

# 2020 ANNUAL REPORT

**RESPOND, RESTORE, RESTART:  
POST-COVID RESILIENCE AND  
PROSPERITY FOR ALL**



## WHO WE ARE

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

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



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

# CORPORATE PROFILE

## THE ISLAMIC DEVELOPMENT BANK

### ESTABLISHMENT

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

### VISION

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

### MISSION

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

### MEMBERSHIP

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

### CAPITAL

At its 45<sup>th</sup> Annual Meeting, the IsDB's Board of Governors approved (via circulation) the 6<sup>th</sup> General Capital Increase of ID5.5 billion. As at the end of 2020, the subscribed capital of the IsDB stood at ID50.6 billion.

### ISLAMIC DEVELOPMENT BANK GROUP

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

### HEADQUARTER AND REGIONAL HUBS

The IsDB is headquartered in Jeddah, the Kingdom of Saudi Arabia, and has 10 Regional Hubs in Abuja, Nigeria; Almaty, Kazakhstan; Ankara, Turkey; Cairo, Egypt; Dakar, Senegal; Dhaka, Bangladesh; Jakarta, Indonesia; Kampala, Uganda; Paramaribo, Suriname; and Rabat, Morocco with a Centre of Excellence in Kuala Lumpur, Malaysia.

### FINANCIAL YEAR

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

### ACCOUNTING UNIT

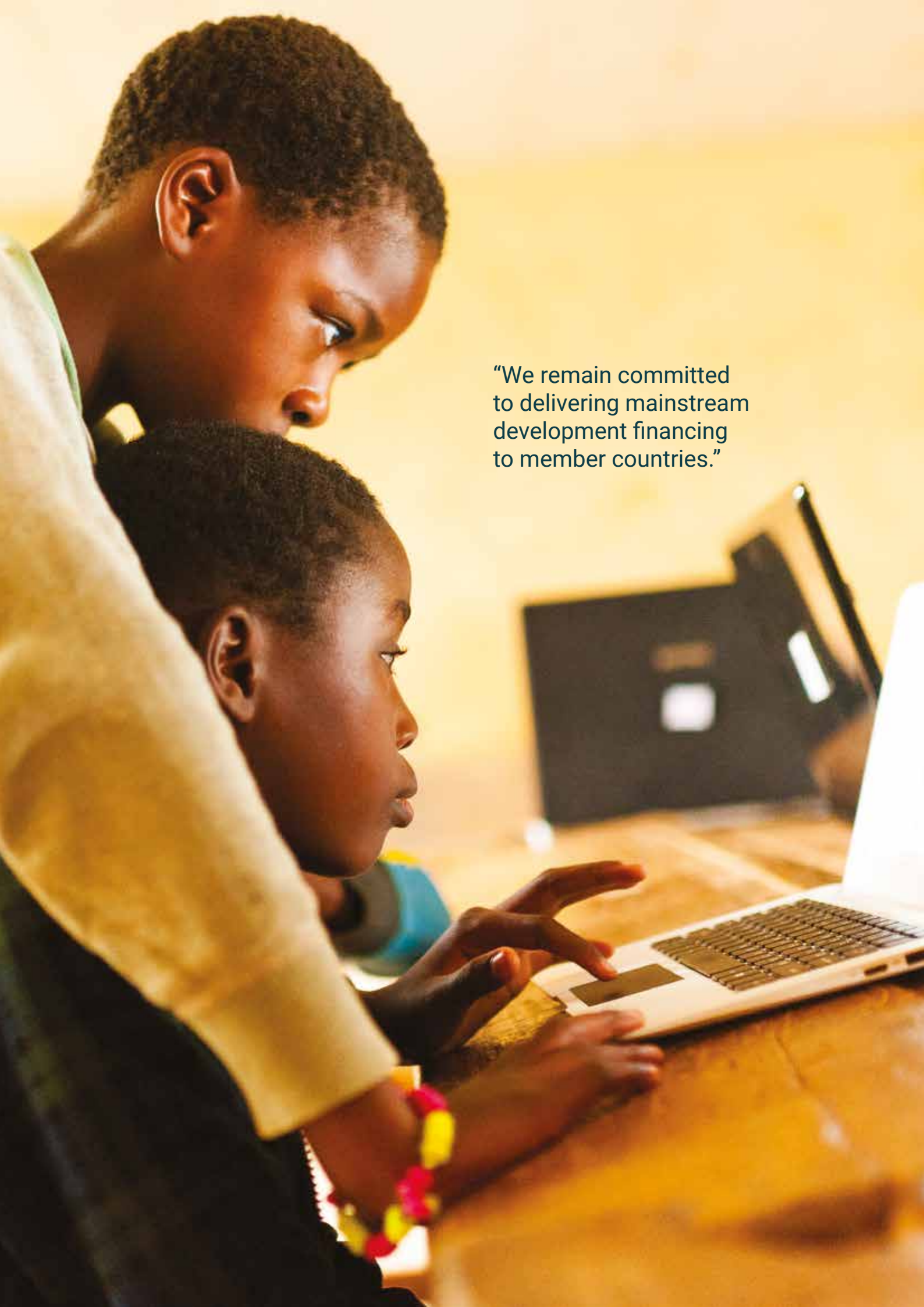
The accounting unit of the IsDB is the Islamic Dinar (ID), which is equivalent to one Special Drawing Right (SDR) of the International Monetary Fund.

### LANGUAGE

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





A young girl with short dark hair is sitting at a wooden desk, looking intently at a laptop screen. A woman, likely her mother or a teacher, stands behind her, leaning over and pointing at the screen. The woman has her hand on the girl's shoulder. The scene is warmly lit, suggesting an indoor setting like a classroom or a home. The background is softly blurred, showing another laptop on the desk.

“We remain committed to delivering mainstream development financing to member countries.”

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# ABBREVIATIONS

<b>10YSF</b>	IsDB Group's 10-Year Strategy Framework	<b>KAICIID</b>	King Abdullah bin Abdulaziz International Centre for Interreligious and Intercultural Dialogue
<b>ACG</b>	Arab Coordination Group	<b>KRIs</b>	Key Risk Indicators
<b>ADER</b>	Annual Development Effectiveness Review	<b>LDMCs</b>	Least Developed Member Countries of the IsDB
<b>ALECSO</b>	Arab League Educational Cultural and Scientific Organization	<b>LOF</b>	Line of Finance
<b>APIF</b>	Awqaf Properties Investment Fund	<b>MARC</b>	Malaysian Rating Corporation
<b>BADEA</b>	Arab Bank for Economic Development in Africa	<b>MCPS</b>	Member Country Partnership Strategy
<b>BCM</b>	Business Continuity Management	<b>MDBs</b>	Multilateral Development Banks
<b>BED</b>	Board of Executive Directors of IsDB	<b>MENA</b>	Middle East and North Africa
<b>BoG</b>	Board of Governors of IsDB	<b>MoU</b>	Memorandum of Understanding
<b>BTOR</b>	Back to Office Report	<b>MSMEs</b>	Micro, Small and Medium Enterprises
<b>CGF</b>	COVID Guarantee Facility	<b>NGOs</b>	Non-Governmental Organizations
<b>CFS</b>	Country Fact Sheets	<b>NDC</b>	Nationally Determined Contribution
<b>ECL</b>	Expected Credit Loss	<b>OCR</b>	Ordinary Capital Resources
<b>EEFPP</b>	Economic Empowerment Fund for the Palestinian People	<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>EKTASP</b>	Effective Knowledge Transfer and Sharing Platform	<b>OIC</b>	Organisation of Islamic Cooperation
<b>FAO</b>	Food and Agriculture Organization	<b>P5P</b>	President's Five-Year Program
<b>FAS-30</b>	Financial Accounting Standard 30	<b>PPP</b>	Public-Private Partnership
<b>G20</b>	A group of 20 major economies of the world	<b>RCSA</b>	Risk Control and Self-Assessment
<b>GCP</b>	Global Coordination Platform	<b>RH</b>	Regional Hub of the IsDB Group
<b>GIZ</b>	German Corporation for International Cooperation (Deutsche Gesellschaft für international Zusammenarbeit GmbH)	<b>SDGs</b>	Sustainable Development Goals
<b>GCP</b>	Global Country Platform	<b>SEforALL</b>	Sustainable Energy for All
<b>GMPFC</b>	Global Muslim Philanthropy Fund for Children	<b>SERVE</b>	Strengthening the Economic Resilience of Vulnerable Enterprises
<b>GPE</b>	Global Partnership for Education	<b>SMEs</b>	Small and Medium Enterprises
<b>GVCs</b>	Global Value Chains	<b>SPRP</b>	Strategic Preparedness and Response Programme
<b>HSC</b>	Health Services Centre	<b>STI</b>	Science, Technology and Innovation
<b>ICD</b>	Islamic Corporation for the Development of the Private Sector	<b>TCP</b>	Technical Cooperation Programme
<b>ICERI</b>	ICIEC-ISFD COVID Emergency Response Initiative	<b>TWAS</b>	The World Academy of Science
<b>ICIEC</b>	Islamic Corporation for the Insurance of Investment and Export Credit	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>ID</b>	Islamic Dinar (equivalent to one Special Drawing Right of IMF)	<b>UNDP</b>	United Nations Development Programme
<b>IFRCS</b>	International Federation of Red Cross and Red Crescent Societies	<b>UNICEF</b>	United Nations Children's Fund
<b>IFRS-9</b>	International Financial Reporting Standard 9	<b>UNOPS</b>	United Nations Office for Project Services
<b>IKI</b>	International Climate Initiative	<b>WASH</b>	Water Sanitation and Hygiene
<b>IMF</b>	International Monetary Fund	<b>WE-FI</b>	Women Entrepreneurs Finance Initiative
<b>IIIs</b>	Islamic Finance Infrastructure Institutions	<b>WFP</b>	World Food Programme
<b>IsDB</b>	Islamic Development Bank	<b>WHO</b>	World Health Organisation
<b>IsDBG</b>	Islamic Development Bank Group		
<b>IsDB-OCR</b>	Ordinary Capital Resources of IsDB	<b>SYMBOLS</b>	
<b>IRTI</b>	Islamic Research and Training Institute	..	Not Available
<b>ISFD</b>	Islamic Solidarity Fund for Development	-	Not Computable
<b>IT</b>	Information Technology	\$	United States Dollar
<b>ITAP</b>	Investment Promotion Technical Assistance Program	ID	Islamic Dinar
<b>ITFC</b>	International Islamic Trade Finance Corporation		
<b>KAAP</b>	King Abdullah bin Abdulaziz Programme for Charity Works		



# ACKNOWLEDGEMENTS



The 2020 Annual Report of the Islamic Development Bank was prepared by the **Economic Research and Statistics Division** based on the overall guidance of the **Board of Executive Directors**

## **UNDER THE SUPERVISION OF**

The Vice President (Country Programmes), Director-General of IRTI and Chief Economist

## **WITH INPUT FROM:**

Various departments and entities of the IsDB Group

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**SECRETARY:** Syed Abdurrahman

In the Name of Allah, the Beneficent, the Merciful

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

Dear Mr. Chairman,

*Assalamu alaikum warahmatullahi wabarakatuhu*

In accordance with Articles 32(i), 32(iii) and 41(1) of the Articles of Agreement establishing the Islamic Development Bank and Section (11) of the By-laws, I have the honour to submit for the kind attention of the esteemed Board of Governors, on behalf of the Board of Executive Directors, the Annual Report on the operations and activities of the Bank in 2020.

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

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



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



# MESSAGE FROM THE PRESIDENT

2020 was a turbulent year marked by unprecedented, most devastating, and pervasive global economic and development challenges caused by the COVID-19 pandemic, leaving long-lasting scars on a global economy already suffering from a profound and wide-ranging downturn. The lockdowns took a toll on global economies, leading to rising poverty, unemployment, and food insecurity. Projections indicate that over 100 million additional people are on the brink of extreme poverty. Yet, the outlook is not entirely gloomy.

In the wake of the COVID-19 pandemic and its ravaging effects, the heads of 11 multilateral development banks (MDBs) and the International Monetary Fund (IMF) in their 2020 meetings, which I had the privilege to chair, collectively committed to providing US\$230 billion worth of financing until the end of Q2 2021. The pledge aims to tackle the pandemic's subsequent challenges and enhance global co-ordination to address pre-existing obstacles to achieving sustainable development goals (SDGs). Following our proposal, and at the dawn of the Decade of Action, the group has also published, for the first time, the contributions of its members to achieve the 2030 Agenda, a report that I had the honor to launch in December 2020.

In its swift response to COVID-19, the IsDB Group has rolled out a US\$2.3 billion 'Strategic Preparedness and Response Program' (SPRP), a unique tripolar approach comprising the 3Rs of 'Respond, Restore, and Restart' adopted to help member countries prevent, contain, mitigate and recover from the impact of the pandemic. The IsDB has also launched the COVID Guarantee Facility (CGF), an innovative US\$2 billion vehicle designed to help the private sector combat the pandemic and facilitate cross-border foreign and local investments to support vital industries.

Both the SPRP and CGF are in line with the President's Five-Year Programme (P5P) and IsDB's new business model. They share the essence of stimulating the private sector and 'making markets work for development' to provide the much-needed support to economic growth.

In a similar vein, the IsDB Group participated in 2020 in the G20 under the Saudi presidency to engage influential



**“The IsDB Group has rolled out a US\$2.3 billion ‘Strategic Preparedness and Response Program’ (SPRP), a unique tripolar approach comprising the 3Rs of ‘Respond, Restore, and Restart’ adopted to help member countries prevent, contain, mitigate and recover from the impact of the pandemic.”**

partners to foster more support to our member countries and participate in the global policy discussions. Based on the 'Awareness' and 'Linkage' pillars of the P5P, the IsDB Group took part in the G20 activities leading to the Riyadh Summit, bringing its extensive expertise in the development arena and Islamic finance to advance the global development agenda.

Even before the COVID-19 outbreak, we had recognized the need for member countries to brace for a fast-changing world driven by technological innovation to achieve competitiveness through value-chain production as the bedrock of sustainable development.

Continued on page 10

Continued from page 9

To that end, we have adopted far-reaching transformational reforms and developed a new business model to help member countries leverage global market forces to bolster their value-adding production capabilities towards inclusive economic growth. The lessons from the COVID-19 pandemic have made this new strategic thinking more necessary than ever.

Despite the uncompromising events of 2020, we have maintained our resolve to focus on the high-impact Global Value Chain-driven Member Country Partnership Strategy (MCPS) as the primary engagement approach to our member countries.

In 2020, the Bank premiered the GVC-MCPS for five member countries (Nigeria, Indonesia, Senegal, Guinea, and Niger), while MCPS cases for the Kingdom of Saudi Arabia and Malaysia have been carried over to 2021. The four MCPS cases (Gabon, Maldives, Turkey, and Morocco) that we started in 2019 have been fast-tracked to ensure their completion in 2021.

We continue to promote science, technology, and innovation (STI) as an essential component of our development initiatives to member countries, especially as the emerging challenges of the COVID-19 emphasize the critical need for STI capacity and application in addressing the ramifications of the pandemic.

**“At this juncture, we commend the members of the Board of Governors for approving the General Capital Increase of ID5.5 billion (US\$7.92 billion) during its 45<sup>th</sup> annual meeting that was conducted by circulation due to restrictions related to the COVID-19 pandemic. We also extend special appreciation to governments of member countries for their strong support in approving the General Capital Increase.”**

At IsDB Group, we remain committed to delivering mainstream development financing to member countries in addition to our dedicated efforts under the SPRP and other special initiatives. In 2020, the Ordinary Capital Resource (OCR) approval by IsDB was ID1.14 billion (US\$1.58 billion) while the IsDB Group’s total approvals reached ID4.77 billion (US\$6.8 billion). In the context of our new business model and the prevailing development finance challenges, we are consolidating our achievements in innovative Islamic finance, launching new partnerships, and mobilizing financing from non-conventional sources while maintaining our AAA credit rating.


At this juncture, we commend the members of the Board of Governors for approving the General Capital Increase of ID5.5 billion (US\$7.92 billion) during its 45<sup>th</sup> annual meeting that was conducted by circulation due to restrictions related to the COVID-19 pandemic. We also extend special appreciation to governments of member countries for their strong support in approving the General Capital Increase.

Moving forward, we will continue to address underlying weaknesses and gaps that the COVID-19 pandemic has exposed in our member countries and economic systems while identifying appropriate measures to build back better. This pandemic taught us that global challenges need global cooperation, a lack of which will widen the inequality gaps amongst countries.

Equally important is the challenge of climate change, whose effects are felt most by the least developed countries. Climate change has led to an increase in the number of displaced people and refugees in IsDB member countries, and in response, we issued the Green Sukuk for the first time.


Despite all the ongoing challenges, we will remain proactive in shaping the direction of economic development by strengthening and leveraging our know-how, networks, and resources.

As the 2030 deadline for achieving the SDGs is edging closer, our engagement with international development partners will focus on leveraging Islamic finance, economic empowerment, international trade, and partnerships to help our member countries achieve sustainable socio-economic development.



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



A photograph of a textile factory. In the foreground, a woman wearing a black headscarf and a purple patterned face mask is looking towards the camera. She is seated at a sewing machine. Behind her, several other women are visible, all wearing bright yellow-green head coverings and face masks. They are also working at sewing machines. The background is slightly blurred, showing more of the factory environment. The lighting is bright, and the overall scene depicts a busy manufacturing setting.

“Moving forward, we will continue to address underlying weaknesses and gaps that the COVID-19 pandemic has exposed in our member countries and economic systems while identifying appropriate measures to build back better.”

# KEY ACHIEVEMENTS IN 2020

THE 6TH GENERAL CAPITAL INCREASE OF

## US\$7.92 BN

IN THE CAPITAL OF THE ISLAMIC DEVELOPMENT BANK

ISDB-OCR APPROVALS OF

## US\$1.58 BN

32 OPERATIONS FOCUSING ON HUMAN CAPITAL DEVELOPMENT, INFRASTRUCTURE FINANCING, AGRICULTURE AND FOOD SECURITY



US\$88 MN &  
US\$2.5 MN  
FROM REVERSE LINKAGES

US\$80 MN  
FROM ECONOMIC EMPOWERMENT FOR PALESTINIAN PEOPLE

WEST BANK  
GAZA

CREATED  
**314,000**  
JOBS THROUGH ECONOMIC EMPOWERMENT

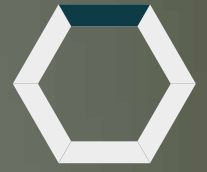


AWARDED  
**1,221**  
SCHOLARSHIPS

ENROLLED  
**91,000**  
OUT-OF-SCHOOL CHILDREN



US\$1 BN GREEN SUKUK



COVID-19 RESPONSE OF

**US\$ 2.3 BN**  
PACKAGE UNDER THE  
**(SPRP)**

BENEFITS TO AN ESTIMATED

**55 MN**

PEOPLE FROM COVID-19 RESPONSE

SPECIAL FINANCING SUPPORT  
TO ABOUT 8,000 SMES TO  
SAVE ABOUT

**60,000**

JOB



MICROFINANCING OF  
APPROXIMATELY

**12,000**

PEOPLE TO SAFEGUARD THEIR  
LIVELIHOODS



# DEVELOPMENT IMPACTS OF COMPLETED OPERATIONS

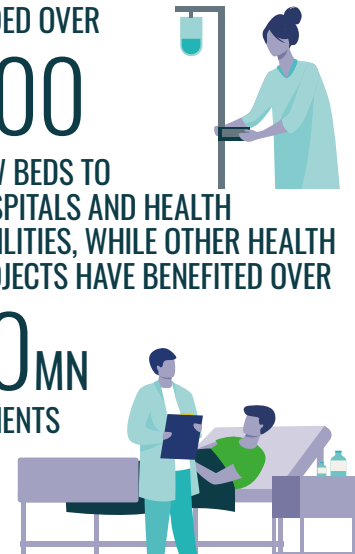
BUILT OVER  
**5,000**  
HOUSES TO  
PROVIDE SHELTER



ADDED OVER  
**700**

NEW BEDS TO  
HOSPITALS AND HEALTH  
FACILITIES, WHILE OTHER HEALTH  
PROJECTS HAVE BENEFITED OVER

**10<sup>MN</sup>**  
PATIENTS



CONSTRUCTED ABOUT

**70**

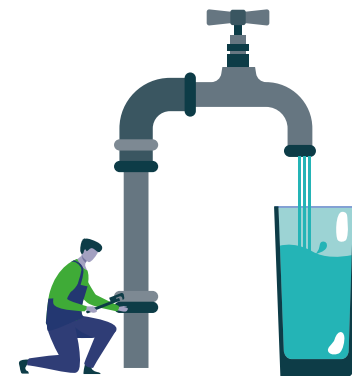
EDUCATIONAL FACILITIES  
WITH ABOUT

**2,000**

NEW CLASSROOMS PROVIDING  
EDUCATIONAL SERVICES  
TO ABOUT

**90,000**

STUDENTS



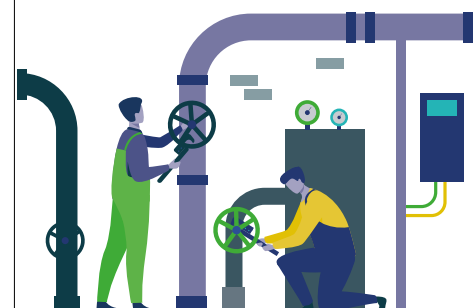
PROVIDED ACCESS TO POTABLE  
WATER TO ABOUT

**70,000**

HOUSEHOLDS AND IMPROVED  
SANITATION SERVICES TO ABOUT

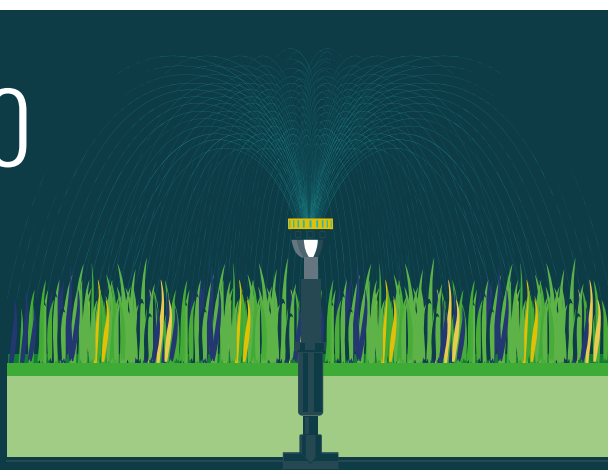
**100,000**

HOUSEHOLDS.



