved by promoting Maqasid-based finance focusing on ethical stewardship (Amanah), justice (Adl), and community welfare (Maslahah) rather than just contract permissibility.

Sustained Growth in Inclusive Productivity:

The KLCoE leverages Malaysia's industrial leadership to scale halal supply chains, driving food security and MSME growth across the membership. This aligns with the Bank's goal of helping Member Countries (MCs) lead their national development agendas through productivity-led growth.

These developmental perspectives are pursued through three distinct engagement channels:

01

Country-Level Engagement:

The Center provides technical advisory and policy support tailored to national development agendas, such as supporting Halal ecosystem assessments in Azerbaijan or Islamic banking laws in Uzbekistan.

02

OIC/Regional Level Engagement:

By facilitating South-South Cooperation and Reverse Linkage, the KLCoE acts as a connector, transferring Malaysian expertise to other Member Countries.

03

Global Level Engagement:

Through high-profile advocacy and joint knowledge products with international institutions like the World Bank, the KLCoE positions Islamic finance and the halal industry as vital components of the global sustainable development agenda.

The integration with the Global Practices and Partnerships Directorate (GPP) ensures that the Center's work program contributes directly to the Bank's resource mobilization and partnership strategies. This alignment allows the KLCoE to serve as a hub for the Group's synergy agenda, co-developing initiatives with entities like the IsDB Institute (IsDBI) to reinforce the Group's role as the knowledge beacon of the Islamic world.

INITIATIVE

Focus Area 01 Supporting Halal Industry Ecosystem Development

Greening Halal Businesses (GHB)

The project was approved in July 2025, co-funded by IsDB and the Malaysian Government. The grant agreement with SME Bank was signed in January 2026. The initiative was developed with support from the Ministry of Finance (MOF), Bank Negara Malaysia, and nine Islamic Financial Institutions (IFIs).

This initiative is aimed at helping these businesses transition towards sustainability and green growth, while positioning IsDB as a leader in facilitating this transformation within the Islamic economy globally. This initiative is critical not only for Malaysia's halal industry but also reflects the global challenge that halal businesses in other IsDB MCs face in transitioning to green practices. Many MCs are experiencing similar pressures due to ESG compliance and the growing demand for sustainability in global markets. As the world shifts towards a low-carbon economy, halal businesses in IsDB MCs are increasingly at risk of being left behind unless they adapt to green practices and meet the environmental demands of their international trading partners. Like Malaysia, other IsDB member countries could face significant economic losses if their halal businesses fail to comply with these emerging global standards. These include the loss of potential export revenues, the inability to leverage green finance, and the risk of being excluded from global halal supply chains, especially as multinational corporations (MNCs) commit to Net Zero and green supply chain requirements. Given these shared challenges across the MCs, the GHB pilot initiative in Malaysia will not only strengthen Malaysia's halal industry but also provide a scalable, replicable model for supporting halal businesses in other IsDB MCs. By aligning Malaysia's efforts with broader IsDB objectives, the initiative will contribute to building a more sustainable global halal economy and strengthen the IsDB role in the green transition.

Halal Industrial Park 2.0 Functional Design Report

The Halal Industrial Park 2.0 functional design report initiative seeks to develop a new generation of halal industrial parks in Malaysia, positioning them as strategic hubs for halal production assets and supply networks. The initiative is supported by the Ministry of Finance, Halal Development Corporation, Department of Islamic Development Malaysia (JAKIM), and other key halal industry ecosystem stakeholders.

Series of engagements with stakeholders for Halal Industrial Park 2.0 Functional Design Report

Nine workshops with major halal product manufacturers, logistics providers, park operators, and Islamic financial institutions and 14 meetings with key stakeholders helped shape the vision for Halal Industrial Park 2.0 as a strategic vehicle to anchor halal production assets and supply networks. The model is designed for scalability, allowing replication in other IsDB MCs while leveraging each location's unique cluster advantages. It plays a crucial role in shaping a more resilient and interconnected halal ecosystem in Malaysia. The Halal Industrial Park 2.0 initiative aims to meet growing market demands while ensuring SMEs receive the necessary support to thrive within the industry.