IRRIGATED ABOUT  
**24,000**

HECTARES OF  
LAND TO ENABLE  
CONTINUOUS  
FARMING  
ACTIVITIES







EXPANDED SEAPORTS,  
INCREASING ANNUAL  
MARITIME CAPACITY BY **110,000** TONNES

CONTRIBUTED TO THE CREATION  
OF JOBS AND EMPLOYMENT  
OPPORTUNITIES FOR ABOUT

**110,000**  
PEOPLE, WHILE ANOTHER  
**150,000**

WERE PROVIDED WITH  
VOCATIONAL AND FORMAL  
TRAINING



INSTALLED E-LEARNING  
FACILITIES IN VARIOUS  
SCHOOLS, BENEFITING ABOUT

**20,000**  
STUDENTS



PAVED NEARLY

**800** KM

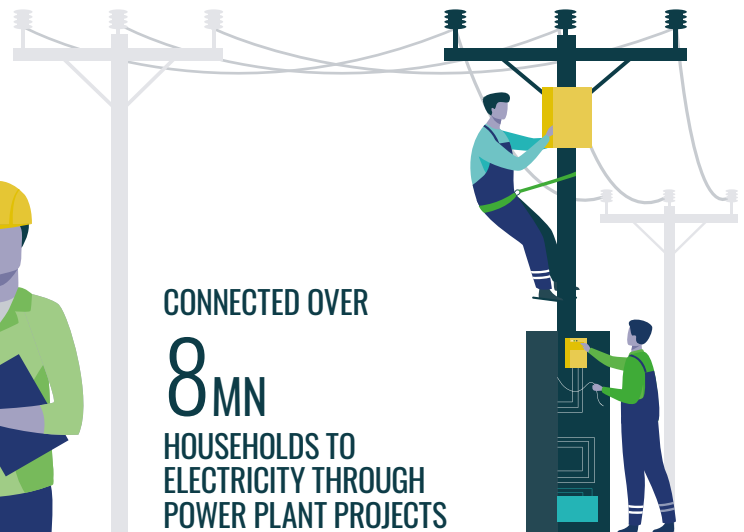
OF ROADS, INCLUDING 120 KM OF  
EXPRESS HIGHWAYS.



CONNECTED OVER

**8** MN

HOUSEHOLDS TO  
ELECTRICITY THROUGH  
POWER PLANT PROJECTS



# BOARD OF EXECUTIVE DIRECTORS<sup>1</sup>



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



**Hon. Abdul Ghani Ahmad  
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REPRESENTING: LIBYA



**Hon. Bülent AKSU**  
FROM: TURKEY  
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**Hon. Abdulghaffar Al Awadhi**  
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REPRESENTING: UNITED ARAB  
EMIRATES



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REPRESENTING: QATAR



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REPRESENTING: NIGERIA



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REPRESENTING: UGANDA, CHAD,  
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BURKINA FASO, NIGER, MALI,  
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**Hon. Bakhodir Alikhanov**

FROM: UZBEKISTAN  
REPRESENTING: AZERBAIJAN,  
ALBANIA, UZBEKISTAN,  
TURKMENISTAN, TAJIKISTAN,  
KAZAKHSTAN, KYRGYZ REPUBLIC

<sup>1</sup> These are the members of the IsDB Board of Executive Directors for the 15<sup>th</sup> Session

# EXECUTIVE SUMMARY

The economic impacts of the COVID-19 pandemic made 2020 a very difficult year for the global development community. The IsDB Group's member countries were not spared the deep and synchronised economic downturn that worsened pre-existing development challenges. As the global economy contracted by 3.3 percent in 2020, the aggregate economy of the 57 member countries contracted by 1.7 percent, a sharp decline from a growth rate of 2.6 percent in 2019. This has made the need for development support even more critical.

In accordance with its mandate and despite the challenges of 2020, the IsDB Group maintained its long-standing support to member countries to achieve sustainable development.

## KEY ACHIEVEMENTS IN 2020

- Amid the challenges in the global development landscape in 2020, the IsDB and its entities (IsDB Group) sustained their financing of development activities to member countries. This is reflected in the approval of US\$1.58 billion for 32 IsDB-OCR operations, which is a slight decrease from the US\$1.69 billion approved in 2019. In the context of the tenuous global development financing landscape due to the deep and synchronised global economic downturn caused by the COVID-19 pandemic, this reflects a strong commitment to delivering development support to member countries. The total IsDB Group approval reached ID4.77 billion, equivalent to US\$6.80 billion, for various operations to support member countries in their drive to achieve sustainable development.
- The governments of member countries continued their strong support to the IsDB by approving a General Capital Increase of ID5.5 billion (US\$7.92 billion) to provide more resources and enable IsDB

implement more development projects to support member countries achieve sustainable development.

- A comprehensive IsDB Group response to the COVID-19 pandemic – the Strategic Preparedness and Response Programme (SPRP) – was successfully established to provide a special package of interventions to help member countries cope with and address development challenges arising from the impacts of the pandemic. The programme involves a total commitment of US\$2.3 billion by the IsDB Group to support member countries in their efforts to prevent, contain, mitigate and recover from the impacts of COVID-19.
- Through the SPRP, about 55 million people have benefited from various aspects of the IsDB Group's COVID-19 response programme including food supplies, procurement and distribution of seven million test kits and 2.5 million personal protective equipment kits to health workers, installation of over 2,400 intensive care units, establishment of about 1,700 COVID-19 test centres and training of 20,000 health workers to better handle COVID-19 cases. In addition, special financing support was provided to about 8,000 SMEs to save about 60,000 jobs while microfinancing was provided to another 12,000 people to safeguard their livelihoods.
- The IsDB achieved a new milestone with the launch of a COVID-19 Sustainability Sukuk, issued in June 2020, mobilizing US\$1.5 billion from the global capital markets for COVID-19 interventions in member countries. The Sukuk was the second issuance based on the IsDB Sustainable Finance Framework after the Bank's debut Green Sukuk worth EUR1 billion for green financing in member countries. The first Impact Report of the Green Sukuk proceeds was also published for investors in December 2020, showing a 100 percent allocation to green projects, reaffirming the Bank's commitment to mainstreaming climate change in its core operations.
- The Global Value Chain-based Member Country Partnership Strategy (GVC-MCPS) was initiated for five member countries (Nigeria, Indonesia, Senegal, Guinea and Niger), while two other member countries (Saudi Arabia and Malaysia) of the seven planned for 2020 were rolled over to 2021. The GVC-MCPS for four member countries (Gabon, Maldives, Turkey and Morocco), started in 2019 have been fast-tracked to ensure their completion in 2021.





- The Bank continued its various Science, Technology and Innovation (STI) activities to support member countries in leveraging STI to achieve sustainable development. In 2020, these activities included the Rural Women Solar Engineers and Entrepreneurs programme that resulted in the development of 40 female “Barefoot Solar Engineers” and the provision of clean solar-based home lighting energy systems for 1,897 households and 13,279 people in member countries. In addition, the US\$500 million STI (Transform) Fund, which supports the full spectrum of the innovation ecosystem, leveraged 30 innovative solutions related to COVID-19 and approved a US\$7.33 million grant and equity financing to mainstream STI solutions as part of the SPRP interventions.

**“The Bank continued its various Science, Technology and Innovation (STI) activities to support member countries in leveraging STI to achieve sustainable development.”**

- The ITFC allocated US\$4.72 billion to various trade-related activities in addition to mobilising US\$2.4 billion from external sources for 26 syndicated operations in 12 member countries. From the externally mobilised amount, US\$300 million was initially allocated as part of the US\$604.7 million ITFC approval in 2020 for the R1 emergency financing under the SPRP to mitigate the socio-economic risks facing member countries as a result of the COVID-19 pandemic. The sum of US\$427 million was allocated for lines of financing to banks and financial institutions in member countries to enhance access to finance for SMEs and other private sector trade-related activities.
- The ICD achieved total approvals of US\$306.6 million in 2020, a significant improvement on the US\$147.5 approved in 2019. More than half of its operations were allocated to high-impact sectors in low and lower-middle income countries. Of the total approvals, US\$250 million was dedicated to COVID-19 stimulus packages to support short to medium term financial instruments targeting mainly SMEs and other private sector activities in the most vulnerable member countries.
- The ICIEC insured a total business amounting to US\$9.86 billion with new commitments worth US\$3.93 billion in 2020. In its contribution to the SPRP, the ICIEC committed US\$150 million for insuring critical transactions, including the import of emergency medical kits and food supplies. Over US\$496 million in insurance capacity was allocated to supporting the import of medical equipment, essential foods and energy commodities.
- The ISFD approved US\$43.67 million for projects and programmes in member countries targeting the education and health sectors as well as economic empowerment activities. Due to the exceptional health challenges of 2020, the bulk of development interventions went to the health sector. These were in the form of emergency support to improve member countries' preparedness and response to the COVID-19 pandemic. The ISFD approvals contributed to the co-financing of US\$824.4 million worth of projects. In addition, in 2020 the ISFD approved US\$13.63 million in grants to several member countries.
- In the knowledge sphere, the IRTI published three major reports, two issues of the Islamic Economic Studies Journal, and three books. In addition, an E-Book Reader App was developed, a Smart Economy Grants Programme was launched, and an Innovative

**“As part of the Communities Outreach Programme, the Bank approved 13 projects to mitigate the impact of the COVID-19 pandemic on various communities in non-member countries and implementation has started for 11 of these projects.”**

Fintech Solutions Programme was established, all with the purpose of enhancing knowledge generation and dissemination activities as global public goods. In terms of capacity building, IRTI organised a rerun of eight online courses on the edX platform and delivered three customised courses in collaboration with different strategic partners in member countries.

- The APIF was involved in three new investments worth US\$23.1 million that increased its capital to US\$87.7 million, in addition to US\$100 million worth of line-of-financing extended to APIF by the IsDB. The authorised capital of APIF increased from US\$100 million to US\$500 million in 2020.
- Fourteen technical cooperation programme activities worth US\$434,500 were approved to provide financing for short term technical cooperation among member countries. These comprised five on-the-job training sessions worth US\$121,500, five knowledge-sharing events at a total cost of US\$179,300, and the recruitment of four experts at US\$134,000. These interventions addressed urgent capacity development needs in member countries to help mitigate the impacts of the COVID-19 pandemic, with priority given to LDMCs.
- A US\$2.3 million grant was approved for various Reverse Linkage interventions, four of which were mainstreamed in the ordinary operations of the Bank while seven were designed as standalone operations. The beneficiary member countries were Burkina Faso,



Chad, Comoros, Jordan, Morocco, Nigeria, Senegal, Somalia, Sudan, Uzbekistan, and Yemen. The interventions were related to the agriculture, health, and water sectors.

- The Reverse Linkage programme attracted a partnership contribution of US\$88.6 million from the private sector to help member countries leverage Big Data Analytics and Artificial Intelligence in their planning and implementation of policies and programmes for achieving sustainable development.
- In terms of partnership for sustainable development, the Arab Coordination Group (ACG) pledged a contribution of US\$10 billion to help member countries mitigate the impact of the COVID-19 pandemic. The amount is to be channelled for budgetary support and suspension of payment of loan service fees to provide relief to member countries in their loan service obligations.
- Six NGO grants for operations targeting women and youth totalling US\$910,000 were approved, a significant component of which was for activities that encourage the Islamic finance industry to adopt gender-sensitive practices to deliver financial services to women. In addition, a US\$11.25 million grant programme was launched to enhance the participation of women in SMEs in the rice value chain. On climate change, the Bank started the implementation of the US\$768,943 technical assistance fund mobilised from the Nationally Determined Contribution Partnership to support climate change related activities in Lebanon, Nigeria, and Palestine.
- As part of the Communities Outreach Programme, the Bank approved 13 projects to mitigate the impact of the COVID-19 pandemic on various communities in non-member countries and implementation has started for 11 of these projects. In addition, a contribution of SAR6 million (US\$1.6 million) was received from a philanthropy to implement projects for communities in Thailand, Cambodia and Uganda.
- Under the IsDB Scholarship Programme, US\$15 million was approved for the various scholarships that were awarded to 1,221 students and scholars in different categories, comprising 746 undergraduate students, 196 Master's students and 160 PhD and post-doctoral students. In addition, 119 students from 20 IsDB LDMCs were awarded the special IsDB-ISFD scholarship dedicated specifically to students from LDMCs.

- On economic empowerment, the Bank approved US\$120 million to launch the Strengthening the Economic Resilience of Vulnerable Enterprises (SERVE) programme, which is meant to help vulnerable groups to mitigate the impact of the COVID-19 pandemic. The programme will provide financing to support Micro, Small and Medium Scale Enterprises (MSMEs) in coping with the effects of the pandemic to ensure business continuity and job preservation amid difficult business conditions arising from lockdowns.

## **ENHANCING INSTITUTIONAL AND DEVELOPMENT EFFECTIVENESS**

- The Board of Governors, which is the highest policy-making body of the Bank, continued its dedication to improving the overall governance processes of the Bank. Due to restrictions related to COVID-19, the Board conducted its 45<sup>th</sup> annual meeting virtually and approved key resolutions to enable the continued and improved functioning of the Bank, including General Capital Increase of ID5.5 billion (US\$7.92 billion). The Board of Executive Directors also maintained the continuity of its activities despite the difficult circumstances.
- Internal audit activities were adapted and delivered in accordance with stipulated standards. Periodic reports on internal audit activities were submitted, including information on audit results, implementation status on quarterly management action plans and reports to the Audit Committee of the Board of Executive Directors.
- Risk management activities were strengthened through the regular review by the Risk Management Committee of the BED of oversight functions related to risk strategy, policies and guidelines. Reflecting the sound financial standing of the Bank, the three internationally renowned credit ratings agencies (Standard & Poor's Global, Moody's and Fitch Ratings) in addition to the Malaysian Rating Corporation (MARC) all affirmed the IsDB's "AAA" rating with a "stable" outlook in 2020.
- As the Bank continues to adopt and integrate knowledge and learning in activities, an Effective Knowledge Transfer and Sharing Platform was launched for the creation, collection, connection and conduction of IsDB Group related knowledge resources.

- Despite the difficult circumstances imposed by COVID-19, the evaluation of several projects and programmes implemented by the Bank was carried out, including the Membership Country Partnership Strategy Implementation Review for Suriname, the IsDB Public-Private-Partnerships (PPPs) projects, the IsDB Group's Food Security Programme, and a further 10 projects in nine member countries.
- Human Resource Management processes adapted to the necessity of remote working, which generated insights into how appropriate digital tools might be applied to human resources activities even in the post-COVID-19 era. Fifty-two new recruitments were made using digital tools. The Bank initiated and revised various human resource policies to boost staff morale as well as to improve the competitiveness of IsDB among its peers in the international development community.
- As the new normal has necessitated the adaptation to remote working, the use of information technology solutions has become necessary. To this end, the information technology services and support scope were extended at the headquarters and at regional hubs. Several key solutions in optimising business processes with enhanced security measures were put in place in crucial areas.
- In terms of security, efforts were made to provide all the necessary administrative support for the continuous functioning of the Bank. On health services, amid the unprecedented challenges posed this year by the COVID-19 pandemic, the Health Services Centre (HSC) focused on ensuring staff safety and minimising disruption to its service delivery. The Business Continuity Management (BCM) was reinvigorated with a cross-functional response team to work towards mitigating COVID-19 risks and covering all operational work streams at the IsDB Group.

**“The three internationally renowned credit ratings agencies (Standard & Poor’s Global, Moody’s and Fitch Ratings) in addition to the Malaysian Rating Corporation (MARC) all affirmed the IsDB’s “AAA” rating with a “stable” outlook in 2020.”**

The IsDB Group cumulative approvals from inception to 2020 reached ID106.01 billion, equivalent to US\$151.64 billion, covering various development projects and programmes in member countries and in Muslim communities in non-member countries.

Of the total IsDB Group cumulative approvals, 35.3 percent (US\$53.54 billion) have come from IsDB-OCR, 35.7 percent (US\$55.06 billion) from trade finance (ITFC), and 3.7 percent (US\$5.62 billion) from the ICD for private sector financing. The remaining 25.3 percent (US\$38.42 billion) were from various specialised funds while the ICIEC has cumulatively insured business amounting to US\$73.51 billion, with new insurance commitments at US\$50.23 billion.

In terms of development impact, completed operations of the IsDB has resulted into building of over 5,000 houses, irrigation of about 24,000 hectares of land, adding over 700 new hospital beds, construction of about 70 educational facilities, access to potable water to about 70,000 households, improved sanitation services to about 100,000 households, connected over eight million households to electricity by generating over 4,000 MW of electricity, paving of nearly 800km of roads, expansion of seaports and creating jobs for about 150,000 people.



# WHERE WE WORK



## THE PRESENT MEMBERSHIP OF THE BANK CONSISTS OF 57 COUNTRIES

### MENA AND EUROPE

Afghanistan  
Albania  
Algeria  
Azerbaijan  
Bahrain  
Egypt  
Iran  
Iraq  
Jordan  
Kuwait  
Lebanon  
Libya

Mauritania  
Morocco  
Oman  
Pakistan  
Palestine  
Qatar  
Saudi Arabia  
Sudan  
Syria  
Tunisia  
Turkey  
U.A.E.  
Yemen

### AFRICA AND LATIN AMERICA

Benin  
Burkina Faso  
Cameroon  
Chad  
Comoros  
Côte D'Ivoire  
Djibouti  
Gabon  
Gambia  
Guinea  
Guinea-Bissau  
Guyana

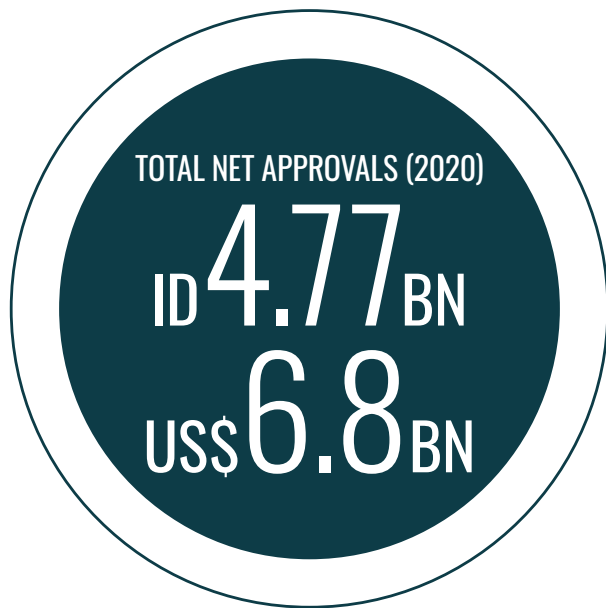
Mali  
Mozambique  
Niger  
Nigeria  
Senegal  
Sierra Leone  
Somalia  
Suriname  
Togo  
Uganda

### ASIA

Bangladesh  
Brunei  
Indonesia  
Kazakhstan  
Kyrgyz Republic  
Malaysia  
Maldives  
Tajikistan  
Turkmenistan  
Uzbekistan



# 2020 IN NUMBERS



**US\$ 2.3 BN**

THE TOTAL  
IsDB GROUP  
COMMITMENT  
TO THE  
(SPRP)



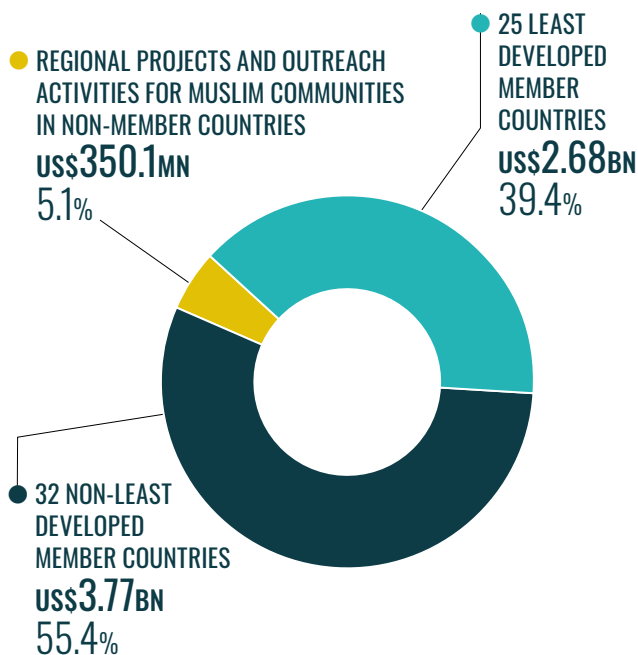
NET INCOME (2020)

**ID 116.22 MN**  
**US\$ 167.38 MN**

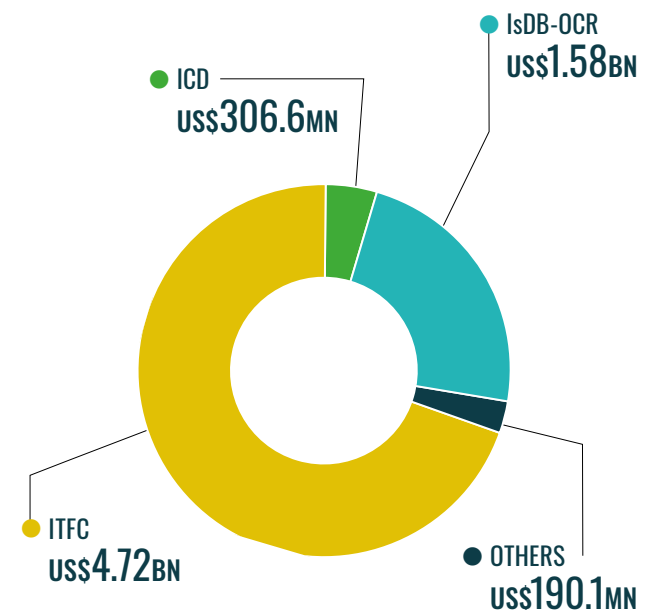


**20.8 PERCENT DECREASE**

## BY COUNTRY CLASSIFICATIONS (2020)



## BREAKDOWN BY ENTITY (2020)



## TOP-5 REGIONAL HUB (RH) RECIPIENTS OF IsDB-OCR APPROVALS IN US\$ MILLION (2020)<sup>1</sup>

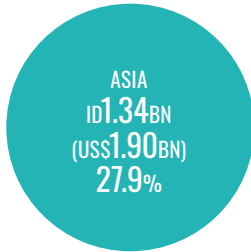
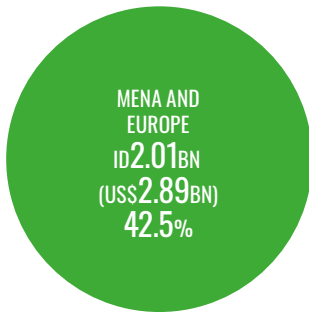
RH of EGYPT  
**US\$ 1.13 BN**

RH of TURKEY  
**US\$ 1.09 BN**

RH of BANGLADESH  
**US\$ 1.06 BN**

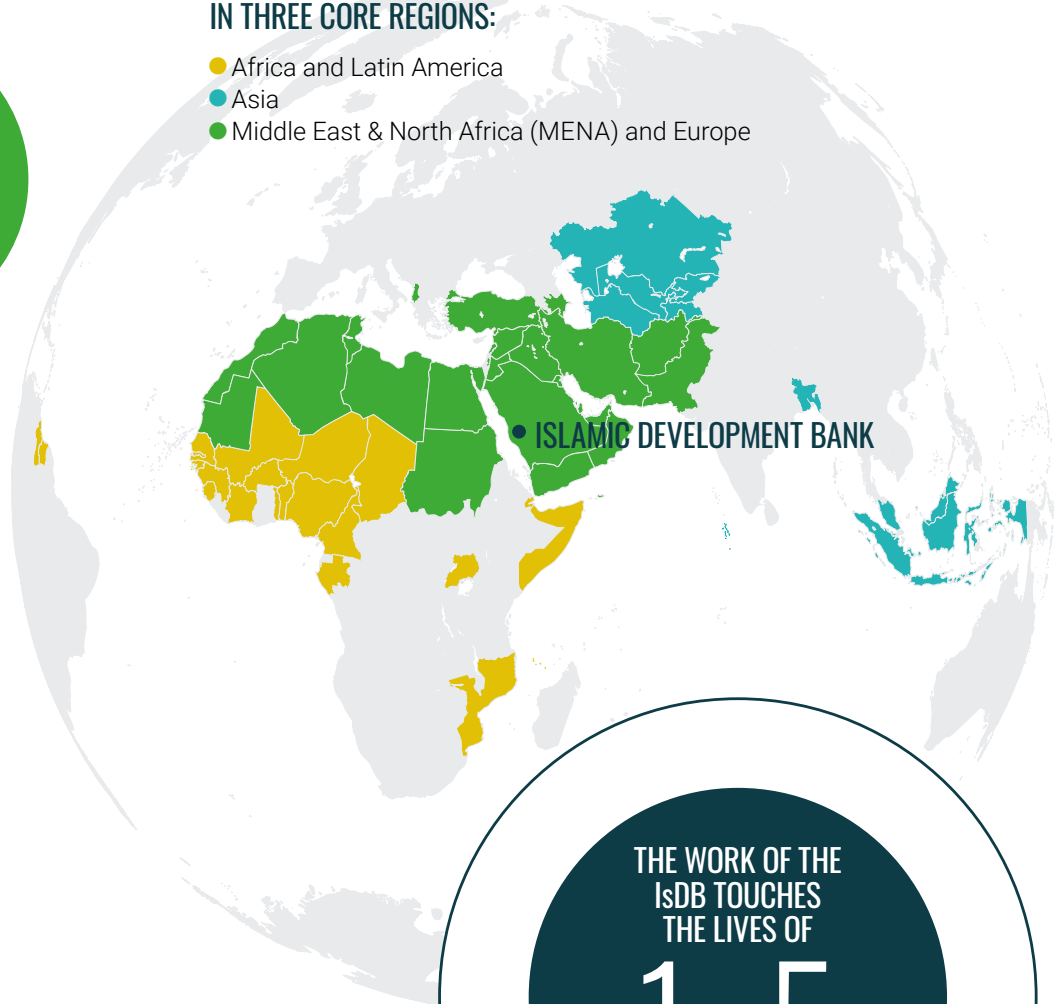


## REGIONAL LEVEL ALLOCATION (2020)



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

- Africa and Latin America
- Asia
- Middle East & North Africa (MENA) and Europe



RH of MOROCCO  
US\$ 0.66 BN

RH of NIGERIA  
US\$ 0.61 BN

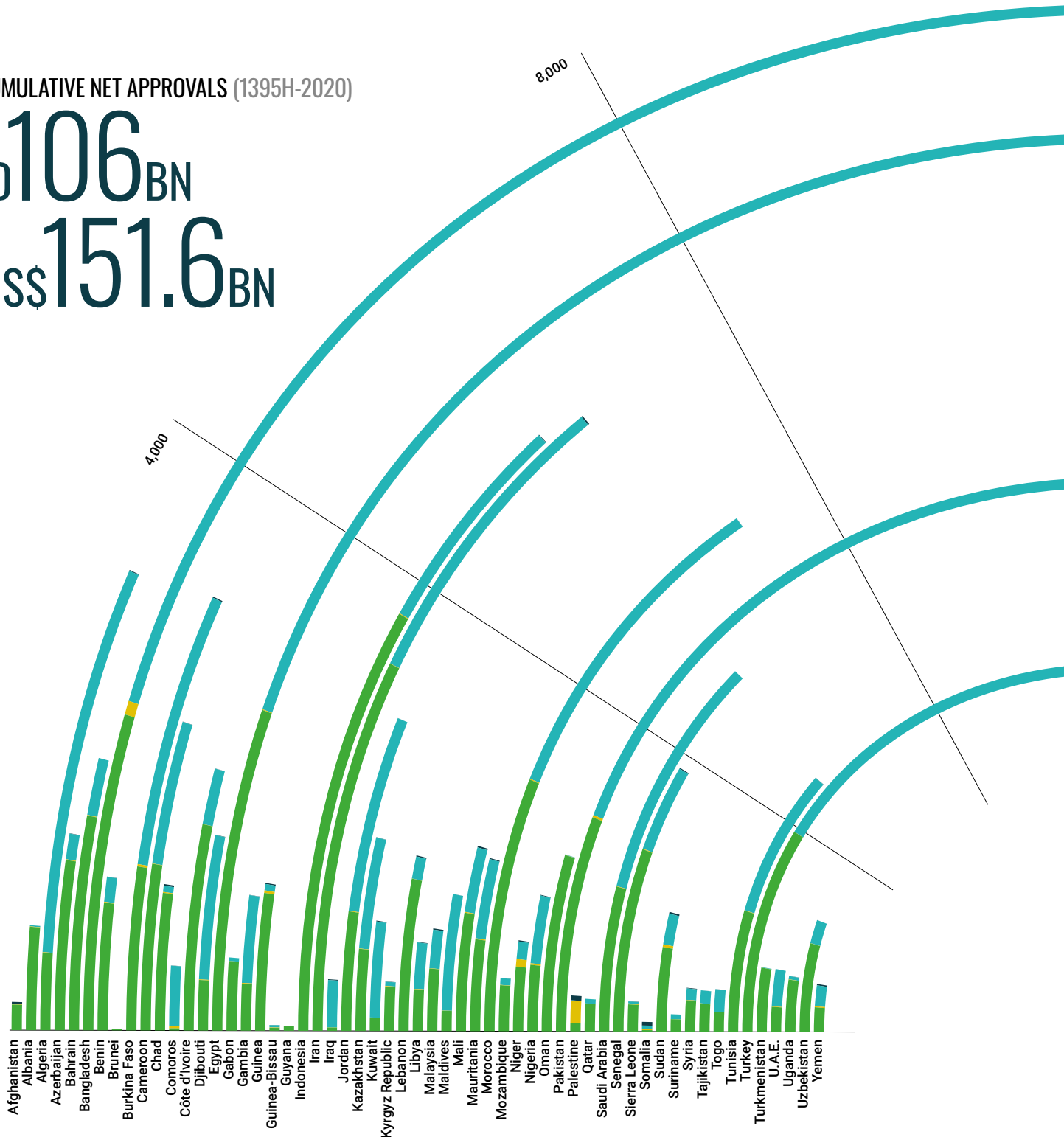
\*The remaining Regional Hub approvals were: RH of Uganda with 7.8 percent (US\$0.53 billion), RH of Senegal with 7.6 percent (US\$0.51 billion) the RH of Kazakhstan with 7 percent (US\$0.48 billion), the RH of Indonesia with 5.3 percent (US\$0.36) Headquarters (COO) and CoE Malaysia with 0.1 percent (US\$0.2 billion).

# 1395H-2020 APPROVALS IN NUMBERS

CUMULATIVE NET APPROVALS (1395H-2020)

ID **106** BN

US\$ **151.6** BN



## KEY

- PROJECT FINANCING
- TRADE FINANCING
- TECHNICAL ASSISTANCE OPERATIONS
- SPECIAL ASSISTANCE OPERATIONS



THE AGGREGATE ECONOMY OF THE 57 MEMBER COUNTRIES CONTRACTED BY  
**1.7%**  
 IN 2020 AS A RESULT OF THE IMPACT OF THE COVID-19 PANDEMIC

BY MAJOR MODE OF FINANCING (1395H-2020)

TRADE FINANCING

ID **62.84BN**  
 US\$ **89.04BN**

PROJECT FINANCING

ID **40.53BN**  
 US\$ **58.79BN**

TECHNICAL ASSISTANCE OPERATIONS

ID **1.48BN**  
 US\$ **2.15BN**

SPECIAL ASSISTANCE OPERATIONS

ID **1.26BN**  
 US\$ **1.80BN**

BY NUMBER OF OPERATIONS (1395H-2020)

**10,636**

24,000

\$ million









# CHAPTER 1. OVERVIEW OF IsDB GROUP DEVELOPMENT ACTIVITIES

## INTRODUCTION

This chapter presents the IsDB Group's operational performance and major initiatives as well as the achievements of Group members and of the Special Funds managed by the Bank during 2020, with reflections on cumulative performance.

# CHAPTER 1. AT A GLANCE

IN 2020, THE ISDB GROUP APPROVED A TOTAL OF

# US\$6.8 BN

FOR VARIOUS OPERATIONS TO SUPPORT MEMBER COUNTRIES IN THEIR DRIVE TO ACHIEVE SUSTAINABLE DEVELOPMENT AS WELL AS THE DELIVERY OF DEVELOPMENT ASSISTANCE TO MUSLIM COMMUNITIES IN NON-MEMBER COUNTRIES WORLDWIDE.

“The Strategic Preparedness and Response Programme (SPRP) is a special package of interventions that was conceived to help member countries cope with and address development challenges arising from the impacts of the COVID-19 pandemic.”



THE CREATION OF AND GLOBAL RECOGNITION OF THE ISDB GROUP'S 3RS PROGRAMME

**(RESPOND > RESTORE > RESTART)**

TO SUPPORT MEMBER COUNTRIES IN THEIR FIGHT AGAINST COVID-19 AS WELL AS THE GLOBAL COORDINATION PLATFORM AS ITS IMPLEMENTING MECHANISM. (SEE PAGE 31)

## 1.1 Highlights of Operational Results

This section highlights the main achievements of the IsDB Group, which comprises the IsDB, IRTI, ICIEC, ICD, and ITFC. The IsDB is the main development bank while the others are entities focusing on specific development functions that complement the IsDB to provide a more comprehensive development effort for the Group. Since its inception, the IsDB Group has been delivering development projects and other activities to support sustainable development in its member countries. This continued in 2020 with various development interventions being approved based on analysis of the critical developmental needs and priority sectors for fostering the socio-economic development of member countries and Muslim communities in non-member countries. In setting the context for the development delivery performance of the IsDB Group, it is pertinent to present an overview of global economic conditions in 2020, emerging development challenges, and an analysis of the performance of the economies of member countries.

The severe impact of the COVID-19 pandemic led to the global economy contracting by 3.3 percent. This deep and synchronised downturn exacerbated pre-existing development challenges such as poverty, unemployment and declining global trade. As a group of developing countries, the IsDB's member countries have not been spared from the global economic decline and the socio-economic development challenges resulting from the pandemic. The economy of the 57 member countries contracted by 1.7 percent in 2020, from a growth rate of 2.6 percent in 2019.

The economy of the 25 member countries in the MENA and Europe region contracted more sharply at 2.2 percent, followed by the group of 22 Africa and Latin America member countries with a contraction of 0.7 percent while the 10 member countries in the Asia region contracted by 0.9 percent.

The economy of the 25 member countries in the MENA and Europe region contracted more sharply at 2.2 percent, followed by the group of 22 Africa and Latin America member countries with a contraction of 0.7 percent while the 10 member countries in the Asia region contracted by 0.9 percent.

Beyond the impact on economies, the pandemic has serious implications for the Sustainable Development Goals (SDGs). Many of the gains that had been made towards achieving the targets before the pandemic have since been reversed. Global extreme poverty, which has been reducing in recent years, is projected to increase



again with more than 100 million people being plunged into extreme poverty, along with a widening inequality gap. Global food supply chains have weakened, pushing fragile and conflict-affected countries into deeper humanitarian crises. This is likely to increase the number of people facing hunger, leading to distress for many more people. The health aspects of the SDGs are the most affected, as the pandemic has significantly disrupted health delivery systems in several ways, threatening the achievement of the health targets.

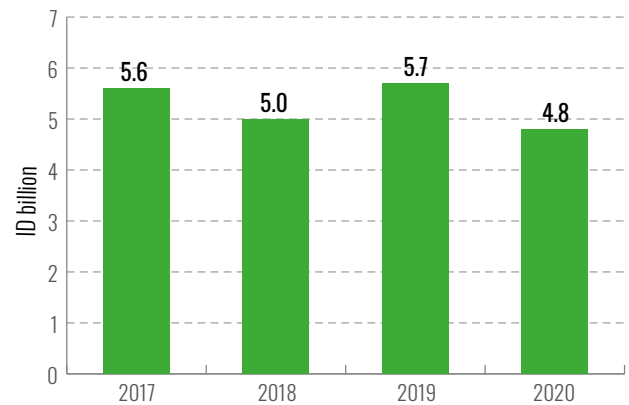
In the context of the turbulent global economy and its impact on the SDGs, member countries need strong support from their development partners. Since its inception, the IsDB Group has approved a cumulative total amount of ID106.01 billion, equivalent to US\$151.64 billion, for various development projects and programmes in member countries and for Muslim communities in non-member countries. Chart 1.1 highlights recent trends in IsDB Group approvals.

Of the total cumulative approvals, 35.3 percent (US\$53.54 billion) was from IsDB-OCR, 35.7 percent (US\$54.06 billion) for trade financing (ITFC) and 3.7 percent (US\$5.62 billion) from the ICD for private sector financing. The remaining 25.3 percent (US\$38.42 billion) were from various specialised funds. The ICIEC has cumulatively insured businesses worth US\$73.51 billion, with new insurance commitments standing at US\$50.23 billion. Chart 1.2 illustrates recent trends in the share of entities represented in total IsDB Group approvals.

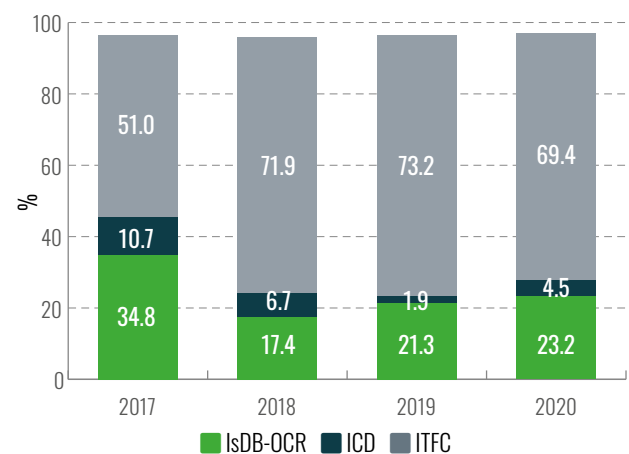
The energy sector is the largest beneficiary of IsDB Group net approvals, at 40.3 percent of cumulative approvals, amounting to US\$61.19 billion, followed by the industry and mining sector with 16.1 percent amounting to US\$24.47 billion. Agriculture is at 11.4 percent (US\$17.21 billion), transportation at 8.2 percent (US\$12.45 billion), and water, sanitation & urban services at 5 percent (US\$7.62 billion) with the remainder spread among other sectors.

In terms of regional distribution of cumulative IsDB Group approvals, 55.8 percent (US\$84.63 billion) were for member countries in the MENA and Europe region, 24.2 percent (US\$36.62 billion) for those in the Asia region, 16.1 percent (US\$24.42 billion) for those in the Africa and Latin America region. Regional projects accounted for 3.3 percent (US\$5.02 billion) while 0.6 percent (US\$0.95 billion) were for Muslim communities in non-member countries.

**CHART 1.1 IsDB GROUP NET APPROVALS**



**CHART 1.2 TRENDS IN SHARE OF ENTITIES IN TOTAL IsDB GROUP NET APPROVALS**







THE ISDB GROUP SUSTAINED ITS FINANCING OF DEVELOPMENT ACTIVITIES BY APPROVING A TOTAL OF

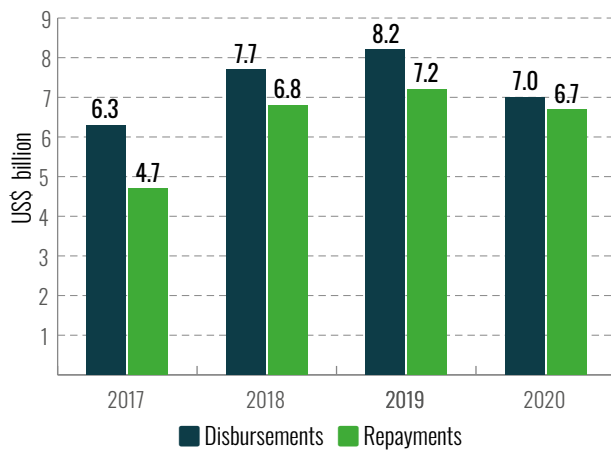
**US\$ 6.8 BN**

FOR VARIOUS OPERATIONS TO SUPPORT MEMBER COUNTRIES IN THEIR DRIVE TO ACHIEVE SUSTAINABLE DEVELOPMENT.





**CHART 1.3 TRENDS IN BANK GROUP DISBURSEMENTS AND REPAYMENTS**



Member countries with the largest cumulative approvals by the IsDB Group are Bangladesh with 14.7 percent (US\$22.3 billion), Pakistan with 8.8 percent (US\$13.29 billion), Egypt with 8.7 percent (US\$13.23 billion), Turkey with 8.1 percent (US\$12.27 billion), Morocco with 4.6 percent (US\$6.91 billion), Iran with 4.1 percent (US\$6.26 billion), Indonesia with 3.8 percent (US\$5.82 billion) and Saudi Arabia with 3.6 percent (US\$5.48 billion) while the remainder went to other member countries, regional projects and Muslim communities in non-member countries.

Amid the challenges in the global development landscape in 2020, the IsDB Group sustained its financing of development activities by approving a total of ID4.77 billion, equivalent to US\$6.8 billion, for various operations to support member countries in their drive to achieve sustainable development as well as the delivery of development assistance to Muslim communities in non-member countries worldwide.

Breaking down the approvals among various arms of the group, the ITFC's approval of US\$4.72 billion is about 69.4 percent of the total approvals in 2020 by the IsDB Group. This is followed by the IsDB-OCR approval of US\$1.58 billion, which is 23.2 percent of total approvals while the ICD approved a total of US\$306.6 million, representing about 4.5 percent. US\$190.1 million, representing about 2.8 percent of total IsDB Group approvals, was allocated to combined specialised funds and special assistance operations for community outreach programmes. These specialised funds comprised of the ICD Funds, APIF, STI, ISFD Trust Funds and Waqf. The ICIEC insured a total business amounting to US\$9.86 billion, with

US\$3.93 billion of new commitments. This indicates that despite the difficult business conditions of 2020, the ICIEC maintained its strong support to member country businesses to ensure their sustainability.

In terms of the regional distribution of IsDB Group approvals in 2020, 42.5 percent (US\$2.89 billion) were for member countries in the MENA and Europe region, 27.9 percent (US\$1.9 billion) were for member countries in the Asia region while 24.5 percent (US\$1.66 billion) were for member countries in the Africa and Latin America region. In the context of the development levels of member countries, 39.4 percent (US\$2.68 billion) of the IsDB Group approvals in 2020 were for the 25 Least Developed Member Countries (LDMCs) while 55.4 percent (US\$3.77 billion) were for the 32 non-LDMCs and 5.1 percent (US\$350.1 million) were for regional projects and outreach activities for Muslim communities in non-member countries.

By Regional Hub (RH), 16.7 percent (US\$1.13 billion) of the IsDB Group approvals in 2020 were for member countries in the RH of Cairo (Egypt), followed by the RH of Ankara (Turkey) with 16 percent (US\$1.09 billion), the RH of Dhaka (Bangladesh) with 15.6 percent (US\$1.06 billion), the RH of Rabat (Morocco) with 9.7 percent (US\$660.1 million), the RH of Abuja (Nigeria) with 9 percent (US\$612.7 million), the RH of Kampala (Uganda) with 7.8 percent (US\$532.6 million), the RH of Dakar (Senegal) with 7.6 percent (US\$519.4 million), the RH of Almaty (Kazakhstan) with 7 percent (US\$475.7 million), the RH of Jakarta (Indonesia) with 5.3 percent (US\$362.4 million), and the remaining 0.1 percent (US\$ 4.26 million) were for Headquarters (COO) and CoE Malaysia.

For disbursements and repayments (chart 1.3), there was a decline from US\$8.21 billion in 2019 disbursements to US\$7.02 billion in 2020 (14.4 percent) and repayments from US\$7.22 billion in 2019 to US\$6.69 billion (7.3 percent). In the context of the challenges of 2020, the decline in both disbursements and repayments, departing from recent trends, is not a serious operational setback.



## 1.2 Major Initiatives

### 1.2.1 Progress on President’s Five-Year Programme (P5P) and the New Business Model

The President’s Five-Year Programme (P5P) was launched on January 1, 2018 to transform the Bank and enable it to address key challenges articulated in the IsDB 40-Year Assessment Report. The main objective is to ensure that the Bank becomes more proactive in its engagement with member countries to better understand their unique development challenges. This will form the basis for interventions to help member countries achieve

sustainable development as envisioned in the IsDB 10-Year Strategy.

To drive the P5P, a new business model was formulated based on making markets work for development as the driving principle of development interventions. This is anchored in boosting the competitiveness of member countries by investing in strategic industries for which they have demonstrated comparative advantages. Such an approach will stimulate local supply chains and integrate the economies of member countries into Global Value Chains (GVC), leading to the expansion of economic activities and the creation of job opportunities. This approach will ensure that IsDB development interventions deliver greater and more effective development impacts on member countries.

This market-centric rather than donor-centric approach means that GVC analysis of member countries’ economies has become an integral component of the Member Country Partnership Strategy (MCPS). The

“To drive the P5P, a new business model was formulated based on making markets work for development as the driving principle of development interventions.”