Halal Industrial Park 2.0 Workshop organized by KLCoE on 18th February 2025

Panel Session of the Halal Economy Leadership Forum (HELF), 21 May 2025

Halal Economy Leadership Forum (HELF) 2025

The Halal Economy Leadership Forum, themed "Pathways to Prosperity in the IsDB MCs", was successfully held on 21 May 2025 in Algiers, as part of the IsDB Group Private Sector Forum 2025, in conjunction with the IsDB Annual Meeting 2025. The Forum builds on the momentum of the inaugural event held in Riyadh during IsDB's Golden Jubilee in 2024, which set the stage for deeper halal economic integration among IsDB MCs.

The event was jointly organized by KLCoE, the Halal Development Corporation (HDC) of Malaysia, and the Halal Products Development Company (HPDC) of Saudi Arabia, bringing together a high-level audience of policymakers, industry leaders, and international stakeholders to shape the future of the global halal economy. This event fostered regional dialogue and positioned Malaysia as a leader in shaping the halal economy.

The Forum also explored the potential for fostering global partnerships within the halal ecosystem. Discussions focused on strengthening cross-border collaboration to address intra-OIC trade deficits, while leveraging key insights from the Global Halal Ecosystem Assessment Report to uncover untapped markets and growth opportunities. Emphasis was placed on promoting an inclusive framework for the holistic development of halal ecosystems in IsDB MCs, while also creating benefits that extend beyond the OIC region.

STRATEGIC PARTNERSHIP/ CO-ORGANIZING EVENTS

Azerbaijan Halal Business Forum (AZHAB)

KLCoE participated in the Azerbaijan Halal Business Forum (AZHAB), held in Baku on 7–8 October 2025, to strengthen collaboration in halal industry development and promote sustainable economic growth among IsDB MCs. During the forum, the Head of KLCoE delivered the opening address alongside senior dignitaries, including H.E. Majnun Mammadov, Minister of Agriculture of Azerbaijan, and H.E. Elnur Aliyev, First Deputy Minister of Economy. The address highlighted the importance of strategic partnerships, innovation, and knowledge sharing in accelerating the growth of the global halal ecosystem.

Head of KLCoE delivering opening remarks at the Azerbaijan Halal Business Forum (AZHAB), 7-8 October 2025

World Halal Business Conference (WHBC)

World Halal Business Conference, 18-19 September 2025. KLCoE participated as a Panelist

KLCoE participated as a panelist at the World Halal Business Conference (WHBC) 2025, held on 18–19 September at the Malaysia International Trade and Exhibition Center (MITEC), in conjunction with the Malaysia International Halal Showcase (MIHAS) 2025. The event was officiated by Minister of Investment, Trade & Industry. The Center highlighted the importance for innovative solutions, sustainable practices, and international cooperation to address persistent challenges such as fragmented supply chains, varying certification standards, and infrastructure gaps.

WORKSHOPS/ KNOWLEDGE-SHARING ACTIVITIES

Other Halal Workshops/Knowledge-Sharing Activities in 2025

KLCoE conducted seventeen (17) meetings and nine (9) workshops with key government agencies and industry players within Malaysia's halal ecosystem to co-design Halal Industrial Park 2.0.

Two capacity-building sessions in collaboration with Project Procurement & Financial Management Division and Financial Control Department, one on IsDB procurement procedures and the other on disbursement processes have been successfully conducted for the BNM and SME Bank.

During the GPP Knowledge Week, the Center virtually organized a panel discussion on Halal Industrial Park 2.0.

KLCoE and World Bank Malaysia conducted about 5 workshops and 43 surveys among key halal industry development agencies and MSMEs in Malaysia, Indonesia and Philippines. The outputs were used for including Greening Halal Value Chains as a key innovative feature/theme of the Co-Authored publication 'Islamic Finance and Climate Agenda' Report with World Bank.

KLCoE supported IsDB participation in Halal Development forums and events in Morocco, Philippines and Indonesia.