GVC analysis uses a methodology to identify industry/product champions in member countries that have a high comparative advantage to leverage productive chains in the global economic landscape.

Since the launch of the P5P and the implementation of the new business model, the following outcomes have been achieved:

- Decentralisation has resulted in eight operational Regional Hubs (RHs), with about 70 percent of operations staff working in these RHs. This has improved the visibility of the IsDB Group as well as the efficiency of project implementation.
- Operational oversight has been strengthened to ensure proper monitoring of project implementation. A digital dashboard has been established for regular operations management reporting on key portfolio indicators to facilitate pro-active and evidence-based interventions.
- A comprehensive tool for portfolio management has been established to enhance project supervision, country portfolio performance reviews as well as ensuring quality at entry and exit.
- The IsDB achieved a new milestone with the launch of a COVID-19 Sustainability Sukuk, issued in June 2020, mobilizing US\$1.5 billion from the global capital markets for COVID-19 interventions in member countries. The Sukuk was the second issuance based on the IsDB Sustainable Finance Framework after the Bank's debut Green Sukuk worth EUR1 billion for Green Financing in member countries.
- The first Impact Report of the Green Sukuk proceeds was also published for investors in December 2020, showing a 100 percent allocation to green projects, reaffirming the Bank's commitment to mainstreaming climate change in its core operations.
- An Integrated Strategic Programming Framework has been launched to ensure coherence among strategy, operations, finance and budgeting.
- A financial sustainability model has been formulated to ensure proper coordination between approvals and disbursements, which is crucial for IsDB's financial health and ability to maintain its AAA rating.

The implementation of the P5P and the new business model has significantly transformed IsDB operations and administrative processes. It has improved efficiency in the delivery of development interventions in member countries and has ensured more cost effective and efficient administrative processes.

## 1.2.2 Member Country Partnership Strategies

The Member Country Partnership Strategy (MCPS) is the planning and operational intervention tool used for engaging with member countries to understand their development challenges and the priorities for implementing development projects. The process has been modified to reflect the principles of the President's Five-Year Programme, the core of which is to motivate the private sector and let markets work for development. This has led to the MCPS being based on engagement with Global Value Chains (GVC). The plan for 2020 was to initiate an MCPS for seven member countries (Nigeria, Indonesia, Senegal, Saudi Arabia, Malaysia, Guinea and Niger) and to complete it for four member countries (Gabon, Maldives, Turkey and Morocco) where the process was started in 2019, for which a fast track process has been adopted to ensure their completion in 2021.

Due to the challenges of the COVID-19 pandemic, especially relating to lockdown and travel restrictions, it was difficult to implement the MCPS as planned. Despite the difficulties, a GVC-based MCPS was launched for five of the seven planned member countries during the year while two (Saudi Arabia and Malaysia) are to be undertaken in 2021 together with other member countries.

**“Despite the difficulties, a GVC-based MCPS was launched for five of the seven planned member countries during the year while two (Saudi Arabia and Malaysia) are to be undertaken in 2021 together with other member countries.”**

### 1.2.3 Strategic Preparedness and Response Programme (SPRP)

The Strategic Preparedness and Response Programme (SPRP) is a special package of interventions that was conceived to help member countries cope with and address development challenges arising from the impacts of the COVID-19 pandemic. It was approved by the Board of Executive Directors in April 2020. The SPRP involves a total commitment of US\$2.3 billion by the IsDB Group to support member countries in their efforts to prevent, contain, mitigate and recover from the impacts of the pandemic.

The programme has two main components: the first is health emergency responses to strengthen healthcare systems, while the second component focuses on sustaining and reviving economic and social sectors. A holistic three-track approach – “Response, Restore and Restart”, or the “3Rs” – was formulated to address short-, medium- and long-term challenges.

The Respond track (R1), which is about saving lives, delivers immediate support services to tackle emergency

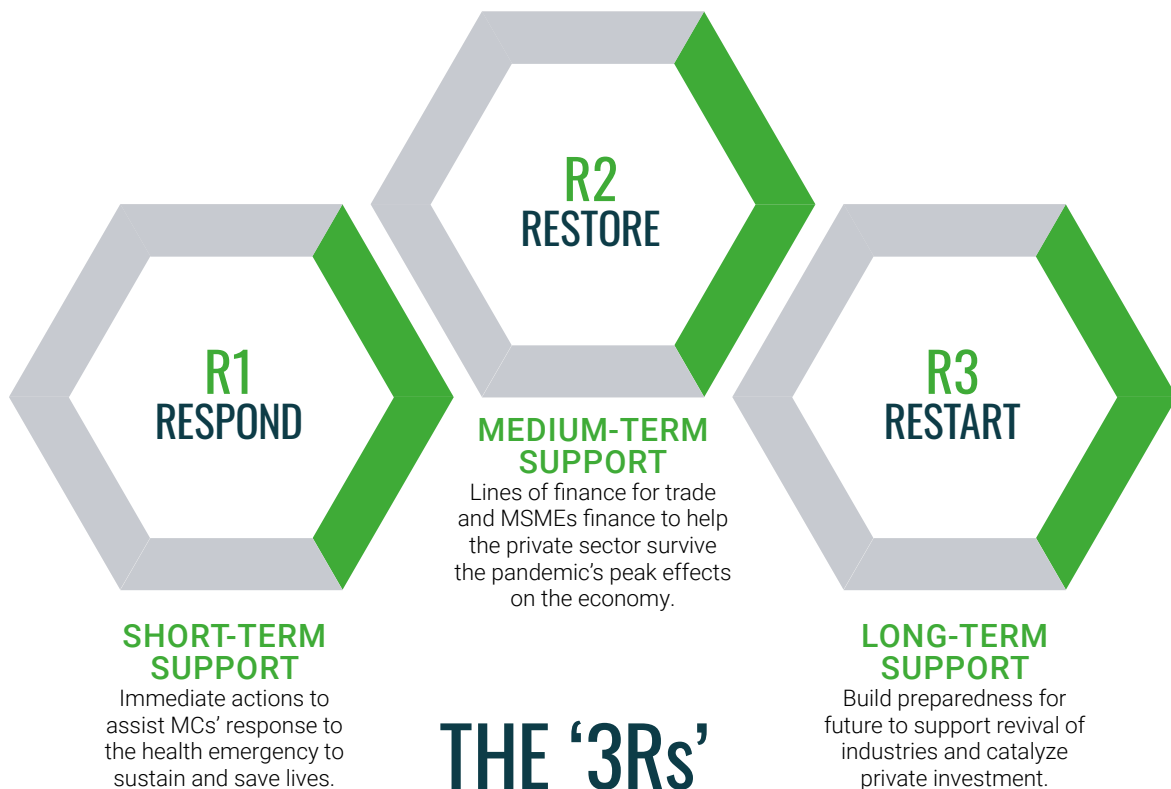
situations using the Reverse Linkage mechanisms of both South-South and North-South cooperation. This track also focuses on helping to strengthen health systems, support food security programmes, improve nutrition during the pandemic and enhance the preparedness capacity of member countries.

The Restore track (R2) delivers medium-term support through the financing of trade and Small and Medium-Sized Enterprises (SMEs) to sustain activities in core strategic value chains and ensure the continuity of necessary supplies to the health and food sectors. This is done through the engagement of the private sector, with the preferred instrument being the Line of Finance (LOF) facility.

The Restart track (R3) delivers long-term support to build resilient economies based on solid foundations and to catalyse private investments to help achieve economic recovery. It focuses on improving the resilience of the country’s health systems by building infrastructure projects (hospitals, emergency health centres) and providing relevant equipment. In addition, this track implements countercyclical operations to help revive the

#### ONE HOLISTIC STRATEGIC PREPAREDNESS AND RESPONSE PACKAGE

The COVID-19 pandemic has had massive and overarching effects beyond the immediate health impacts. With mounting economic and social ramifications, our response required a holistic package to support a recovery journey:





**TABLE 1.1 SPRP FINANCING PLAN**

No	Group/Entities	Amount (US\$ million)
1	IsDB	1,520.00
2	ISFD	140.66
3	ITFC ICD	1,154.10 250.00
4	KAAP	8.50
5	STI Transform Fund	7.33
	<b>Total</b>	<b>3,060.60</b>
6	ICIEC	495.9
	<b>Grand Total</b>	<b>3,556.50</b>

economies of member countries. The R3 aspect of the SPRP targets IsDB financing of US\$10 billion to unlock US\$1 trillion worth of investments.

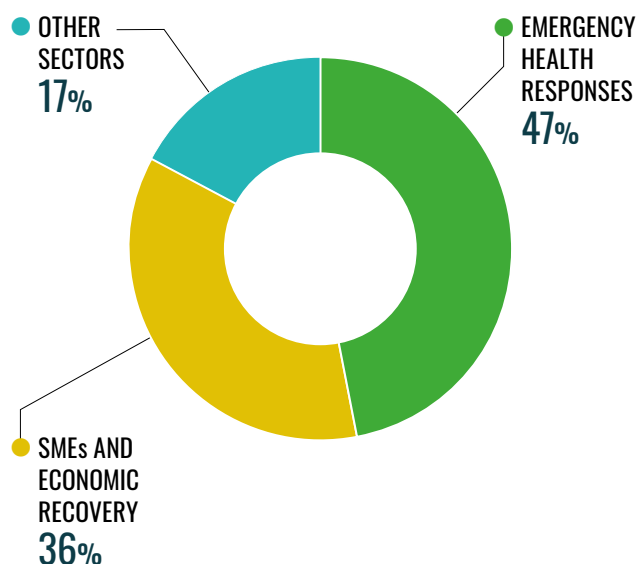
The financing plan of the SPRP is a group-wide effort illustrating the commitment of the IsDB Group to supporting member countries. The original pledge of the IsDB Group was US\$2.2 billion in April 2020 but has been revised to US\$3.56 billion (See table 1.1).

The implementation of the SPRP has been successful, with total approvals by the IsDB Group reaching US\$2.2 billion, representing 61 percent of the revised pledged amount. The disbursement at the Group level has reached US\$879.3 million.

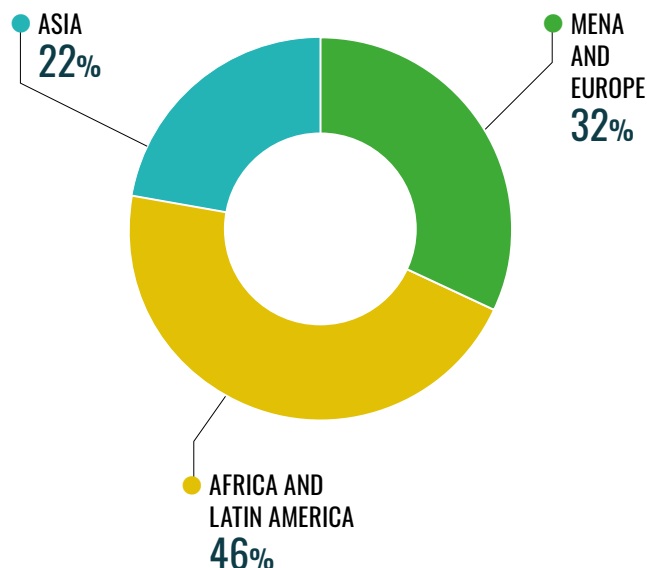
About 64 percent of the approved projects for IsDB are under the Health Emergency/Respond (R1) category, while the remaining 36 percent are under the Restore (R2) category. The IsDB approvals (US\$860 million), have targeted sectors that are most affected by the pandemic: 47 percent (US\$402 million) for emergency health responses, 36 percent (US\$308.1 million) for supporting SMEs and economic recovery, the remaining 17 percent (US\$146.2 million) for Agriculture, Water, Sanitation and Hygiene and other multi-sectoral initiatives (chart 1.4). In terms of regional breakdown, 46 percent of the financing was approved for member countries in the Africa and Latin America, 32 percent for member countries in MENA and Europe and 22 percent for member countries in Asia (chart 1.5).

Proactive engagement of member countries has been achieved through the innovative Country Platform Facility (CPF), with disbursement fast-tracked to ensure quick and effective implementation. About 18 countries have been onboarded on the GCP blockchain platform with US\$594 million (31 percent of approvals) disbursed. The SPRP is a remarkable achievement by the IsDB Group as it reflects the commitment to its fundamental mandate of promoting human development in its member countries.

**CHART 1.4 SECTOR-BASED DISTRIBUTION OF SPRP APPROVALS**



**CHART 1.5 REGIONAL DISTRIBUTION OF SPRP APPROVALS**



### 1.2.4 Science, Technology and Innovation (STI)

The relevance of Science, Technology and Innovation (STI) in achieving sustainable development has continued to resonate in the global development agenda, and IsDB has continued to support member countries in effectively adapting to STI practices to drive their sustainable development. During 2020, the partnership with UNESCO which started in the previous year was consolidated and provided opportunity for enhancing the capacities of Uzbekistan and Mozambique in developing an STI ecosystem. The following STI initiatives were implemented during 2020:

- A Regional Community Development Programme for Rural Women Solar Engineers and Entrepreneurs. This resulted in the development of 40 female “Barefoot Solar Engineers” from nine member countries and the provision of clean solar-based home lighting energy systems for 1,897 households and 13,279 people in member countries.
- A project on the regional promotion of peace education, entrepreneurship and connectivity in the most vulnerable area of Uganda. This produced 30 trainee youth peacemakers in entrepreneurship and business skills and targeted step-down training for an additional 225 youth from the sub-regions.
- The Engage Platform, which was established in 2017 as a digital hub aligned to the SDGs, and which continued despite COVID-19 challenges. In 2020, three calls for innovation were implemented, one of which was dedicated to innovation on COVID-19 while the others were for an internal STI Innovation Competition, and the 2020 Saving Women’s Lives from Cancer Call for Innovation. These open competitions resulted in the funding of four innovative solutions for the prevention, early detection and delivery of quality patient-centred care for breast and cervical cancer, along with 30 COVID-19 innovative solutions, while four winners emerged from the IsDB internal competition.
- The US\$500 million STI (Transform) Fund, which supports the full spectrum of the innovation ecosystem. Following the 3<sup>rd</sup> Call for Innovation to help member countries mitigate the impact of the COVID-19 pandemic, 30 COVID-19 innovative solutions were selected, for which US\$7.33 million was approved in the form of grant and equity financing to mainstream those solutions into the IsDB’s interventions under the SPRP.

- IsDB Innovate (Crowdfunding Platform), which is an initiative targeting donors from around the world to raise additional resources to implement more projects in member countries. This is currently accessible in nine member countries, showcasing 45 projects. As at the end of 2020, there are more than 3,000 donors on the platform with the top 10 countries in terms of fundraising being Bangladesh, Algeria, Turkey, Guinea, Indonesia, Morocco, Egypt, Côte d’Ivoire, Tunisia, and Libya.

## 1.3 Summary of IsDB Group Achievements

### 1.3.1 Main Development Operations: IsDB-OCR<sup>2</sup>

The main development operations of the IsDB Group are the financing of development activities that are related to the public sector and expected to be delivered through the governments of member countries. One key aspect of this is financing education and health, the two fundamentals for human development. Another is infrastructure provision, which is crucial in creating enabling environments for economic activities to thrive. This involves the construction of transport infrastructure (roads, rails, ports and airports) and energy infrastructure such as electricity. The IsDB Group also directly finances economic activities to stimulate growth and enhance livelihoods and reduce poverty. These forms of development interventions are mainly financed from the IsDB-OCR.

In 2020, US\$1.58 billion was approved for IsDB-OCR operations, a slight decrease from the US\$1.69 billion approved in 2019. Given the difficult global development financing landscape resulting from the deep and synchronised global economic downturn caused by the COVID-19 pandemic, this reflects a strong commitment to delivering development support to member countries. As the IsDB’s new business model is evolving, the quality of delivery is improving and this is attracting additional resources through partnerships and private sector investments.

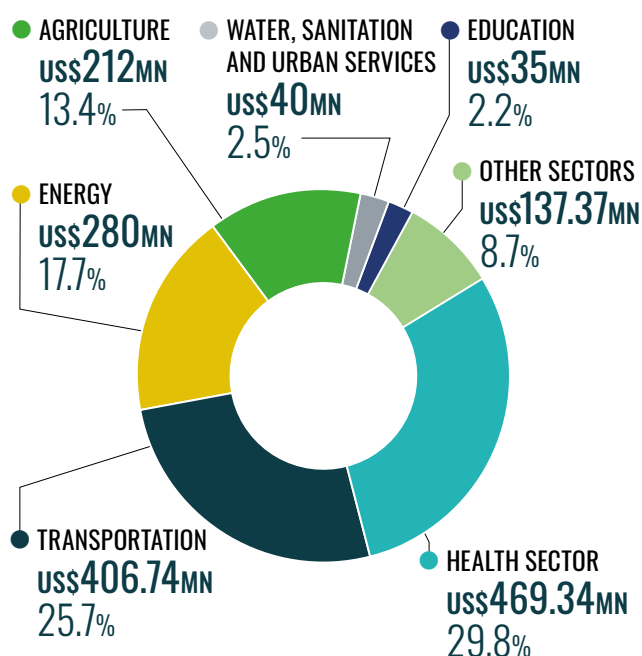
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<sup>2</sup> Reporting is based on budget year used for approvals and includes equity investments





**CHART 1.6** SECTORAL DISTRIBUTION OF ISDB-OCR NET APPROVALS 2020G



The breakdown of 2020 IsDB-OCR approvals by sectors (chart 1.6) indicates that 29.7 percent (US\$469.34 million) was for the health sector, 25.7 percent (US\$406.74 million) for transportation, 17.7 percent (US\$280 million) for energy and 13.4 percent (US\$212 million) for the agriculture sector. Moreover, 2.5 percent (US\$40 million) of the IsDB-OCR approvals in 2020 was for the water, sanitation and urban services while 2.2 percent (US\$35 million) was for education with the remaining 8.7 percent (US\$137.37 million) for other sectors. Based on its crucial importance in development, health has been a key financing priority for the Bank and in 2020 this area was given special consideration due to the serious health challenges caused by the COVID-19 pandemic.

**ICD APPROVED A TOTAL OF**  
**US\$306.6 MN**  
 IN 2020, A SIGNIFICANT IMPROVEMENT  
 OVER THE  
**US\$147.5 MN**  
 APPROVED IN 2019.

In terms of the regional distribution of IsDB-OCR approvals in 2020, 41.9 percent (US\$662.36 million) were for member countries in the Asia region, 34.8 percent (US\$550.37 million) for Africa and Latin America region and 21.7 percent (US\$342.73 million) for MENA and Europe region. In the context of the development levels of member countries, 39.4 percent (US\$623.01 million) of the IsDB-OCR approvals in 2020 were for the 25 Least Developed Member Countries (LDMCs), while 59 percent (US\$932.45 million) were for the 32 non-LDMCs and 1.6 percent (US\$25 million) were for regional projects and outreach activities for Muslim communities in non-member countries.

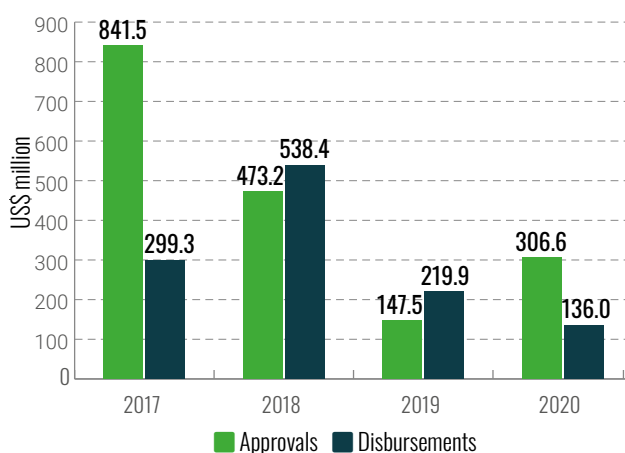
By Regional Hub (RH), 22.8 percent (US\$360 million) of the IsDB-OCR approvals in 2020 were for member countries in the RH of Almaty (Kazakhstan), followed by the RH of Kampala (Uganda) with 17.3 percent (US\$272.95 million), the RH of Jakarta (Indonesia) with 16.6 percent (US\$261.72 million), the RH of Cairo (Egypt) with 14.6 percent (US\$230 million), the RH of Abuja (Nigeria) with 10.5 percent (US\$166.46 million), the RH of Dakar (Senegal) with 7 percent (US\$110.96 million), the RH of Ankara (Turkey) with 6.4 percent (US\$100.73 million), the RH of Dhaka (Bangladesh) with 2.6 percent (US\$40.64 million), and the RH of Rabat (Morocco) with 0.8 percent (US\$12 million).

### 1.3.2 Supporting Private Sector Development

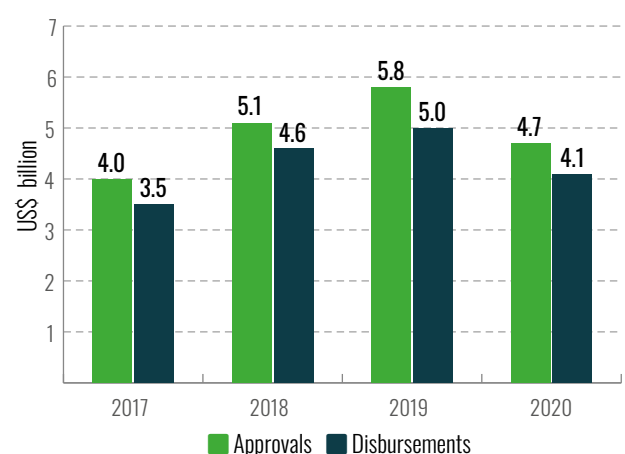
The Islamic Corporation for the Development of the Private Sector (ICD) has, since its inception in 1999, been supporting private sector development in its member countries as a driver of economic growth. The ICD's activities slowed down in 2019 due to organisational restructuring but despite the challenges of the COVID-19 pandemic, it achieved a total approval of US\$306.6 million in 2020, a significant improvement over the US\$147.5 million approved in 2019. More than half of the operations were allocated to high-impact sectors (including finance and infrastructure) and in low- and lower-middle income countries.

Of the total approvals, US\$250 million was dedicated as a COVID-19 stimulus package to support short to medium term financial instruments. The main beneficiaries of the package are SMEs and the private sector in affected member countries, in a bid to extend support, shore up demand, and protect people's livelihoods. Overall, cumulative approvals since inception have reached US\$5.62 billion. Total disbursements in 2020 reached US\$136.04 million, exceeding approvals due to additional disbursements from approvals of previous years.