Focus Area 02 Supporting the Islamic Finance Ecosystems Development

Multi-Country Islamic Finance Capacity Building Program

Participants of the Multi-Country Islamic Finance Capacity Building Program together with dignitaries from the Ministry of Finance, Bank Negara Malaysia, INCEIF University and the Islamic Development Bank, 18 October 2025

The year 2025 marked the launch of the Multi-Country Islamic Finance Capacity Building Program, an innovative capacity building program focused on practical knowledge transfer, networking and training between Central Banks of the IsDB MCs. The inaugural version, co-designed with Bank Negara Malaysia (BNM), and with support from the IsDB Institute, Cooperation and Capacity Development Department and the Regional Hubs of Almaty and Ankara, the program was implemented between 13-17 October 2025. The program design was informed by a comprehensive needs assessment conducted by the KLCoE through surveys and virtual consultation with the participating Central Banks.

The program brought together 21 participants representing Central Banks and Regulatory and Supervisory Authorities (RSAs) from Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, and Azerbaijan. The training combined conceptual learning with hands-on exposure to Malaysia's institutional and regulatory practices, fostering peer exchange and south-south cooperation. Held on the sidelines of Global Islamic Finance Forum 2025 in Kuala Lumpur, and was formally officiated by H.E. Datuk Johan Mahmood Merican, Secretary General of the Ministry of Finance Malaysia and Executive Director of IsDB. The event also featured welcoming remarks by Mr. Adnan Zaylani Mohamad Zahid, Deputy Governor of BNM; Dr. Sami Al-Suwailem, Acting Director General of IsDB Institute; Mr. Samer Elesawi, Head of IsDB KLCoE; and Prof. Emeritus Dato' Dr. Azmi Omar, President and CEO of INCEIF University.

The Program marks a key milestone in IsDB's commitment to advancing capacity building, knowledge sharing and Islamic finance ecosystem development. Building on this success, the IsDB and its partners plan to extend the Multi-Country Program in 2026, focusing on a new regional group of Member Countries.

CAPACITY BUILDING PROGRAM

Core Principles for Islamic Finance Regulation (Banking Segment) for a regional grouping of Central Banks in Asia

The KLCoE and IFSB co-organised a regional capacity-building program focused on the IFSB 17 Standard on Core Principles for Islamic Finance Regulation (Banking Segment). Held from 24-28 November 2025 in Kuala Lumpur, the intensive five-day program brought together over 20 regulatory and supervisory officials from seven countries, including five IsDB MCs (Bangladesh, Indonesia, Iran, Malaysia, and Pakistan) and two non-Member Countries that are IFSB Members. The program featured an integrated curriculum combining presentations, case studies, and hands-on exercises. Topics covered included the Basel Core Principles, the IFSB's Core Principles for Islamic Finance Regulation (CPIFR), supervisory review processes, capital and liquidity risk management, corrective actions, enforcement, stress testing, and cross-border supervisory cooperation. The sessions were designed not only to enhance participants' understanding of global and Islamic finance-specific standards but also to help regulators translate these standards into national supervisory frameworks.

Participants expressed strong appreciation for the program's depth, practical orientation, and the invaluable opportunity for cross-country sharing of knowledge and expertise.

Participants of IFSB 17 Standard on Core Principles for Islamic Finance Regulation (Banking Segment) Capacity-Building Program, 1 December 2025

Visit by High-Level Delegation from the Central Bank of Uzbekistan, 7 August 2025

Facilitation of High-Level delegation of Central Bank of Uzbekistan Study Visit

KLCoE partnered with the Asian Development Bank (ADB) to facilitate a study visit for a high-level delegation from the Central Bank of Uzbekistan to discuss and learn from Malaysia's experience in implementing an enhanced Islamic Finance Law.

The delegation, led by Deputy Chairman of the Central Bank of Uzbekistan, included senior officials from key government bodies, including the Ministry of Finance and Economy, Ministry of Justice, National Tax Committee, and the Uzbekistan Mortgage Refinance Company.

The training program, which was co-developed by KLCoE in consultation with Central Bank of Uzbekistan and ADB, provided a comprehensive look into Malaysia's robust Islamic finance ecosystem. The delegates participated in a series of training sessions covering a wide range of topics essential to the field.

The visit provided a unique opportunity for the Uzbek officials to learn from Malaysia's established experience in developing and regulating Islamic finance. The insights gained are expected to be instrumental as Uzbekistan continues to develop its financial infrastructure and explore new avenues for economic growth, supported by IsDB's technical assistance programs. The successful visit has borne fruit as a direct result of this engagement, and following the conclusion of the reporting period, the Senate of Uzbekistan formally approved the law on February 5 2026, introducing Islamic banking in the country, establishing a legal framework for the provision of Islamic financial services by banks and microfinance institutions.

KNOWLEDGE PRODUCTS

Co-Authoring 'Islamic Finance and Climate Agenda' Report with World Bank

KLCoE, together with the Resilience and Climate Action Department (RCA), IsDB Institute and GPP-Front Office, jointly drafted in-house with the World Bank a report on Islamic Finance and Climate Agenda, which was launched on 15 November 2025 in COP 30 in Belem, Brazil. The report is forward-looking providing tangible examples of innovative Islamic finance product and structures for both climate mitigation and climate adaptation solutions. The report also calls for action in terms of role of different stakeholders in the Islamic finance industry to mainstream sustainability in its operational activities.

Industrial Visit by INCEIF University Post-Graduate Students, 22 April 2025

INCEIF University

A diverse cohort of postgraduate Islamic finance students from INCEIF University gained critical industry insights during an immersive visit to KLCoE. The delegation comprised 17 students from nine countries, currently pursuing their master's in Islamic finance Practice, and were accompanied by two INCEIF faculty members. The visit concluded positively, with the INCEIF students and faculty expressing sincere appreciation for the practical knowledge gained. They stressed the value of such engagements in developing skilled professionals ready to contribute meaningfully to the global industry.

Ministry of Economy and Finance, Benin

KLCoE delivered a comprehensive knowledge-sharing session on Islamic finance and sustainability for the representatives of the Ministry of Economy and Finance, Benin in July 2025. The delegates were exposed to IsDB's Sustainable Finance Framework and the IsDB's Climate Action Plan 2020-2025. They also learned about the IsDB's journey in the green finance space, from its first green Sukuk issuance in 2019 to the largest sustainability Sukuk in 2021.

Delegation from the Ministry of Economy and Finance, Benin Visits KLCoE, 10 July 2025

Islamic Financial Services Board

KLCoE conducted a technical knowledge-sharing session for the staff of the Islamic Financial Services Board (IFSB) in June 2025 at INCEIF University. KLCoE provided a comprehensive overview of best practices and practical insights based on IsDB's significant track record in supporting the development of Islamic finance globally.

The request for this specialized session from the IFSB, an international standard-setting body for the Islamic financial services industry, was based on its efforts to launch its own technical assistance program aimed at facilitating the implementation of its prudential standards across member countries. Recognizing IsDB's vast experience in this domain, the IFSB sought to leverage IsDB's expertise to ensure a robust and effective roll-out of their upcoming initiatives.

KNOWLEDGE-SHARING ACTIVITIES

National Committee of Economics and Shari'ah Finance - Indonesia (KNEKS)

KLCoE delivered two technical focus-group sessions for the National Committee of Economics and Shari'ah Finance (KNEKS) upon request of Indonesia and Malaysia Islamic Finance Center (MIFC) Leadership Council covering topics of taxation on Islamic finance transactions.

Knowledge sharing session with university students

Advancing the Islamic Digital Economy in Malaysia

As part of its knowledge and thought-leadership role, KLCoE became a strategic partner for the landmark study "Advancing the Islamic Digital Economy in Malaysia: Developing a Comprehensive Conceptual Framework and Index" led by INCEIF University. Through a collaborative effort, the pilot aims to develop a practical framework for an Islamic digital economy in Malaysia, with the bigger aspirations to channel this framework for adoption by other interested IsDB MCs.

KLCoE's Panel Discussion Session at the GPP Knowledge Week, 20 November 2025

During the GPP Knowledge Week, the Center virtually organized panel discussion on Islamic Finance and the Climate Agenda report. The panel was supported by the KLCoE, together with the World Bank and the Islamic Financial Services Board.