**CHART 1.7 TRENDS IN ICD NET APPROVALS & DISBURSEMENTS**



**CHART 1.8 TRENDS IN ITFC NET APPROVALS & DISBURSEMENTS**



As part of efforts to create new channels of operation in member countries, ICD approved US\$255 million for Line of Financing (LOF), while disbursement to financial institutions in the form of LOF totalled US\$84.40 million in 2020.

On the real sector side, US\$38 million of financing was approved while US\$51.08 million was disbursed. The disbursements were mainly in high-impact sectors such as energy and industry and mining. In terms of regional distribution, 65.3 percent of ICD approvals were for global (multi country) projects, 15.7 percent to Asia, 14.7 percent to Europe and Central Asia while 4.4 percent to Sub-Saharan Africa. Recent trends in ICD approvals and disbursements are illustrated in chart 1.7. In terms of resource mobilisation efforts, ICD signed four new Sukuk mandates in 2020, with a total expected issuance size of about US\$2.3 billion.

### 1.3.3 Boosting Trade Finance

The International Islamic Trade Finance Corporation (ITFC) commenced operations in 2008 with a mandate to promote intra-OIC trade and support trade development activities through the financing of imports and exports to benefit member countries. Both public and private sector trade activities are financed with *Murabaha* as the main mode of financing, though other modes of financing are used occasionally depending on the nature of transactions and the needs of clients. These include direct financing, structured trade finance, line of trade finance, *Murabaha* financing for financial institutions, Islamic discounting and letters of credit opening and confirmation. The main sectors targeted by ITFC financing are energy (crude oil and refined petroleum products), food & agriculture (such as fertilisers, cotton, groundnuts, coffee, rice, sugar and wheat), health, and the private sector including SMEs.

The financing of trade activities by ITFC has continued to grow over the past 13 years with cumulative net approvals reaching US\$54.06 billion by the end of 2020. However, due to unprecedented challenges arising from the COVID-19 pandemic, which led to reduced funding in international markets and a drop in oil prices, trade finance approvals contracted by 18.8 percent from US\$5.81 billion in 2019 to US\$4.72 billion in 2020. Disbursements declined from US\$4.98 billion in 2019 to US\$4.11 billion in 2020.

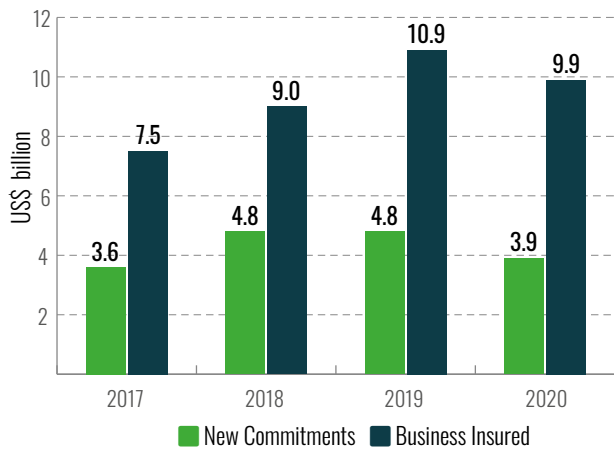
Despite the difficult financing and operating environment in 2020, the ITFC was able to mobilise resources from external partners to the tune of US\$2.4 billion for 26 syndicated operations benefiting 12 member countries.

In response to the COVID-19 pandemic, the ITFC initially allocated US\$300 million from its externally mobilised resources and subsequently adding to make a total 2020 approval of US\$604.7 for the R1 emergency financing of the SPRP to mitigate the socio-economic risks facing member countries as a result of the COVID-19 pandemic. Chart 1.8 presents the recent trends in ITFC approvals and disbursements.

An additional fund for the Recovery Response Programme, worth US\$550 million, was approved for deployment over the next two years. The aim is to support member countries throughout the recovery phase to strengthen access to finance for SMEs and private sector clients through lines of finance.



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



### BOX 1.1

#### IRTI INITIATIVES TO PROTECT INTELLECTUAL PROPERTY RIGHTS

The protection of Intellectual Property Rights is crucial for sustainable knowledge creation and dissemination as part of efforts to foster a knowledge-led development agenda. This motivated the IRTI to initiate the patenting of some of its innovative financial solutions. Significant success is being achieved as three IRTI fintech products have been granted patents as at September 2020. They are:

- 1. The Smart Credit Management System**, a blockchain-based system that integrates credit information and history, credit rating, credit insurance, credit incentives and verification incentives in the blockchain network.
- 2. Smart Voucher**, a blockchain-based voucher that allows a regulatory authority to authorise selected goods and/or service providers. It can be funded through sales tax proceeds to provide such goods and services to disadvantaged groups or individuals, thus serving as a tax-credit receipt, and subsequently, as a social impact bond.
- 3. Proof-of-Use**, a method and system for transaction validation in a distributed ledger technology such as a blockchain network. It is based on reciprocity whereby members validate the transactions of other members in return for others validating theirs, thus making it a members-only network.

IRTI is currently developing a commercialisation strategy for these patented products.

### 1.3.4 Insuring Credit and Country Risks

The Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC) is an entity of the IsDB Group that provides credit enhancement and political risk insurance instruments in accordance with the principles of Shariah with the aim of expanding trade and encouraging foreign direct investment in member countries. The ICIEC, which is rated Aa3 by Moody's with a Stable Outlook, has shareholders comprising the IsDB and 47 member countries.

In 2020, the ICIEC insured a total business amounting to US\$9.86 billion with new commitments worth US\$3.93 billion. Chart 1.9 depicts recent trends in annual business insured and commitments made over the past four years.

The ICIEC is contributing to the IsDB Group programme to help member countries mitigate and cope with the impacts of the COVID-19 pandemic under the SPRP. The ICIEC committed US\$150 million for insuring critical transactions, including the import of emergency medical kits and food supplies. Over US\$496 million in insurance capacity has already been allocated to supporting the import of medical equipment, essential foods and energy commodities. This has benefited many member countries, including Tunisia, Burkina Faso, Mauritania, Senegal, Cameroon, UAE, Oman, Jordan, Egypt and Pakistan. In addition, the ICIEC is involved in two main initiatives, which are the IsDBG COVID Guarantee Facility (CGF) and the ICIEC-ISFD COVID Emergency Response Initiative (ICERI).

The CGF is a financially efficient mechanism for de-risking products to facilitate smooth transactions that could have been considered risky due to associated risks that were worsened by the COVID-19 pandemic. The CGF aims to mobilise US\$6 billion over a period of five years. This means ICIEC is expected to support US\$4.2 billion of business in the coming five years, which translates into gradually increasing ICIEC-insured business from US\$300 million in 2021 to US\$1.2 billion in 2022. The ICERI initiative is a rapid response to COVID-19 which aims to ensure resilience based on a collaboration between ICIEC and ISFD. It will prioritise the ability of LDMCs to meet their import needs of medicine, medical equipment and other essential commodities. The target for businesses insured under the programme is US\$400 million, and US\$153 million of trade-related transactions have been facilitated for the benefit of our LDMCs.





THE ISFD IS THE POVERTY  
REDUCTION ARM OF THE ISDB  
GROUP AND SINCE ITS INCEPTION  
HAS FINANCED SEVERAL  
POVERTY REDUCTION PROJECTS  
IN MEMBER COUNTRIES TO A  
TOTAL VALUE OF

US\$858.44 MN

### 1.3.5 Forging Solidarity for Poverty Reduction

The Islamic Solidarity Fund for Development (ISFD), established in 2005, is the poverty reduction arm of the IsDB Group and since its inception has financed several poverty reduction projects in member countries to a total value of US\$858.44 million. These have taken the form of concessional loans and grants targeting sectors that help reduce poverty, such as education, health, rural and agricultural development as well as economic empowerment. During 2020, the ISFD intensified support to member countries in recognition of the fact that conflict and climate change constitute the main drivers of poverty. This has been compounded by the COVID-19 pandemic which is expected to increase the number

of people living in extreme poverty worldwide, with many member countries more vulnerable due to their historically large share of global poverty.

In 2020, the ISFD approved a total of US\$43.67 million for projects and programmes in member countries targeting the education and health sectors, as well as economic empowerment activities. Due to the exceptional health challenges of 2020, the bulk of development interventions went to the health sector. These were in the form of emergency support to improve member countries' preparedness and response to the COVID-19 pandemic. The ISFD approvals in 2020 contributed to the co-financing of US\$824.4 million worth of projects. Furthermore, in 2020 the ISFD approved US\$13.63 million in grants to several member countries.



### 1.3.6 Spearheading Knowledge in Islamic Economics and Finance

Since it was established in 1981, the Islamic Research and Training Institute (IRTI) has been generating, creating and disseminating knowledge on Islamic economic and financial solutions to support socio-economic development in member countries and Muslim communities in non-member countries. In 2020, IRTI recorded the following major accomplishments.

- The publication of three major reports, two issues of the Islamic Economic Studies Journal, and three books. The reports are the KSA Islamic Finance Country Report; the Islamic Social Finance Report 2020; and the IsDBG Report on COVID-19 and Islamic Finance. The books include two volumes published with Palgrave Macmillan.
- The development of an E-Book Reader App to maintain leadership in publications in the digital age. This pioneering app dedicated to publications in Islamic economics and development supports English, Arabic, and French content.
- The launch of the Smart Economy Grants Programme, designed to attract patentable ideas with significant entrepreneurial potential, focusing on the application of emerging technologies to spur knowledge-driven economic transformation. More than 50 proposals for grants have been received, most of which are related to the SDGs.
- The establishment of an Innovative Fintech Solutions Programme. Three patents have been obtained for blockchain-based innovative solutions for financing the economic development of member countries. Once developed and operationalised, these solutions are expected to be of great value to the Islamic financial industry and the economies of member countries.
- The reformation of the IsDB Prize for Impactful Achievement in Islamic Economics to expand its scope, recognise knowledge creation, and support practical implementation of Islamic economic concepts in economic development.
- A rerun organised by IRTI of eight online courses on the edX platform and the delivery of three customised courses in collaboration with different strategic partners in member countries. The customised courses included the Islamic Finance Executive Programme; Fintech and Blockchain Technologies and Islamic Finance; and Introduction to Islamic Finance.

### 1.3.7 Supporting the Expansion of Islamic Finance to Achieve Development Objectives

In accordance with its mandate, the IsDB continued to support the expansion of the global Islamic finance system through technical assistance, capacity building and Islamic finance advisory services. Despite the COVID-19 challenges of 2020, approvals were made for nine Islamic finance technical assistance and 14 new capacity building projects with IsDB grant financing contribution of US\$2.2 million. Moreover, eight technical assistance projects and 13 capacity building and awareness creation activities with US\$1.6 million in IsDB grant contributions were completed in 2020.

These projects were delivered to several member countries including Afghanistan, Algeria, Azerbaijan, Bahrain, Indonesia, Kyrgyz Republic, Morocco, Tunisia, Uganda and Uzbekistan while others were regional and global impact projects. The projects covered a diverse spectrum of topics ranging from Islamic banking to Sukuk, Takaful and Islamic Social Finance. The projects created enabling environments for the implementation of Islamic finance practices by helping to develop legal, regulatory and supervisory guidelines, Islamic finance products and market infrastructure. In addition, the projects covered ethical and green finance perspectives, women's empowerment and financial inclusion through Islamic finance as well as the role of Islamic finance in achieving the SDGs. Currently, over 50 Islamic finance technical assistance and capacity building projects are under implementation. Furthermore, advisory services have been rendered in the issuance of 23 technical documents of best practices for the global Islamic finance industry through IsDB's six Islamic finance infrastructure institutions (IIIs) and other global partners such as the UNDP, IMF, and World Bank.

### 1.3.8 Leveraging Awqaf for Development

*Awqaf*, the Islamic endowment of assets, has become a vital instrument for achieving socio-economic development. IsDB has a dedicated mechanism based on this: the Awqaf Properties and Investment Fund (APIF), supporting sustainable development in member as well as non-member countries. The core principle is to achieve both sustainable financial returns and social impact, in conformity with the IsDB's 10-Year Strategy, the President's Five-Year Programme and the global development agenda as specified by the SDGs. By financing entities running Waqf properties, APIF was able to distribute a dividend of about 2.5 to 3 percent annually over the last five years with its share value reaching US\$11,589 compared to US\$10,000 at inception.



In 2020, US\$23.1 million was approved for APIF projects, which along with co-financing culminated to approval of five new projects with a total worth of US\$51.47 million, three of which are in member countries (two in Saudi Arabia and one in Guinea) while two are in non-member countries (USA and Kenya).

In accordance with its core principle of financing at reasonable cost and high impact, APIF has cumulatively supported 57 real estate projects in 29 countries with a total value of US\$1.22 billion in addition to supporting various non-profit beneficiaries comprising governments, research centres and charitable organisations, thereby helping to improve public service standards in the locations where its projects are delivered. The target is to reach US\$2 billion worth of operations in 10 years, and new initiatives have been launched to this end, among them a dedicated fund for Awqaf activities in Saudi Arabia.

In 2020, four new investments worth US\$ 21.586 million boosted APIF's total capital to US\$98.57 million, in addition to the US\$100 million worth of line-of-financing extended to APIF by the IsDB. Moreover, the IsDB Board of Executive Directors (BED) approved an increase in APIF's authorized capital from US\$100 million to US\$500 million in 2020. The IsDB BED also approved the establishment of a new fund similar to the APIF but dedicated to the host country Saudi Arabia to be referred to as the Awqaf Financing Fund (AFF) with a target capital of SAR1 billion (US\$3.76 billion) and IsDB participating with SAR100 million (US\$376 billion) contribution.

### 1.3.9 Sharing Development Solutions

The IsDB has two main programmes for sharing development solutions to promote mutual learning and the sharing of experiences to bridge gaps in knowledge for development. These are the Technical Cooperation Programme (TCP) and the Reverse Linkage mechanism.

The TCP supports the transfer and exchange of skills, knowledge, and know-how among member countries to foster their socio-economic development based on the principles of South-South cooperation. Since its inception, a total of 2,385 TCP operations worth US\$57.78 million have been approved. These comprise 968 on-the-job training sessions worth US\$19.34 million, 1,002 knowledge-sharing events amounting to US\$29.78 million, and the recruitment of 425 experts at a total cost of US\$8.66 million. These have resulted in the training of more than 15,000 experts, providing opportunities for more than 20,000 specialists in sharing knowledge and experiences and the engagement of 510 experts from member countries.

**SINCE ITS INCEPTION THE TECHNICAL COOPERATION PROGRAMME (TCP) HAS APPROVED A TOTAL OF**

**2,385**

**TCP OPERATIONS WORTH**

**US\$57.78M**

In 2020, a total of 14 TCP operations worth US\$434,500 were approved to provide financing for short term technical cooperation among member countries. These comprised five on-the-job training sessions worth US\$121,500, five knowledge-sharing events at a total cost of US\$179,300, and the recruitment of four experts at US\$134,000. These interventions addressed the urgent capacity development needs of member countries as they addressed the negative impacts of the COVID-19 pandemic, with priority given to LDMCs.

The Bank's Reverse Linkage activities continued to connect member countries to facilitate the exchange of expertise, technology, and resources. In 2020, a US\$2.3 million grant was allocated for Reverse Linkage interventions. Four of the Reverse Linkage interventions were mainstreamed into the ordinary operations of the Bank and seven standalone operations were designed. These interventions benefited Burkina Faso, Chad, Comoros, Jordan, Morocco, Nigeria, Senegal, Somalia, Sudan, Uzbekistan, and Yemen in the agriculture, health, and water sectors.

In 2020, as part of efforts to expand its network of developers beyond its member countries, the Bank tapped into the knowledge and expertise available in other countries in a Reverse Linkage project that benefitted Sudan and Palestine on developing the capacities of the National Public Health Laboratory in Sudan. In addition, the Bank partnered with Singapore for the first time to facilitate the transfer of expertise and technology from Singapore to Jordan to develop the capacity of the King Abdallah II Design and Development Bureau in producing N95 masks. This will enable Jordan to become self-sufficient in the production of such Personal Protective Equipment and to export it to other member countries, thereby strengthening the country's pharmaceutical industry.









## CHAPTER 2. FOSTERING DEVELOPMENT IN MEMBER COUNTRIES

### INTRODUCTION

This chapter highlights IsDB's ongoing commitment to financing socio-economic development. In a challenging year, the Bank has continued to support crucial drivers of development, such as human capital, infrastructure, agriculture and food security.

# CHAPTER 2. AT A GLANCE

IN 2020 A TOTAL OF

US\$ **1.58** BN

WAS APPROVED FROM ISDB ORDINARY CAPITAL RESOURCES (OCR) FOR THE BANK'S MAIN DEVELOPMENT OPERATIONS



THE EDUCATION AND HEALTH SECTORS RECEIVED A COMBINED APPROVAL OF

US\$ **504.3** MN  
FOR SEVEN PROJECTS

THE ENERGY SECTOR RECEIVED APPROVAL OF

US\$ **280** MN

THE AGRICULTURE SECTOR RECEIVED APPROVAL OF

US\$ **212** MN

## 2.1 Financing Projects for Socio-Economic Development

Despite dedicating much of 2020 to responding to the challenges of the COVID-19 pandemic, the IsDB continued its usual financing of projects to support socio-economic development in member countries as well as its outreach support for Muslim communities in non-member countries. In 2020, a total of US\$1.58 billion was approved from IsDB Ordinary Capital Resource (OCR) for the Bank's main development operations, in addition to special interventions to help member countries tackle the impacts of the COVID-19 pandemic. The approvals were targeted at crucial development enablers such as human capital, infrastructure, agriculture and food security.

### 2.1.1 Human Capital Development

Human capital is a key determinant of economic growth as it increases the productivity of labour and capital. The education and health sectors – the main sources of human capital development – received a combined approval of US\$504.3 million for 14 operations from IsDB OCR financing in 2020, key among which are highlighted as follows:

#### For education:

- US\$35 million for a Technical and Vocational Education and Training Support project in Uganda that aims to transform the Business, Technical, Vocational Education and Training sub-sector into a comprehensive system of skills development for employment, enhanced productivity and growth. The project supports the government's Vision 2040 blueprint, which aims to transform Uganda from a "peasant to a modern and prosperous country within 30 years" in line with the Education Sector Strategic Plan 2011-2020, "Skilling Uganda".

#### For the health sector:

- US\$80 million for Phase II of the Support to the Development of Oncology Services in Uzbekistan project to enhance the access of the population to safe and high-quality oncology services. The project is expected to provide about 150,000 cancer patients across Uzbekistan with access to quality oncology services through improved clinical facilities and the introduction of modern methodologies and advanced technology.





- US\$261.72 million to support the strengthening of health systems and emergency preparedness in Indonesia. The project aims to improve the availability and accessibility of quality health services by upgrading six National Referral Hospitals and Vertical Technical Units in five provinces throughout the country.
- US\$18.2 million for the Strengthening Primary Health Care to Improve Health and Nutrition project in Burkina Faso. The project aims to reduce maternal, neonatal, and infant/child mortality and morbidity. It will establish 25 health and social promotion centres and 100 community health posts in selected rural communities to improve the geographic accessibility of primary health care services.

### 2.1.2 Financing Infrastructure

The provision of critical infrastructure is key to achieving long-term economic growth. This growth, combined with robust human capital, can drive sustainable development. The IsDB has longstanding commitments to support infrastructure development in member countries to help establish the enabling conditions for investment, competitiveness and industrialisation. Together, these form the bedrock for strong economic growth and sustainable development. In continuation of these efforts, a total of US\$726.7 million was approved under OCR in 2020 for financing infrastructure projects in member countries. These consisted of projects in three sectors: energy, transport and water infrastructure projects. Some of these are highlighted below:

#### For the energy sector:

- US\$220 million to co-finance along with the governments of Saudi Arabia and Egypt, the US\$1.7 billion Egypt and Saudi Arabia Electricity Interconnection project to support the existing unified electricity system, which is one of the largest in the region. Given the disparity between the load profiles of the two countries, the project will facilitate the dispatch of electrical power from Saudi Arabia to Egypt and vice versa with a maximum capacity of 3,000MW via load sharing.
- US\$60 million for Phase II of the Turkmenistan, Afghanistan, Pakistan and India Gas Pipeline project. This project aims to enhance sub-regional economic cooperation among the four countries, based on the needs of the market economy, by expanding the use of natural gas resources.



IN THE TRANSPORT SECTOR, A TOTAL OF

**US\$406.74MN**

WAS APPROVED IN COUNTRIES INCLUDING  
**SENEGAL, SIERRA LEONE, UGANDA,  
KYRGYZ REPUBLIC AND CHAD.**

#### For the transport sector:

- US\$17.8 million for Senegal to upgrade section II of the Dakar Expressway. The upgrade aims to improve urban mobility by reducing traffic congestion, enhancing travel conditions and reducing transportation costs. This is expected to generate economic and social development to contribute towards poverty reduction.
- US\$10 million of supplementary financing for the Construction of the Pendembu – Kailahun Road project in Sierra Leone. This project aims to enhance the accessibility of the south-eastern agricultural provinces to other parts of the country and develop trade between Sierra Leone and its neighbouring countries, namely Guinea and Liberia. Facilitating the transportation of agricultural products to various market areas is expected to improve the incomes of farmers and traders of agricultural products and reduce poverty.
- US\$210 million for the Upgrading of the Rwenkunya – Apac – Lira – Acholibur Road in Uganda. This project supports the government in developing efficient and cost-effective transportation systems to meet the needs of a rapidly growing economy. By potentially improving interconnectivity within Uganda through reductions in travel times and transport costs, as well as enhancing road safety, the project is expected to facilitate economic and social development, thereby contributing to poverty reduction.



“As part of its long-standing recognition of the role of agriculture and rural development in reducing poverty and hunger and achieving food security, the IsDB continued its support to the sector in 2020.”

- US\$148.3 million for the Construction of the Abeche Abougoulem Road project in Chad, in support of the country’s transport sector strategy. This will potentially improve year-round access to markets as well as to social and administrative services, thereby facilitating economic growth and contributing to poverty reduction.
- US\$20 million for the Reconstruction of the Issyk Kul Ring Road project in the Kyrgyz Republic. This project aims to improve road transport efficiency by upgrading the existing road from two to four lanes to improve connectivity between different areas of the region. This is expected to boost economic activity and facilitate rural development, thereby contributing towards poverty reduction.

**For the water sector:**

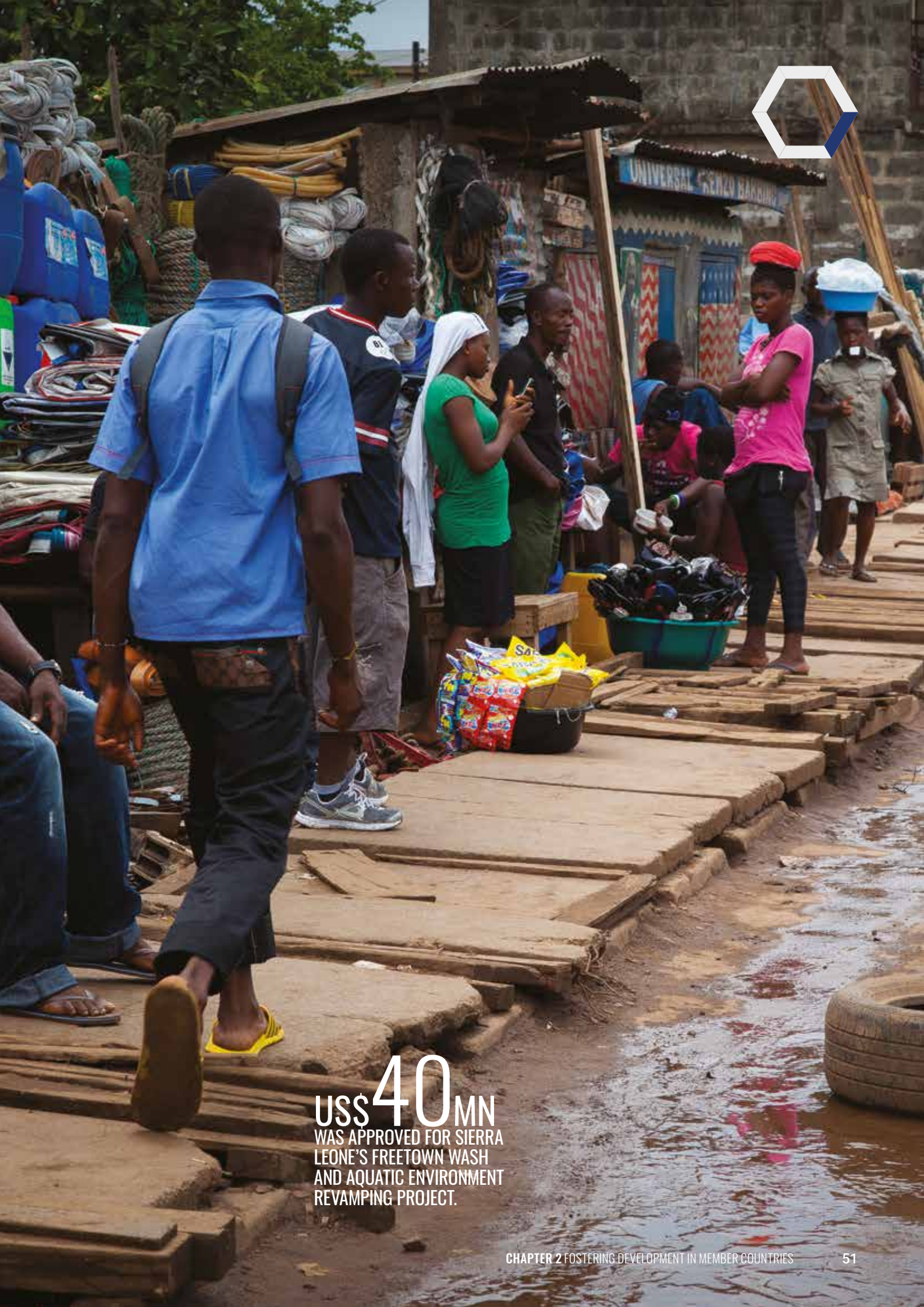
- US\$40 million for Sierra Leone’s Freetown WASH and Aquatic Environment Revamping project. This project supports the government’s response to the combined challenges of a shortage of water, lack of decent sanitation and inadequate solid waste management services. It will lead to significant improvements in the living conditions of the population through a better water supply and sanitation services, while ensuring the sustainability of the vital aquatic ecosystem.

**2.1.3 Enhancing Agriculture and Food Security**

As part of its long-standing recognition of the role of agriculture and rural development in reducing poverty and hunger and achieving food security, the IsDB continued its support to the sector in 2020 with the OCR approval of US\$212 million for two projects, the main one of which was:

- US\$200 million for the Sustainable Rural Development Project in Uzbekistan. The project’s main objective is to improve the livelihoods and living standards of the rural population by enhancing access to basic infrastructure and services. This is expected to create economic opportunities in rural areas, particularly those affected by climate change. The project supports government efforts to achieve sustainable socio-economic development in rural areas and to build the resilience of the targeted population against climate, environment, economic and social risks, particularly in terms of their impact on vulnerable groups such as the rural poor, women and youth.





**US\$40 MN**  
WAS APPROVED FOR SIERRA  
LEONE'S FREETOWN WASH  
AND AQUATIC ENVIRONMENT  
REVAMPING PROJECT.



## 2.2 Partnerships for Sustainable Development

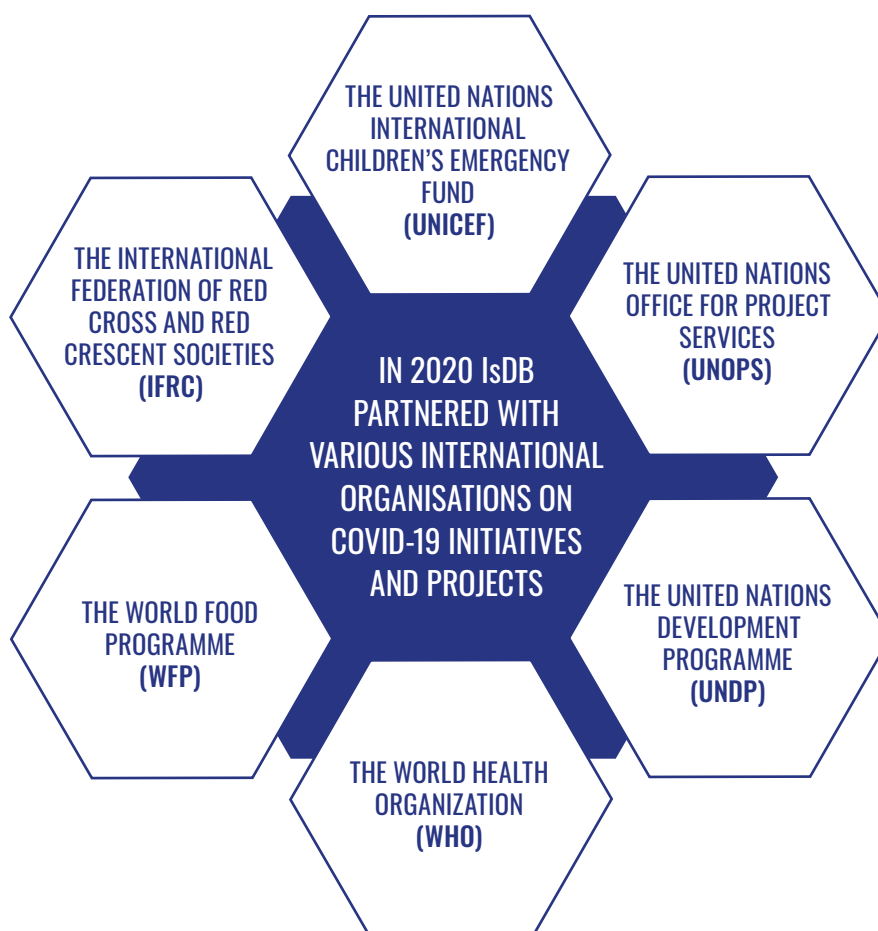
### 2.2.1 Strengthening and Expanding Partnerships

The driving principle of the President's Five-Year Programme (P5P) and the IsDB's new business model is leveraging partnerships to enhance the delivery of projects by attracting more public and private capital investment in member countries. In 2020, the COVID-19 pandemic has made partnership even more compelling. Accordingly, the Bank partnered with various international organisations on COVID-19 initiatives and projects. This involved procurement-related agreements with the United Nations International Children's Emergency Fund (UNICEF), the United Nations Office for Project Services (UNOPS), the United Nations Development Programme (UNDP), the World Health Organization (WHO), the World Food Programme (WFP) and the International Federation of Red Cross and Red Crescent Societies (IFRC) to assist the Bank in the implementation of 18 projects in 13 member countries.

One major financing partnership is the US\$10 billion pledged by the Arab Coordination Group (ACG) to help member countries mitigate the impact of COVID-19, out of which US\$8.6 billion has been approved. The amount is to be channelled for budgetary support and the suspension of payment of loan service fees to provide relief to member countries in their loan service obligations.

The IsDB established partnerships with the following organisations:

- The Organisation for Economic Cooperation and Development (OECD) to support member countries on economic policy and structural reforms to stimulate economic growth, enhance competitiveness, improve financial markets and attract international investment.
- Saudi Arabia's King Salman Humanitarian Aid and Relief Centre, to collaborate on delivering humanitarian assistance in terms of knowledge sharing, innovation, analytical work, capacity development, advocacy and joint assistance.





**“The success of the Bank’s Reverse Linkage programme means that private sector companies from non-member countries are partnering with the programme and delivering more development benefits to member countries.”**

- UN-Habitat, for cooperation on securing medium- and long-term grants and loans for housing and urban renewal, including social and economic infrastructure to foster community cohesion to achieve development.
- The UN Food and Agriculture Organization (FAO), for cooperation on strengthening agriculture-related business development, technical assistance and capacity development to foster rural development. The new Memorandum of Understanding – the first to be signed virtually by the IsDB – focuses on project design/implementation, policy advice and knowledge sharing to increase the joint impact of the work carried out in the agricultural sectors by FAO and the Bank.
- Abdulla Al Ghurair Foundation for Education, which donated US\$10 million for the Global Muslim Philanthropy Fund for Children (GMPFC) to support refugee education in the Middle East and North Africa region under an IsDB and UNICEF programme.
- The World Food Programme (WFP), to collaborate on the rice value chain in Africa, in addition to project design and implementation as well as capacity development and institutional support.
- The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, to cooperate in fostering sustainable development through information processing, consultation, knowledge exchange, network building and project implementation.

### **2.2.2 Private Sector Partnership for Reverse Linkage**

The success of the Bank’s Reverse Linkage programme means that private sector companies from non-member countries are partnering with the programme and delivering more development benefits to member countries. In 2020, the programme attracted a total of US\$88.6 million in commitments from the private sector, mainly from non-member countries, which reflects the expansion of the network of developers outside the member countries.

A major component of this is the partnership with a private company from Singapore, ADDO AI Pte Ltd, based on the recommendation of the Enterprise Singapore, a government agency under the Ministry of Trade & Industry. This partnership is a key outcome of efforts to explore opportunities for mutually beneficial Reverse Linkage activities to support sustainable development in member countries. The partnership is based on ADDO AI Pte Ltd sharing its knowledge and expertise in the area of Big Data Analytics, using Artificial Intelligence and Machine Learning to interpret huge volumes of data to guide interventions and policy responses to address development challenges in member countries.

The implementation of the partnership has progressed, with analysis underway of medical and health-related data for member countries as part of their effort to mitigate the impact of the pandemic. The Ministry of Health in Indonesia has indicated an interest in using the associated knowledge and expertise to complement its data centre infrastructure and enable the country to effectively analyse relevant information to plan strategies for mitigating the effects of the COVID-19 pandemic. Accordingly, ADDO AI will develop a customised platform that will be incorporated into existing data centre infrastructure to improve the capacity of the Ministry of Health to analyse huge volumes of data in terms of human and medical resources as well as infections from hospitals, medical production facilities and regional coordination agencies.

**IN 2020, THE REVERSE LINKAGE PROGRAMME ATTRACTED A TOTAL OF**

**US\$88.6 MN**

**IN COMMITMENTS FROM THE PRIVATE SECTOR, MAINLY FROM NON-MEMBER COUNTRIES.**



### **BOX 2.1**

#### **IsDB, UNDP, UNOPS AND UNICEF COLLABORATE TO HELP CAMEROON TACKLE COVID-19**

In 2020 the IsDB approved a financing facility of US\$27.44 million for Cameroon to provide an immediate response to COVID-19 by procuring vital medical and non-medical equipment such as scanners, respiratory equipment, ambulances, mobile radios, hospital beds and Personal Protective Equipment. These medical and non-medical supplies will support the efforts of frontline health workers, improve testing capacity and early detection, and support the management of COVID-19 cases, thus strengthening Cameroon's health system.

Further support for Cameroon's health system and its COVID-19 response came from the United Nations Development Programme (UNDP) which approved US\$13.8 million, the United Nations Office for Project Services (UNOPS) which approved US\$9.1 million, and

the United Nations International Children's Emergency Fund (UNICEF) which provided US\$4.2 million.

To ensure a coherent and effective delivery, the IsDB and the Government of Cameroon agreed to leverage the implementation mechanism of the UN system, allowing the UNDP, UNOPS and UNICEF to implement the entire project including the IsDB component. This fast-tracked the process of acquiring emergency medical supplies, ambulances, laboratory equipment and other essential items, and strengthened the logistics chain of the Ministry of Health in the support it provided to health centres in its efforts to reduce the spread of COVID-19 in the country. As part of the implementation process, a country platform was established for reporting, information monitoring and experience-sharing on COVID-19.





## 2.3 Other Development Activities

### 2.3.1 Empowering Women and Youth

The IsDB recognises the development imperative of empowering women and youth and has established a special programme providing grant support to Non-Governmental Organisations (NGOs) that work on this issue. In 2020, six NGO grants for a total sum of US\$910,000 were approved for programmes targeting women and youth. A significant component of these approvals was for activities encouraging the Islamic finance industry to adopt gender-sensitive practices in its delivery of financial services to women.

In addition, working with the Women Entrepreneurs Finance Initiative (We-Fi), the Bank launched the “Empowering West African Women SMEs in the Rice Value Chain” programme, which aims to further develop SMEs led by women in the rice value chain. The programme was supported by a US\$11.25 million grant from the governing committee of We-Fi.

**“The IsDB recognises the development imperative of empowering women and youth and has established a special programme providing grant support to Non-Governmental Organisations (NGOs) that work on this issue.”**

### 2.3.2 Climate Change

The Bank has continued to mainstream climate action in its operations, with a target of 35 percent climate finance by 2025, and plans to align with the objectives of the Paris Agreement as set out in the MDB Paris Alignment Framework. As part of the Bank's strategy, climate change risks are evaluated and addressed as a precondition of project implementation. The GVC-based MCPS for Guinea, Indonesia, Malaysia, Niger, Nigeria, Senegal, and Saudi Arabia included the development of climate change profiles and climate risk analysis. In 2020, the Bank also started the development of a comprehensive climate risk management framework to consistently address climate risks in its operations and bring them to an acceptable level through clear mitigation measures and project adaptation components.

In terms of resource mobilisation, the Bank started the implementation of the US\$768,943 technical assistance fund mobilised from the Nationally Determined Contribution (NDC) Partnership to support climate change related activities in Lebanon, Nigeria, and Palestine. The Bank was also part of two consortiums that were selected to receive financing from the International Climate Initiative (IKI) of the German Ministry of the Environment, Nature Conservation and Nuclear Safety to support MENA and Sub-Saharan African countries.

The Bank continues to engage with the MDB climate change working groups to share experience and leverage capabilities towards supporting member countries in developing and implementing medium- to long-term low-carbon and climate-resilient development strategies.

### 2.3.3 Communities Outreach Programme

The Bank's Communities Outreach Programme has evolved over the years as a mechanism for supporting Muslim communities in non-member countries. In 2020, the programme received a contribution of SAR6 million (US\$1.6 million) from a philanthropy to implement projects for communities in Thailand, Cambodia and Uganda.

In 2020, the Bank approved 13 projects to mitigate the impact of the COVID-19 pandemic on various communities in non-member countries, and 11 of these projects have started to be implemented. In addition, a relief project was approved for Cambodia in response to the adverse impact of flooding on the Muslim community. Overall, 21 projects were completed in 2020 while several others are at various stages of implementation.

### 2.3.4 The IsDB Scholarship Programme

The IsDB Scholarship Programme was established in 1983 as part of a commitment to promote human capital development. Since its inception it has sponsored students and scholars for undergraduate, masters and PhD studies, as well as post-doctoral research based on developing competencies to drive sustainable development.

In 2020, US\$15 million was approved for various scholarships under the programme. Following a thorough review of all applications, scholarships were awarded to 1,221 students and scholars in the following categories:

- 746 students from 109 countries for the Undergraduate programme
- 196 students from 92 countries for the Master's programme
- 160 students from 58 countries for the PhD & post-doctoral programme
- 119 students from 20 IsDB LDMCs for the IsDB-ISFD programme.

In 2020, Muslim communities in eight countries were added as beneficiaries of IsDB scholarships. These were: Angola, Botswana, the British Indian Ocean Territory, Dominica, Haiti, Peru, South Sudan and Swaziland. As a result of efforts to promote gender balance, the proportion of female scholars – which has been historically lower than male scholars – improved significantly in 2020 to reach 54 percent for the Undergraduate programme, 49 percent for the Master's programme and 50 percent for the PhD programme.





“In 2020, the Bank also started the development of a comprehensive climate risk management framework to consistently address climate risks in its operations and bring them to an acceptable level through clear mitigation measures and project adaptation components.”





## **BOX 2.2** **THE US\$500M ECONOMIC EMPOWERMENT FUND FOR PALESTINIAN PEOPLE**

As part of its commitment to help alleviate poverty among deprived families, the IsDB established the Economic Empowerment Fund for the Palestinian People (EEFPP) with a target financing of US\$500 million. This was made up of a US\$150 million contribution from the IsDB Group, with the remainder to be mobilised from local and international stakeholders. Within a year of its establishment, the fund had mobilised US\$80 million from private sector partners.

The EEFPP is a development investment fund designed to institutionalise an existing initiative, the Deprived Families Economic Empowerment Programme. This programme has proven to be successful in reducing poverty, marginalisation and social exclusion as well as empowering poor people and providing economic

opportunities for them. The fund will contribute to the economic development of Palestine and tackle the chronic unemployment problem faced by many, especially young people.

The EEFPP aims to empower 300,000 families over the next 10 years by identifying investment opportunities and providing financing, with an ultimate goal of raising the living standards of poor households. The implementation strategy is based on exploring local opportunities as well as leveraging national and international partnerships to enhance the effectiveness of investments and to operate at scale for maximum impact. The fund creates smart partnerships linking the economically active poor with markets to enable them to achieve good returns from economic activities.



Partnership initiatives have been formed in recent years to consolidate and expand the scholarship programmes into new areas. These include:

- The Capacity Building Technology Transfer Programme, in partnership with The World Academy of Science (TWAS). This is designed to help build a critical mass of young scientists, researchers and refugee scientists in the fields of STI relevant to the SDGs. In 2020, the programme supported 30 scholars for post-doctoral research training, provided a grant for a joint research and technology transfer project, and provided opportunities for 11 scientists, including refugees, to participate in the TWAS Young Affiliates Programme.
- Two partnership agreements, on a cost-sharing basis, which were signed in 2020 with the French Ministry of Europe and Foreign Affairs/Campus France and with the Presidency for Turks Abroad and Related Communities. This brings the total of such agreements to 11, with negotiations still ongoing with Makerere University in Uganda, the Supreme Council of Universities in Egypt, two universities in the US (Princeton and Harvard) and King Abdullah University of Science & Technology in Saudi Arabia. The essence of these agreements is cost sharing to enable a significant increase in the number of scholarship beneficiaries. The impact of the agreements is evident in the growing number of scholarships awarded, from 380 in 2018 to 1,221 in 2020.

Since the inception of the Scholarship Programme, 18,138 students and scholars have been awarded various scholarships, comprising 15,763 Undergraduates, 1,277 PhD and Post-doctoral research, 845 Masters', and 253 Technical Vocational Education and Training from 56 member countries and 67 Muslim communities in non-member countries.

**SINCE THE INCEPTION OF THE  
SCHOLARSHIP PROGRAMME, OVER**

**12,795**

**STUDENTS HAVE GRADUATED FROM  
REPUTABLE UNIVERSITIES AND ARE  
CONTRIBUTING TO DEVELOPMENT  
IN THEIR COUNTRIES.**

**CURRENTLY**

**2,362**

**STUDENTS IN 88 COUNTRIES ARE  
IN THE MIDST OF THEIR STUDIES.**

From the cumulative total (18,138), 12,795 students have graduated from reputable universities and are contributing to development in their countries. A further 2,362 students in 88 countries are currently undergoing their studies while 991 started but did not complete their studies and 763 among those awarded declined the offer. Also, part of the cumulative total is 1,225 newly awarded scholars for 2019/2020 academic year that deferred their studies due to COVID-19 challenges.



# ECONOMIC EMPOWERMENT

TRANSFORM THE MINDSETS OF PEOPLE AND MOVE THEM AWAY FROM DEPENDENCY BY EMPOWERING THEM WITH THE REQUISITE SKILLS AND PROVIDING THEM WITH OPPORTUNITIES TO USE THOSE SKILLS TO ACHIEVE LIVELIHOOD OBJECTIVES.





### 2.3.5 Economic Empowerment for Sustainable Livelihoods

Economic empowerment has become more prominent in the development financing activities of the Bank. This reflects the shift in strategy towards the P5P and its core pillars of improving effectiveness and achieving optimal development impacts. The aim is to transform the mindsets of people and move them away from dependency by empowering them with the requisite skills and providing them with opportunities to use those skills to achieve livelihood objectives. This leads to the expansion of economic activities, economic growth and sustainable development.

This is a paradigm shift from financial inclusion to economic inclusion. In response to the COVID-19 pandemic, a US\$120 million economic empowerment programme was approved to help vulnerable groups mitigate the impact of the pandemic on their livelihoods. This programme – Strengthening the Economic Resilience of Vulnerable Enterprises (SERVE) – is part of the IsDB Strategic Preparedness and Response Plan (SPRP). SERVE is providing financing to Micro, Small and Medium Scale Enterprises (MSMEs) to enable them to cope with the effects of the pandemic to ensure business continuity and job preservation amid the difficult business conditions arising from lockdowns. The target is to create and maintain 314,000 jobs by financing 150,000 microenterprises and 3,480 SMEs. Three SERVE projects in Djibouti, Palestine and Jordan have been approved, amounting to US\$72 million with expected co-financing of US\$328 million from other development partners.

### STRENGTHENING THE ECONOMIC RESILIENCE OF VULNERABLE ENTERPRISES

# (SERVE)

IS A PROGRAMME THAT WILL ENABLE MSMEs TO COPE WITH THE EFFECTS OF THE PANDEMIC. THE TARGET IS TO CREATE AND MAINTAIN

# 314,000

 JOBS

BY FINANCING

# 150,000

MICROENTERPRISES AND

# 3,480

 SMEs.