STRATEGIC PARTNERSHIP/ CO-ORGANIZING EVENTS

KLCoE co-hosted with the Treasury Department and the IsDB Institute the high-level side event "Unleashing the Potential of Sukuk for Financing Sustainable Development" during the 2025 IsDB Group Annual Meeting. The session examined the integration of Islamic finance principles into existing sustainable finance frameworks.

KLCoE led the IsDB Group participation in Global Islamic Finance Forum (2025) & MIFC Global Impact Business Challenge. Representatives from the KLCoE, IsDB Institute, Shari'ah Division, and Financial Planning, Policies and Analytics (FPPA) Department reinforced the bank's global standing through active participation in numerous panels, technical meetings and side events, sharing key initiatives and fostering crucial networking for future collaborations.

- A strong delegation comprising more than 10 IsDB Group Staff attended GIFF and its related side events and activities in KL.

- IsDB participated as a panelist in the GIFF sessions. IsDB served as a strategic global partner of the MIFC Global Impact Business Challenge 2025.

- The MIFC Impact Challenge was concluded during GIFF 2025 opening ceremony on 13 October, where the winners were selected and awarded by H.E. the Prime Minister of Malaysia. KLCoE served on the Panel of Experts, and the IsDB Institute on the Panel of Judges in the winner selection process. Bank Negara Malaysia, and the Malaysia International Financial Center Leadership Council (MLC) expressed sincere appreciation to the IsDB for their support in successful completion of the MIFC Global Impact Challenge 2025.

The Global Islamic Fund for Refugees (GIFR) Business Luncheon

Head of UNHCR Malaysia addressing the GIFR Business Luncheon, 11 November 2025

In partnership with The United Nations High Commissioner for Refugees (UNHCR) and the Islamic Solidarity Fund (ISFD), the KLCoE supported and coordinated this mission, which aimed at mobilizing institutional support for GIFR. The core agenda was to raise awareness and scale up GIFR funding.

The program featured a series of targeted, high-level engagements with prominent institutional stakeholders and distinguished individuals in Malaysia, aiming to cultivate strategic support for the fund's mandate.

A key highlight of the visit was an audience with Sultan of Perak and Chairman of the National Council of Islamic Religious Affairs. Discussions centered on leveraging HRH's leadership and long-standing advocacy for scaling up Islamic social finance to address global humanitarian challenges. The Guest of Honor, Deputy Minister of Religious Affairs of Malaysia, commended the initiative and highlighted the importance of sustainable, long-term solutions for refugees through innovative Islamic financial mechanisms.

The event has served as a platform for the IsDB to engage Malaysia, a global leader in Islamic finance, and explore tangible pathways for institutions to contribute to the fund's Waqf component and engage in financial collaboration. The mission reinforces GIFR's long-term vision, building a world where every forcibly displaced person can look forward to a dignified and self-reliant future.

Funding Economic Development through Waqf"

Awareness Program on Funding Economic Development through Waqf, held at Securities Commission Malaysia, 2 December 2025

The Awqaf Investments Division, Investment Department and the KLCoE collaborated with the Securities Commission Malaysia (SC) hosted an Awareness Program on the Awqaf Properties Investment Fund (APIF) model and offering themed "Funding Economic Development through Waqf."

The program aimed to deepen potential stakeholders' understanding of APIF as a pioneering global Islamic finance mechanism dedicated to developing income-generating waqf assets. It also highlighted opportunities for mobilizing APIF resources within Malaysia's Islamic capital market ecosystem. The session featured insights from leading experts from the SC and IsDB. The event brought together key industry players to explore innovative pathways for expanding waqf-based economic development in Malaysia through Islamic finance and capital market instruments. The Program reinforced IsDB and Malaysia's collaboration as part of the IsDB-SC MoU signed in 2024 on Islamic capital market innovation and transformative potential of waqf. Altogether over 40 participants from a broad spectrum of Malaysia's waqf and Islamic finance ecosystem engaged in the discussions.