# CHAPTER 3. RESPONDING TO THE COVID-19 PANDEMIC

## INTRODUCTION

This chapter details IsDB's response to the unique challenge of 2020's COVID-19 pandemic. Resources provided by the Bank have addressed the immediate health emergency while also building capacity to tackle the longer-term economic and social impacts.

# CHAPTER 3. AT A GLANCE

THE 11 MDBs HAVE COMMITTED TO PROVIDING RESOURCES TO THE VALUE OF

**US\$230 BN**  
IN 2021 TO TACKLE THE COVID-19 PANDEMIC, ADDRESSING POVERTY, UNEMPLOYMENT, AND FOOD INSECURITY.



“Engaging the private sector in South-South cooperation is considered to be of paramount importance in achieving the Sustainable Development Goals. IsDB is pioneering this kind of engagement through its Reverse Linkage mechanism.”

## 3.1 Spearheading Global Coordination

As the world contended with the COVID-19 pandemic in 2020 and its widespread economic impacts, two global leadership opportunities were bestowed on the IsDB for coordination. These were the Presidency of the G20 by Saudi Arabia – the host country of the IsDB – and the selection of the IsDB to chair the Heads of MDBs meetings, which bring together the 11 largest MDBs and the IMF.

In accordance with the “Awareness” and “Linkage” pillars of the P5P, the IsDB dedicated resources to supporting Saudi Arabia’s G20 Presidency based on the IsDB Group’s mission and vision to render analytical insights on global development challenges as they affect member countries. The IsDB has valuable experience in this from its involvement in the 2015 G20 summit under the Presidency of Turkey, and this formed the basis for its engagement to provide insightful support to the 2020 G20 summit.

The IsDB participated in several high-level meetings of the 2020 G20 summit, including the meetings of Finance Ministers and Central Bank Governors, and engaged with several dedicated groups on the international development agenda. A total of 56 presentations were made to advance the three aims selected by the Saudi G20 Presidency, namely “Empowering People, Safeguarding the Planet, and Shaping New Frontiers”. The IsDB Group delivered three reports to the G20 Finance Ministers and Central Bank Governors. These were:

- A stock-taking study on “Best Practices of MDBs and Specialised Multilateral Insurers in Political Risk Insurance for Equity Investments, Medium, and Long-Term Debt Investments and other Insurance Solutions”.
- Two update reports on the operationalisation of the country platforms in Somalia and Uzbekistan following the 2020-adopted “G20 Reference Framework for Effective Country Platforms”.

**The IsDB’s active participation in the 2020 G20 Summit led to favourable outcomes such as:**

- The acceptance of IsDB as an implementing partner for the Global Partnership for Financial Inclusion.
- The strengthening of partnerships with other international organisations, including WHO, UNICEF, UNDP, UNOPS, WFP, SEforALL, UN-Habitat, King Abdullah bin Abdulaziz International Centre for Interreligious and Intercultural Dialogue (KAICIID).



- Global recognition of the IsDB Group's 3Rs Programme (Respond, Restore, Restart) to support member countries in their fight against COVID-19 as well as the Global Coordination Platform as its implementing mechanism.

The 2020 G20 Summit dedicated a special discussion to the COVID-19 pandemic with recommendations to add to existing global efforts. As the chair, the IsDB President proposed to the Heads of MDBs to publish, for the first time, a joint report on "Financing the Sustainable Development Goals (SDGs)" to mark the beginning of the decade of action for sustainable development. As a result of the effective chairmanship by the IsDB President, the 11 MDBs have committed to providing more resources to the value of US\$230 billion in 2021 to tackle the COVID-19 pandemic, addressing poverty, unemployment, and food insecurity, which are likely to worsen as a result of the pandemic. The MDBs assured their member countries that they will work with a sense of urgency based on the principle of solidarity and partnership to maximise the impact of their interventions.

THE ISDB IS IMPLEMENTING A COVID-19 EDUCATION RESILIENCE PROJECT IN YEMEN WITH A

US\$11 MN  
GRANT FROM THE GLOBAL PARTNERSHIP FOR EDUCATION (GPE).

### BOX 3.1

#### IMPLEMENTATION OF US\$11 MILLION GRANT FOR COVID-19 EDUCATION PROJECT IN YEMEN

The IsDB is implementing a COVID-19 education resilience project in Yemen with a US\$11 million grant from the Global Partnership for Education (GPE), which has been supporting about 70 developing countries to achieve inclusive access to quality education. The goal of the GPE is to ensure that every child receives a quality basic education prioritising the poorest, the most vulnerable, and those living in countries affected by fragility or conflict. The grant followed IsDB's proposal for a COVID-19 Response, Recovery, and Resilience for Learning Continuity project in Yemen. The project implementation period is 18 months starting from 1<sup>st</sup> December 2020.

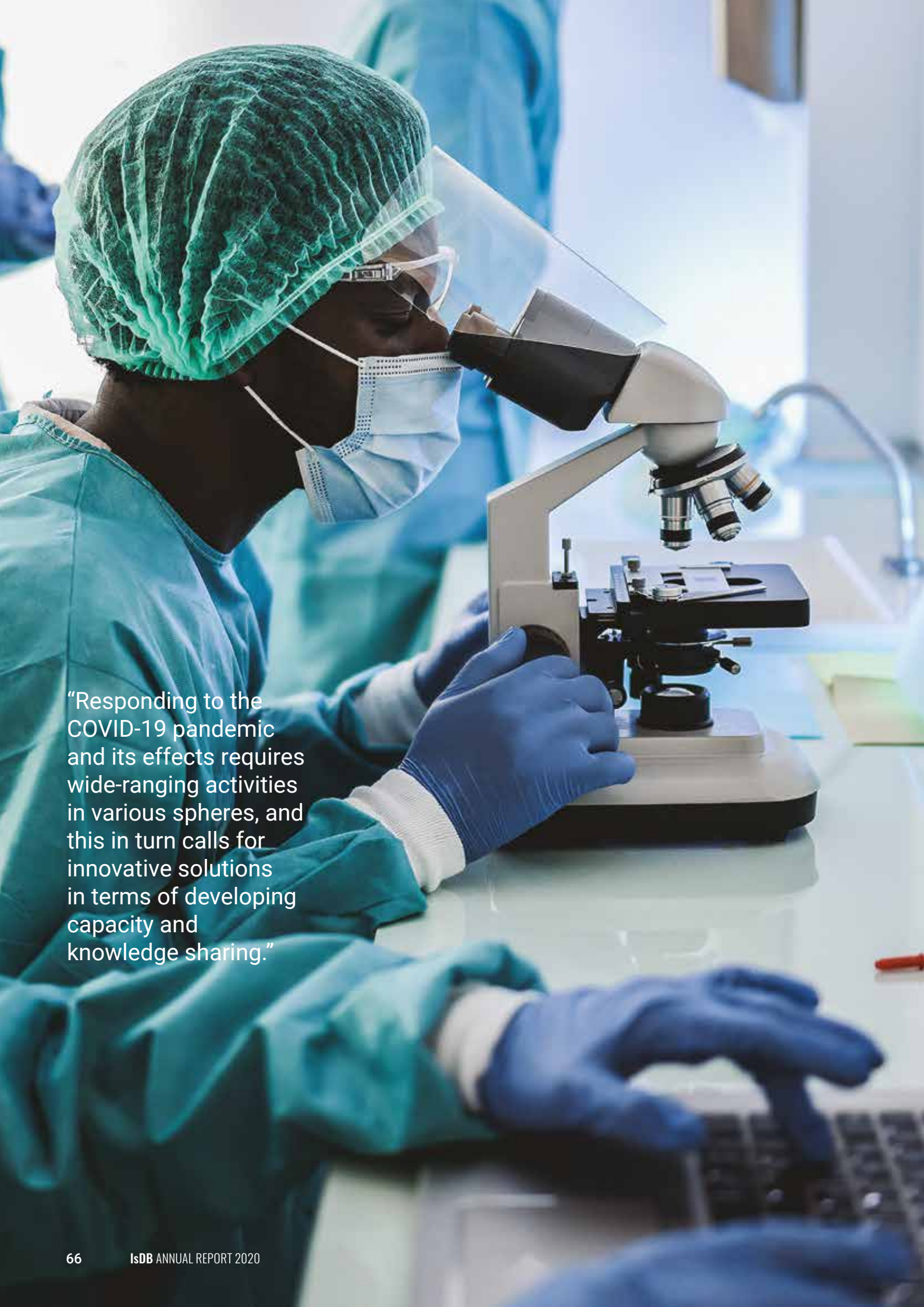
In view of the complex situation in Yemen amid political, security, and infrastructural challenges, implementation requires special arrangements to achieve effectiveness and impactful results. The IsDB is engaging strategic implementing partners such as the Arab League Educational, Cultural, and Scientific Organization (ALECSO), the Social Fund for Development in Yemen, and the Tunisian Agency for International Cooperation through Reverse Linkage (IsDB's capacity sharing platform) to complement this intervention. In addition, the project is closely collaborating with the Ministry of Education in Yemen as well as other international stakeholders operating in the country's education sector



including GiZ, Save the Children, the World Bank, and various UN agencies.

The project is mainly providing alternative learning through television, radio, and social media as well as supporting the MoE with additional tools to ensure learning continuity during the COVID-19 pandemic and beyond. In addition, the project will support about 7,000 schools with precautionary measures to reopen safely for the return of more than two million children. Furthermore, refresher training will be conducted for about 25,000 teachers.





“Responding to the COVID-19 pandemic and its effects requires wide-ranging activities in various spheres, and this in turn calls for innovative solutions in terms of developing capacity and knowledge sharing.”



THE ISDB REVERSE LINKAGE PROGRAMME AND THE INTERNATIONAL CENTRE FOR DIARRHEAL DISEASE RESEARCH (ICDDR), BANGLADESH, ORGANISED ONLINE TRAINING ON “BIOSAFETY AND BIOSECURITY FOR MANAGING COVID-19 IN LABORATORIES AND HEALTHCARE FACILITIES”.

MORE THAN  
**50** LABORATORY

TECHNICIANS FROM SOMALIA, SUDAN, AND YEMEN PARTICIPATED.

### 3.2 Innovative Solutions

Responding to the COVID-19 pandemic and its effects requires wide-ranging activities in various spheres, and this in turn calls for innovative solutions in terms of developing capacity and knowledge sharing. As part of the SPRP, capacity development activities and knowledge sharing were developed and implemented to ensure that member countries have access to appropriate knowledge and capacity to tackle the pandemic. One of these initiatives is the Africa E-Learning and Knowledge Sharing platform (see Box 3.2) while others are summarised as follows:

#### **(I) ONLINE TRAINING ON BIOSAFETY AND BIOSECURITY**

The IsDB Reverse Linkage programme, in partnership with the International Centre for Diarrheal Disease Research in Bangladesh, organised online training on “Biosafety and Biosecurity for Managing COVID-19 in Laboratories and Healthcare Facilities” (July- October 2020). This focused on equipping medical laboratory technicians and other healthcare providers with the necessary knowledge for managing biological risks while dealing with communicable diseases with a focus on COVID-19. More than 50 laboratory technicians from Somalia, Sudan and Yemen participated.



#### **BOX 3.2 AFRICA E-LEARNING PLATFORM ON “PREPAREDNESS AND RESPONSE TO THE COVID-19 PANDEMIC”**

As part of the Strategic Preparedness and Response Programme (SPRP) for the COVID-19 pandemic, the IsDB partnered with La Société Marocaine d’Anesthésie, d’Analgésie et de Réanimation (The Moroccan Society of Anesthesia, Analgesia and Resuscitation) to facilitate peer learning by means of an E-Learning platform. The objective was to share knowledge on preparing and responding to the COVID-19 pandemic among medical and paramedical staff, as well as decision makers in IsDB’s African member countries. Using the Reverse Linkage mechanism, the platform builds on and benefits from the expertise and experiences of other countries in dealing with the COVID-19 pandemic.

The platform launched on 25 April 2020 and has organised nine knowledge sharing activities, seven of them are health related, one on women’s entrepreneurship, and another one on South-South and Triangular Cooperation. The initiative has been well received, especially within the medical sector. The platform attracted a total of 17,500 views across the nine events, including more than 6,000 medical and paramedical attendees from 25 IsDB African member countries. Around 120 participants from 35 countries have used the platform to share knowledge and best practices. In addition, the initiative has led to the formation of a partnership between Morocco, Chad, Comoros, and Mauritania for an online certified training programme on COVID-19 patient management.

# 10 LABORATORIES

IN SUB-SAHARAN COUNTRIES HAVE BEEN SUPPORTED TO ENHANCE THEIR CAPACITY TO RESPOND TO THE COVID-19 PANDEMIC AND OTHER COMMUNICABLE DISEASES.

## (II) IMPROVING THE CAPACITIES OF NATIONAL LABORATORIES IN MEMBER COUNTRIES

The aim of this initiative is to strengthen the human and institutional capacities of national medical laboratories in member countries to enable them to be more prepared for any public healthcare challenges, using the COVID-19 pandemic as a starting point. This is a Reverse Linkage partnership between the IsDB and the Pasteur Institute of Dakar, Senegal to provide knowledge and expertise to a network of 10 laboratories in sub-Saharan countries to enhance their capacity to respond to the COVID-19 pandemic and other communicable diseases. The recipient countries are Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Chad, Guinea, Mali, Mauritania, Niger, and Togo. A similar project was approved for Uzbekistan, Sudan and Comoros using expertise from other countries.

## (III) PRIVATE SECTOR SOLIDARITY WITH MEMBER COUNTRIES DURING COVID-19 (SERBA DINAMIK)

Engaging the private sector in South-South Cooperation is considered to be of paramount importance in achieving the SDGs. IsDB is pioneering this kind of engagement through its Reverse Linkage mechanism.

In 2020, Serba Dinamik of Malaysia donated a pandemic response package worth US\$2.25 million in support of the Bank's SPRP. This reflects the importance of its relationship with the Bank and its strong corporate mindset towards development. Serba, in partnership with the Bank, has already deployed US\$550,000 of this donation to Guinea and Senegal.

## 3.3. Evidence-Based Decision Making

The complexities and wide-ranging effects of the COVID-19 pandemic require a thorough understanding of the specific challenges facing member countries in order to ensure well targeted responses. Drawing on its knowledge resources, in line with the President's Five-Year Programme, the IsDB conducted analytical research to generate insights that provided a basis for the policy and finance responses to support member countries with the challenges arising from the COVID-19 pandemic.

Analytical tools were deployed to monitor economic and financial developments in member countries, including internal bi-annual reports on macroeconomic vulnerabilities and debt sustainability, complemented by a study on the impact and implications of COVID-19. In addition, weekly Country Fact Sheets (CFS) highlighted macroeconomic and financial risks for the 57 member countries, along with an overall risk rating. The CFS have proven to be an effective early warning system to identify potential risks, guiding and facilitating proactive engagement with member countries.

Resource allocation instruments were also developed. The Development Financing Assessment Index serves as a performance-based allocation mechanism to guide the Bank's operations while protecting its financial sustainability, and has been adopted for the Integrated Work Programme (2021-2023). The COVID-19 Needs Assessment Framework was developed to guide IsDB COVID-19 allocations to member countries across each of the tracks of the SPRP, while a resource allocation model for Regional Cooperation and Integration grants was initiated based on a needs assessment and the absorptive capacity of member countries.

Furthermore, a report on *"The COVID-19 Crisis and Islamic Finance: Response of the Islamic Development Bank Group"* was prepared, which focused on two perspectives; IsDB Group response under SPRP and the resilience of Islamic finance in the wake of wide ranging economic and financial challenges. The report explores how the principles of Islamic finance enable the economy to withstand exogenous as well as endogenous sources of risk and fluctuations, in addition to analyzing the performance of the Islamic finance industry during the crisis, within the available data.





### BOX 3.3 TIMELY DATA FOR THE SDGs IN SENEGAL

Reliable and timely data is crucial for achieving the SDGs. In line with its commitment to support member countries to achieve the SDGs, the IsDB entered into partnerships in 2019 and 2020 for the purpose of generating reliable and timely data to facilitate policy formulation and interventions. The main partners are the Global Partnership for Sustainable Development Data and the Government of Senegal. The goal was to harness advances in science and technology to provide reliable and timely data for environmental protection policies and for increasing agricultural productivity.

This involved the use of satellite data and imagery to identify the geographical characteristics of agricultural areas across Senegal, to understand patterns of deforestation and to provide insights into the water level and quality of Lake Guiers. These initiatives significantly decreased both the cost and the time taken to collect key data for agricultural, environmental, and water policies to track and monitor Senegal's progress in terms of SDG

2.4.1, SDG 15.1.1, SDG 15.1.2, SDG 6.6.1, and SDG 6.3.2.

The timely data helped to expedite the commercialisation of crops and to distribute appropriate crops to areas badly hit by climate change. Satellite imagery also assisted in updating Senegal's forest inventory in a matter of days instead of months. In terms of water levels, the use of satellite imagery allowed users to monitor the water in Lake Guiers over the last four years in only half a day, compared to the several days it would take using manual methods. Finally, satellite imagery helped the Government of Senegal to routinely identify areas with water quality issues, aiding in the efficient investigation of causes and the rapid implementation of mitigation strategies.

This experience has highlighted the importance of collaboration across multiple stakeholders, building capacity across the system, and using the right data for the right problem. Its success will also help in strengthening collaboration with Senegal across sectors, enhancing support to other countries, and developing partnerships to bring in other data sources.



THE ISDB PARTNERED WITH THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT DATA AND THE GOVERNMENT OF SENEGAL TO HARNESS ADVANCES IN SCIENCE AND TECHNOLOGY AND PROVIDE RELIABLE AND TIMELY DATA FOR ENVIRONMENTAL PROTECTION POLICIES AND FOR INCREASING AGRICULTURAL PRODUCTIVITY.

### BOX 3.4 COVID-19 SUSTAINABLE SUKUK

The IsDB issued a debut Sustainability Sukuk in June 2020 to support the SPRP commitment of US\$2.3 billion to help member countries cope with the impacts of the COVID-19 pandemic. Through this innovative – the first ever COVID-19 related Sukuk issuance – the Bank raised US\$1.5 billion to complement its Ordinary Capital Resources (OCR) contribution to the SPRP. The offered profit rate of 0.908 percent was the lowest that the Bank has achieved for a US\$ public Sukuk.

The COVID-19 Sustainability Sukuk was the second issuance under the IsDB Sustainable Finance Framework that was created in October 2019 to provide the basis for IsDB to issue labelled Sukuk exclusively for financing green and social projects to help member countries achieve the Sustainable Development Goals (SDGs). This enabled the Bank to issue its inaugural Green Sukuk in November 2019, from which €1 billion was mobilised for green projects in member countries.

The proceeds raised from the COVID-19 Sustainability Sukuk will be exclusively used to finance social projects to enhance healthcare systems (SDG-3) and support employment generation (SDG-8) in member countries.

The success of the COVID-19 Sustainability Sukuk further illustrate IsDB's leadership role in the effective use of Islamic financing instruments to mobilise financial resources to support the achievement of the SDGs.



## 3.4 Financing under the SPRP

As a strategic and quick-response intervention programme, financing under the SPRP needs to be well targeted to ensure effectiveness in helping member countries to tackle the pandemic and its socio-economic repercussions. Four key areas were selected for financing as follows:

### (I) HEALTH EMERGENCY RESPONSES

This is the most crucial and immediate need for mitigating the spread of the pandemic and was therefore given high priority with significant financing across the IsDB Group. The approved financing for emergency health responses comprised US\$509.5 million from IsDB's OCR, US\$70.33 million from ITFC trade financing, and US\$36.88 million from the ISFD. In addition, US\$1 million was approved through Reverse Linkage to provide human resource capacity building in combating the COVID-19 pandemic. The ICIEC provided insurance worth US\$35.5 million to four member countries for the import of drugs and medical equipment. In addition, the King Abdullah bin Abdulaziz Programme for Charity Works (KAAP) contributed US\$5.66 million in grants to 14 countries in line with its noble mission in providing education, health, and development services. These interventions were critical in helping member countries and Muslim communities in non-member countries deal with the health emergencies related to the COVID-19 pandemic.

### (II) FOOD SECURITY

One of the consequences of the COVID-19 pandemic has been a worsening of the food security challenges that already affected many member countries. Prior to the pandemic, about 66 million people in IsDB member countries were facing acute food crises and the effect of the pandemic will increase this number significantly. A high priority was therefore to help member countries mitigate the effect of the pandemic on food insecurity. The total IsDB Group approvals under the SPRP to support member countries on food security was US\$548 million, comprising IsDB-OCR funding of US\$84.03 million, US\$463.89 million of trade financing by the ITFC, and a Reverse Linkage grant of US\$200,000 to support long-term farming in Chad.





THE ICIEC PROVIDED  
INSURANCE WORTH

**US\$ 35.5 MN**

TO FOUR MEMBER COUNTRIES  
FOR THE IMPORT OF DRUGS  
AND MEDICAL EQUIPMENT.





A GRANT CONTRIBUTION BY THE KING  
ABDULLAH BIN ABDULAZIZ PROGRAMME  
FOR CHARITY WORKS

# (KAAP)

WAS USED TO REPURPOSE A REVERSE  
LINKAGE TECHNICAL ASSISTANCE GRANT  
TO SUPPORT THE RESILIENCE OF SMEs.

### (III) SUPPORTING ECONOMIC RESILIENCE

The pandemic has had devastating effects on economic activities with an attendant increase in poverty. The SPRP recognises that it is imperative to support activities that can maintain basic livelihoods, and therefore allocated 19 percent of its financing to support MSMEs. The IsDB Group approvals for the economic resilience component of the SPRP comprise US\$127.05 million from IsDB-OCR, US\$43 million by the ISFD under the “Strengthening Economic Resilience of Vulnerable Enterprises” (SERVE) programme, US\$133.35 million in line of financing by ICD, and US\$67.25 million in trade financing by the ITFC. Furthermore, the ICIEC insured businesses to the value of US\$309.2 million for the import of essential products including oil, gas, food, capital goods and COVID-19 related commodities. In addition, a grant contribution by the KAAP was used to repurpose a Reverse Linkage technical assistance grant to support the resilience of SMEs.





**“The Bank put in place the Global Coordination Platform (GCP), an innovative, blockchain-based technology solution developed to facilitate transactions with member countries and other development partners.”**

### 3.5 Fast Tracked Business Processes

The nature of the COVID-19 pandemic has required responses that standard approval and disbursement procedures would not be able to fulfil. A fast track business process was therefore initiated in 2020 with a new modus operandi for the SPRP, based on IsDB Group policies as well as a deepening collaboration with other development partners including the UN agencies.