Investment Analysis Challenge at the Finance Summit 2025

KLCoE served as a judge for the Investment Analysis Challenge at the Finance Summit 2025. This event was organized by the Islamic Finance Students Association of the International Islamic University Malaysia (IIUM) and held on 14 November. The challenge saw the participation of 76 university students from a total of eight public universities in Malaysia, testing their skills on financial analysis, investments, Islamic finance, global policy implications from both fiscal and monetary perspectives.

Third Sector Empowerment: Driving Social Transformation in Malaysia

Participants of the Knowledge Sharing Event "Third Sector Empowerment: Driving Social Transformation in Malaysia" held at INCEIF University, 16 December 2025

KLCoE in collaboration with INCEIF University, co-organized a knowledge-sharing event titled "Third Sector Empowerment: Driving Social Transformation in Malaysia". The event brought together over 40 key stakeholders to position the third sector comprising NGOs, cooperatives, and social enterprises as a strategic pillar for the nation's inclusive development. The event concluded with advocating a clear roadmap to transition from dialogue to action which will mainstream third sector in Malaysia. Overall, the participants significantly appreciated the knowledge sharing event which marked an important milestone in bridging the gap between academia, development institutions, and policymakers to drive a sustainable, value-based social transformation in Malaysia.

South-South Cooperation & Group Synergy

Annual General Meeting of the Arab Malaysian Chamber of Commerce (AMCC), 17 September 2025

The KLCoE continued to expand its global footprint in 2025, welcoming delegates from the IFSB and ADB, as well as government officials from Brunei, Benin, and Uzbekistan. These engagements served as a platform for exploring future joint ventures and institutional cooperation.

Fourth Ministerial Conference on Cooperation among East Asian Countries for Palestinian Development (CEAPAD IV), 14 July 2025

KLCoE also participated as speakers in multiple regional and international events such as the:-

(i) ‘Malaysia–Türkiye Finance Summit’,

(ii) ‘ASEAN Investors Roundtable’,

(iii) ‘Annual General Meeting of the Arab Malaysian Chamber of Commerce (AMCC)’ -Global Dialogue on Halal Industry,

(iv) ‘ASEAN GCC-China Economic Summit’

(v) ‘ASEAN Finance Ministers and Central Bank Governors’ Meeting,

(vi) ASEAN Technology Cooperation & Development Summit 2025’,

These participations reinforce the Center’s role as a convening platform for cross-border collaboration.

The Center also had the opportunity to participate in the exhibition for visibility and outreach purposes in conjunction with these events.

KLCoE participated in the Malaysia Open House Exhibition @ ASEAN 2025. The IsDB exhibition booth was honored by the visits of H.E. Amir Hamzah Azizan, Malaysia's Minister of Finance II; H.E. Dr. Zaliha Mustafa, Minister of Federal Territories; and H.E. Lim Hui Ying, Deputy Minister of Finance. Over the four-day exhibition, the IsDB booth drew a diverse range of visitors, including representatives from government agencies, financial institutions, academia, the private sector, and students.

The Minister of Finance II and Minister of Federal Territory visits IsDB Booth at the Malaysia Open House Exhibition @ ASEAN 2025 of the ASEAN Finance Ministers' and Central Bank Governors' Meeting, 7–10 April 2025

Gambian Senior Officials Study Visit to Malaysia on Trade & Special Economic Zone, 11-15 August 2025

In supporting the Technical Cooperation Program (TCP) of the bank, KLCoE facilitated a strategic knowledge exchange based on Malaysia's successful Special Economic Zone (SEZ) and corridor development frameworks during a study visit by a high-level delegation from The Gambia. The program provided the delegation with critical insights into integrated thematic industrial park planning, Public-Private Partnerships (PPPs), investment promotion, and financial innovation.

The five-day program included high-level meetings with key Malaysian government bodies such as the Ministry of Economy / East Coast Economic Region Development Council (ECERDC), Public Private Partnership Unit (UKAS) under the Prime Minister's Department, and Malaysia Investment Development Authority (MIDA). The delegation also undertook extensive field visits to the East Coast Economic Region (ECER) sites in Kuantan and Rompin.

The Gambian delegation expressed appreciation for the Study Visit as they gain the valuable insights gleaned from Malaysia's development experience, which is poised to play a crucial role in shaping The Gambia's transformative development agenda, particularly within the Trans-Gambia Corridor Special Economic Zone.

Study Visit to Malaysia on Thinking Skills and Wisdom Pedagogy Training by Ugandan Officials 21-30 April 2025

In the South-South Cooperation, KLCoE facilitated a study visit for a delegation of educators and curriculum specialists from Uganda, primarily representing the National Curriculum Development Center (NCDC) and Makerere University. This initiative is facilitated in strategic collaboration with the IsDB Regional Hub Kampala, Uganda and the Reverse Linkage Division of the Cooperation and Capacity Development Department of IsDB. It represents a significant step forward in strengthening South-South collaboration in transformative education.

The study visit aims to build Uganda's national capacity to effectively integrate and assess 21st-century thinking skills within the framework of its new curriculum reforms. The delegation participated in a Study Visit and Training of Trainers Workshop on Thinking Skills and Wisdom Pedagogy, held from 21-30 April 2025 at the Kulliyyah of Education, International Islamic University Malaysia (IIUM).

The Ugandan delegation expressed appreciation for the hospitality and the opportunity to learn from Malaysia's educational innovations. The training program is poised to lay the groundwork for future bilateral projects and continuous professional development opportunities that will support ongoing curriculum transformation efforts in Uganda and beyond.

Visits to Syariah Courthouses Projects co-financed by Awqaf Properties Investment Fund (APIF), 9-11 September 2025

A delegation from Awqaf Investment Division conducted a three-day working visit to Malaysia in September to review the physical and financial progress of ongoing projects co-financed by the Awqaf Properties Investment Fund (APIF).

The projects under review include the construction of nine Syariah Courthouses and the Selangor Syariah Judiciary Department building, with a total financing of US$24 million provided by IsDB in partnership with Amanah Raya Berhad since 2007.

The mission team inspected three Syariah Courthouses located in Shah Alam, Klang, and Gombak to assess their progress and implementation status KLCoE also participated and facilitated the mission. The mission focused on reviewing the development milestones of the current projects and exploring new opportunities for potential collaboration and financing.

Country Engagement Framework (CEF)

KLCoE is spearheading the development of a new Country Engagement Framework (CEF) for Malaysia, a pivotal milestone in the enduring partnership between Malaysia and the IsDB Group.

Officially launched on November 10, 2025, at the Ministry of Finance (MOF) in Putrajaya, the CEF is a joint initiative between the Country Strategy & Management Division, KLCoE, and the Regional Hub Jakarta. Scheduled for completion in 2026, this framework underscores a shared commitment to sustainable, knowledge-driven development. To support this exercise, the KLCoE has already produced vital background documentation, including the Strategic Review of Malaysia's Economy.

CEF Kick-Off Meeting hosted by the Ministry of Finance on 10 November 2025

2026 Pipeline Initiatives

For 2026 pipelines, KLCoE plans to advance a comprehensive agenda to further strengthen Islamic finance and halal industry ecosystems, aligned with inclusive growth, sustainability, and South–South cooperation. In Islamic finance, priority initiatives include unlocking the potential of the third sector in Malaysia through stronger governance, Islamic social finance, and impact measurement, with a view to regional and global replication. Capacity-building efforts will be scaled through the Global Islamic Economists Program and the Islamic Finance Regulators Program', extending support to West African member countries. Targeted development solutions will also focus on de-risking MSME financing via blended Islamic finance, promoting Islamic capital market instruments for wealth preservation, and structuring Shariah-compliant financing models for water infrastructure. In Central Asia, a Smart Halal Tourism project in Tajikistan will integrate halal tourism, education, and Islamic finance to foster inclusive economic growth.

On the Halal industry front, the Halal Industrial Park 2.0 pilot in Malaysia will anchor resilient and integrated halal ecosystems for replication across IsDB MCs. Complementary initiatives include the IsDB Halal Malaysia Facilitation Program, a Halal Malaysia–OEM pilot for landlocked member countries, and support for implementing Nigeria's National Halal Strategy. These initiatives will be reinforced by the Malaysia Country Engagement Framework mission in 2026, strengthening IsDB Group coordination and country-level impact.

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