The Bank simplified its processes to cater for the emergency posed by the rapid progression of the pandemic. Existing undisbursed commitments were re-purposed to immediately make funds available for SPRP without following the regular and relatively longer project approval and effectiveness processes. Swift turnover of prior-review and risk-based post-review mechanisms facilitated speedy procurement. Robust contract management and swift disbursements were also put in place, leveraging ITFC's prior experience and mechanisms. Enhancing internal and external collaboration in a transparent manner, the Bank put in place the Global Coordination Platform (GCP), an innovative, blockchain-based technology solution developed to facilitate transactions with member countries and other development partners.

### 3.6 Monitoring and Evaluation

A strategic and quick intervention programme such as the SPRP requires a strong monitoring and evaluation mechanism to ensure steady progress and the ability to respond to any issues that may arise in the course of implementation. Several key initiatives were introduced to step up monitoring and follow up processes in order to fast-track implementation and disbursements. These included the following:

- (i) The Disbursement Value Chain, to provide information on key steps required for a project to reach the actual disbursement stage, ensuring that all necessary arrangements are made to avoid any delays in disbursements.
- (ii) The Monitoring Tracking Tool, providing a detailed breakdown of the project cycle from approval to implementation through the GCP to ensure transparency and alerts when preventive or corrective actions are required.
- (iii) Country Crisis Management Teams in each Regional Hub, to ensure the active involvement of key stakeholders to help prevent bottlenecks and facilitate implementation.
- (iv) The SPRP Delivery Dashboard, presenting programme data and regular status updates as a management tool for monitoring progress.







# CHAPTER 4. ENHANCING INSTITUTIONAL AND DEVELOPMENT EFFECTIVENESS

## INTRODUCTION

This chapter reports on the Bank's governance and internal development. In 2020, our robust structures and mechanisms ensured that we continued to grow as an organisation and were able to maximise our development impact.



# CHAPTER 4. AT A GLANCE

THE HIGHEST POLICY-MAKING BODY OF  
THE BANK IS MADE UP OF

**57** MEMBERS  
EACH REPRESENTING A MEMBER COUNTRY.

THE THREE INTERNATIONALLY RENOWNED CREDIT  
RATINGS AGENCIES (STANDARD & POOR'S GLOBAL,  
MOODY'S AND FITCH RATINGS), AS WELL AS THE  
MALAYSIAN RATING CORPORATION (MARC), HAVE  
ALL AFFIRMED THE ISDB'S

**AAA**  
RATING WITH A "STABLE" OUTLOOK IN 2020.

THE ISDB GROUP'S COVID-19 RESPONSE  
PROGRAMME IMPACTS INCLUDED THE  
INSTALLATION OF OVER

**2,400**

INTENSIVE CARE UNITS,  
THE ESTABLISHMENT OF

**1,700**

COVID-19 TEST CENTRES AND THE TRAINING OF

**20,000**

HEALTH WORKERS TO BETTER HANDLE  
COVID-19 CASES.



## 4.1 Board of Governors

The Board of Governors (BOG), the highest policy-making body of the Bank, is made up of 57 members, each representing a member country. The nomination of governors is within the purview of the governments of member countries, but most nominate their ministers of finance or the governors of their central banks. In addition, alternate governors are nominated as a back up to ensure the smooth functioning of the BOG. Each member has 500 basic votes plus one vote for every share subscribed, and decisions are based on the majority of the voting power represented at the meeting.

At its annual meeting the BOG reviews the previous year's activities of the Bank to formulate strategies and policies for the coming year. The Board designates a Chairman, who holds office until the election of a new Chairman at the next Board meeting. The BOG delegates powers to the Board of Executive Directors (BED) for the general operations of the Bank. However, the BOG exercises its own decisions relating to membership, increases or decreases in the Bank's authorised capital, admission or suspension of member countries, changes in the authorised capital stock, election of the President and the Executive Directors and determining their terms of service, approving the auditor's report and financial statements, as well as determining the reserve and distribution of net income. It does this without delegation to the BED. Pursuant to the Articles of Agreement, the Board of Governors may also adopt such rules and regulations and establish such subsidiary institutions as may be necessary to conduct the business of the Bank.

### THE 45<sup>TH</sup> ANNUAL MEETING OF THE ISLAMIC DEVELOPMENT BANK

The COVID-19 pandemic led to significant restrictions on international travel in 2020. Having consulted with the Chairman of the Board of Governors, the BED decided to postpone the 45<sup>th</sup> Annual Meeting of IsDB Board of Governors to a later date, to delegate the monitoring of developments to IsDB Group Management, and to explore alternative means to consider the items on the agenda of the Annual Meeting.

In order to ensure the business continuity of the IsDB Group, and after due consultation with the Chairman of the Board of Governors and the IsDB Group BED, the IsDB Management decided to submit the Draft Agenda and documents of the 45<sup>th</sup> Annual Meeting for the approval of the BOG by circulation. Accordingly, the BOG approved the following resolutions:



“In order to ensure the business continuity of the IsDB Group, and after due consultation with the Chairman of the Board of Governors and the IsDB Group BED, the IsDB Management decided to submit the Draft Agenda and documents of the 45<sup>th</sup> Annual Meeting for the approval of the BOG by circulation.”

- 45<sup>th</sup> Annual Report of IsDB for 1440/1441 (2019) and Approval of the Audited Statements of Accounts.
- Appointment of external auditors for the IsDB, the Waqf Fund, the Awqaf Properties Investment Fund, the World Waqf Foundation and the IsDB Science, Technology and Innovation Fund for the Financial Year 1442/1443 (2021).
- Hosting by the Republic of Uzbekistan of the 46<sup>th</sup> Annual Meeting of the IsDB Board of Governors.
- The 6<sup>th</sup> General Increase of ID5.5 billion (US\$7.92 billion) in the Capital of the Islamic Development Bank.
- Proposal to increase the percentage allocation of the Annual Technical Assistance Grant from net income to finance strategic programmes and other significant operational initiatives in member countries.
- Proposal to increase the percentage of Annual Grant Allocation from IsDB’s annual net income for the IsDB Scholarship Programmes.
- Election of the Chairman and the two Vice-Chairmen of the IsDB Board of Governors for the 1442/1443 (2021) Session.





**TABLE 4.1** SUMMARY OF BED MEETINGS 2020 (1441-1442)

Date of BED Meeting	Meeting No.	Projects (*)	Special Assistance operations	Strategic & Policy items	Other Items	Items Approved by the President and submitted to BED for information. (**)	Total Number of Agenda items	Resolutions Adopted
Sunday 16 February 2020 (22 Jumad Thani 1441)	334 <sup>th</sup>	2	-	8	24	-	34	21
Monday 20 April 2020 (27 Sha'ban 1441) (by circulation)	335 <sup>th</sup>	2	-	3	13	-	18	7
Saturday 27 June 2020 (6 Dhul Qa'da 1441) (virtual)	336 <sup>th</sup>	2	-	-	38	-	40	21
Saturday 19 September 2020 (2 Safar 1442) (virtual)	337 <sup>nd</sup>	4	-	2	29	-1	36	20
Saturday 19 December 2020 (4 Jumad Awwal 1442) (virtual)	338 <sup>th</sup>	5	-	-	33	-	38	25
<b>Total</b>	<b>5</b>	<b>15</b>	<b>-</b>	<b>13</b>	<b>137</b>	<b>1</b>	<b>166</b>	<b>94</b>

(\*) Projects + Technical Assistance

(\*\*) This includes Technical Assistant projects approved by the President of the IsDB.

**NOTE:** Out of 166 items considered by the Board, Resolutions were adopted on 94 items while one item was approved by the President. The remaining 71 items which were considered by the Board pertain to Reports of BED Committees, Executive Sessions, standing items such as Adoption of the Agenda, Adoption of the Minutes, Brief Oral Report of the President of IsDB, Investment Operations, Follow-up matters, and other items for information.

- Appointment of the Procedures Committee for the 46<sup>th</sup> Annual Meeting of the IsDB Board of Governors.
- Update on implementation of the IsDBG 10-Year Strategy and IsDB President's Five-Year Programme.
- Reports on the allocation made from IsDB net income for the year 1440/1441 (2019).
- Rules of Subscription to the Capital of the Islamic Development Bank and Treatment of Overdues.
- Follow-up report on the statements/interventions made by the IsDB Governors during the 44<sup>th</sup> IsDB Annual Meeting held in Marrakech from 3-6 April 2019.
- Report on the IsDB Group Response to the COVID-19 pandemic: administrative, strategic and operational actions.

## 4.2 Board of Executive Directors

The Board of Executive Directors (BED) is made up of 18 members, nine of which are appointed by each of the nine member countries that are major shareholders. The remaining nine are elected to represent groups of four or seven of the remaining 48 member countries. The BED is currently serving its 15<sup>th</sup> term (1 January 2017 - 31 December 2020) and usually holds five meetings a year.

The BED is responsible for the direction of the general operations of the Bank and exercises all powers delegated to it by the BOG, such as preparing the work of the BOG, taking decisions concerning the business and operations of the Bank, approving the budget and submitting the accounts of each financial year for the approval of the BOG during the annual meeting. Table 4.1 provides a summary of BED meetings in 2020 (1440/1441).



### 4.3 Strengthening Internal Audit Activities

The mechanism of internal audit in the Bank is about providing independent and objective assurance and advice to the Management and the BED on effective governance, risk management and internal controls to ensure the efficient management of resources in the activities of the Bank. A risk-based annual audit plan is developed to align with the strategic priorities of the Bank and its most significant risks. Management action plans are activated to resolve issues that arise, with rigorous follow-up activities.

During 2020, despite the COVID-19 pandemic restricting contacts, the internal audit activities adapted and delivered required auditing of activities according to auditing standards. Independent assurance activities were undertaken remotely without disrupting critical operational areas. There were continued efforts to strengthen the functional capability, productivity, and efficiency of the internal audit mechanisms through the adoption of new technology and improvements to internal auditors' skills through online training, webinars and workshops. In addition, audit advisories were provided to various initiatives of the Bank.

Periodic reports on internal audit activities were submitted, including information on audit results, implementation status on quarterly management action plans and reports to the Audit Committee of the BED. In line with continuous efforts to enhance audit practices, internal audit staff participated in online international meetings and conferences such as the annual meeting of the representatives of Internal Audit services of the United Nations organisations and the Chief Audit Executives of the Multilateral Financial Institutions.



**“During 2020, despite the COVID-19 pandemic restricting contacts, the adaptation and delivery of internal audit activities was itself subject to auditing.”**

### 4.4 Managing Risk to Maintain Financial and Credit Strength

The development activities of the Bank are associated with various form of risk that include credit, market, liquidity and operational risk. It is crucial to understand and properly manage these risks to maintain financial and credit strength, with due cognisance of the Bank's risk bearing capacity, while sustaining its mandate to finance projects to support the socio-economic development of member countries.

The degree of risk the Bank is willing to assume to achieve its development mandate is limited by its risk-bearing capacity and its commitment to maintain a prudent risk

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

In managing risks, due consideration is given to the prudential rules anchored to the Bank's capital adequacy and exposure management framework. Risk oversight is performed at different levels with the BED and its Finance and Risk Management Committee approving

## “The IsDB is designated as a Zero-Risk Weighted Multilateral Development Bank by the Basel Committee on Banking Supervision and the European Commission.”

the risk strategy, policies and guidelines. In addition to approving all risk management policies, the BED regularly reviews trends in the Bank’s risk profile and performance to ensure compliance with the underlying policies. The IsDB Management, supported by the Risk Management Committee and Asset and Liability Management Committee, ensures the execution of the activities in accordance with an approved risk governance framework.

IsDB also maintains an independent risk management department that assesses, monitors, and manages various risks to which the Bank is exposed, to ensure that the Bank maintains a sound risk profile, strong financial standing and creditworthiness consistent with maintaining IsDB’s AAA credit ratings. In addition, it develops strategies to enhance financial risk governance and minimise the overall risk exposure of the Bank.

The Bank prioritises the strengthening of its internal risk management capacity in addition to fiduciary controls and safeguards. The Bank’s risk function is developing over time through the adoption of a holistic approach towards managing various financial and non-financial risks. As part of this process, IsDB is defining the appropriate governance structure and reporting which will underpin the sound functioning and maturing of its enterprise risk management framework. In 2020 IsDB therefore began implementing a Bank-wide Enterprise Risk Management Project with advanced risk and finance analytics, including an integrated DataMart. The Bank developed a high-level risk appetite statement in 2020 based on its new business model, which has been endorsed by the Risk Management Committee. The detailed Risk Appetite Framework is a work in progress and will provide clear guidance on the key risk universe of the Bank, namely credit, liquidity, market, operational and Shari’ah non-compliance risk.

Other developments in 2020 included the Bank migrating to the CreditLens platform to host all its credit scoring models on a web-based platform. This will provide

important features such as portfolio level reporting, inbuilt workflow etc. The Bank has successfully implemented the Financial Accounting Standard 30 (FAS-30)/International Financial Reporting Standard 9 (IFRS-9) methodology for calculating the Expected Credit Loss (ECL) in line with international best practices. Furthermore, the IsDB has procured a system for automating operational risk measurement, monitoring and management, and the operationalisation of Risk Control and Self-Assessment (RCSA) loss data and Key Risk Indicators (KRIs) on the systems that will further strengthen internal controls. The Bank has initiated a project on implementing an effective cybersecurity framework to improve organisational resilience and manage cyber security risks. The Bank has also made significant progress in further enhancing market risk and liquidity risk oversight and improving risk review functions at the portfolio levels.

Reflecting the sound financial standing of the Bank, the three internationally renowned credit ratings agencies (Standard & Poor’s Global, Moody’s and Fitch Ratings), as well as the Malaysian Rating Corporation (MARC), have all affirmed the IsDB’s “AAA” rating with a “stable” outlook in 2020. This reflects the IsDB’s extremely strong financial profile underpinned by robust capitalisation and sound liquidity and funding positions, as well as a strong track record of shareholder support and of the delivery of its unique role and development mandate in its member countries. The IsDB is designated as a Zero-Risk Weighted Multilateral Development Bank by the Basel Committee on Banking Supervision and the European Commission.

## 4.5 Knowledge & Learning

The Bank is increasingly adopting and integrating knowledge and learning as part of its strategic priorities under the P5P. In 2020, an Effective Knowledge Transfer and Sharing Platform (EKTASP) was launched for the creation, collection, connection and conduction of IsDB Group-related knowledge resources. The main purpose of EKTASP is to increase efficiency, reduce work cycle time, improve process control, and provide more effective collaboration for knowledge-sharing.

The EKTASP platform has been devolved in the form of knowledge hubs for the major initiatives and operations of the Bank, such as the Member Country Partnership Strategy Knowledge Hub, the Operations Evaluation Knowledge Portal, the Project Implementation and Assessment Report Centre, the G20 Centre, the IsDB Group Library Knowledge and Learning Centre and others. In addition, a Back to Office Report (BTOR) platform has been developed to promote the flow of knowledge from business travel missions.





IN 2020, ISDB ORGANISED  
AROUND

**50**

EVENTS COMPRISING  
KNOWLEDGE SHARING,  
SPOTLIGHT, WEBINAR,  
COMMUNITIES OF  
PRACTICE AND BOOK  
REVIEW SESSIONS

**“10 project evaluations were undertaken in nine member countries: Burkina Faso, Egypt, Indonesia, Jordan, Mauritania, Morocco, Pakistan, Turkey and Uganda.”**

The IsDB Group Story Competition was launched to promote inclusive knowledge-sharing activities, and 20 stories from IsDB Group staff and retirees that showcase the success stories of IsDB Group projects were published online. In addition, three major eLearning courses relating to Project Procurement, Reverse Linkage, and Financial Disbursement were organised, complemented by a state-of-the-art corporate Learning Management System.

Furthermore, the IsDB Group Library continued its efforts to transform itself into a 21st century digital library with a focus on digital platforms and participatory learning. This is manifested in the digitisation of access to the content of many local and international newspapers, magazines and other resources.

In 2020, IsDB organised around 50 events comprising Knowledge Sharing, Spotlight, Webinar, Communities of Practice and Book Review sessions in addition to the development of around 12 promotional and knowledge nuggets videos.

## 4.6 Operations Evaluation

Due to the restrictions imposed by the COVID-19 pandemic in 2020, the evaluation function of the Bank introduced innovative adjustments to previous evaluation designs and approaches and tested different methods for remote data collection to be able to discharge the work programme as planned.

Five evaluations that were carried over from 2019 were completed during the year, including the Membership Country Partnership Strategy Implementation Review for Suriname, and a corporate evaluation of the IsDB Group Synergy. Others were the Thematic Evaluation of IsDB Public-Private-Partnerships (PPPs) projects, the Synthesis of Evaluations of Programmes Contributing to Regional Integration in Member Countries, and the Synthesis Evaluation of Islamic Finance Technical

Assistance Grants. In addition, the department initiated a Corporate Evaluation of Operational Efficiency and a programme evaluation on the IsDB Group's Food Security Programme under "The Jeddah Declaration" that was launched in 2008.

In addition, 10 project evaluations were undertaken in nine member countries: Burkina Faso, Egypt, Indonesia, Jordan, Mauritania, Morocco, Pakistan, Turkey and Uganda. The projects evaluated covered various sectors comprising one in agriculture, two in education, two in energy, three in health and two in the transport sector. Nine project performance evaluation reports carried over from 2019 were also finalised, as well as two commissioned studies on the "Cost of Doing Business of the Bank" and "Organisational Assessment of the Performance of the International Center for Biosaline Agriculture" in addition to the completion of 29 Project Completion Reports Validation Notes.

In terms of Dissemination and Outreach activities, eight Knowledge Series, four Executive Dissemination Notes, nine news articles, three flyers and four e-newsletters were produced in 2020, in addition to a "Lessons Learned" flyer on Responding to Emergencies. Moreover, a perception survey on the effectiveness of the IsDB Group's Business Continuity Management was conducted, while in another effort, a video on the evaluations of IsDB interventions in Water and Sanitation was published.

## 4.7 Enhancing Development Effectiveness

A key aspect of the P5P and the new business model is development effectiveness, ensuring that IsDB Group project financing has a strong impact on member countries' progress towards achieving the SDGs. The Annual Development Effectiveness Review (ADER) has therefore been reinvigorated to properly serve as a tool for monitoring progress in the effective implementation of the Bank's projects and programmes. This monitoring is an important part of achieving the Bank's 10-Year Strategy and the P5P, with their focus on achieving the SDGs as well as the specific needs of member countries.

The ADER showcases the Bank's contributions measured through a set of core sector indicators linked to various SDG targets. In addition, it highlights the efficiency introduced internally at operational and organisational level to accelerate the achievement of results on the ground. Despite the challenges posed by the COVID-19 pandemic, the 2020 ADER showed that the IsDB Group is on track to deliver planned developmental results and help member countries achieve their SDG targets.



## 4.8 Development Impacts of IsDB Financing

IsDB financing has delivered a positive impact on the lives of the people in member countries and on Muslim communities in non-member countries. Recently completed operations by the Bank have had the following impacts:

- Built over 5,000 houses to provide shelter.
- Irrigated about 24,000 hectares of land to enable continuous farming activities.
- Added over 700 new beds to hospitals and health facilities, while other health projects have benefited over 10 million patients.
- Constructed about 70 educational facilities with about 2,000 new classrooms providing educational services to about 90,000 students.
- Provided access to potable water to about 70,000 households and improved sanitation services to about 100,000 households.

IsDB PROVIDED ACCESS TO POTABLE WATER TO ABOUT

# 70,000

HOUSEHOLDS AND IMPROVED SANITATION SERVICES TO ABOUT 100,000 HOUSEHOLDS.

- Connected over eight million households to electricity through power plant projects that together generated over 4,000 MW of electricity, of which nearly 1,000 MW was from renewable sources. A total of 4,000km of power distribution and transmission lines were built to connect these households to the power grid.





**“IsDB financing has meant the installation of E-Learning facilities in various schools, benefitting about 20,000 students.”**

- Paved nearly 800km of roads, including 120km of express highways.
- Expanded seaports, increasing annual maritime capacity by 110,000 tonnes.
- Contributed to the creation of jobs and employment opportunities for about 150,000 people, while another 150,000 were provided with vocational and formal training.
- Installed E-Learning facilities in various schools, benefitting about 20,000 students.

Furthermore, an estimated 55 million people have benefited from various aspects of the IsDB Group’s COVID-19 response programme. These impacts included:

- Food supplies provided to about nine million people.
- Procurement and distribution of seven million test kits and 2.5 million Personal Protective Equipment kits to health workers.

- Installation of over 2,400 Intensive Care Units.
- Establishment of about 1,700 COVID-19 test centres.
- Training of 20,000 health workers to better handle COVID-19 cases.

In addition, special financing support was provided to about 8,000 SMEs to save about 60,000 jobs, and microfinancing was provided to another 12,000 people to safeguard their livelihoods.

## **4.9 Enhancing Human Resource Management for Optimal Performance**

One of the key lessons of the COVID-19 pandemic has been the need for adaptability to the new normal of social distancing that necessitated remote working. This has generated insights into other means by which human resources could be managed, including in the post-COVID-19 era, through the use of appropriate digital tools. During 2020, 52 new recruitments were made using digital tools. The Bank initiated and revised various human resource policies to boost staff morale as well as to improve the competitiveness of IsDB among its peers in the international development community. Allowances



and benefits policies were revised, and several staff training programmes were initiated to enhance the Bank's resourcefulness.

In alignment with the Bank's new business model, 70 percent of job descriptions have been revised and 151 positions with approved job descriptions have been independently evaluated and graded. In terms of learning and development, an e-Learning Platform was launched to provide staff with access to 800 online courses spread over six Knowledge Centres: Business Analysis, Leadership, Professional Development, Project Management, Customer Services, and Technology. About 542 online training courses were undertaken by staff during 2020. In line with the competency objective of the P5P, the Bank launched a Leadership Development Programme that aims to develop 200 leaders at various levels. Furthermore, the Strategic Talent Vision and People Strategy projects were both completed during 2020, the purpose of which was to provide a clear roadmap for high-quality talent planning and acquisition. As part of strategies to provide entry-level professionals with access to the expertise needed to excel in the world of international development, 16 young professionals that graduated were confirmed into various professional positions in the Bank.

#### 4.10 Consolidating Information Technologies for Efficiency

The new normal has necessitated the adaptation to remote working, which requires a significant increase in the use of information technology solutions. To this end, the information technology services and support scope were expanded at both the headquarters and at regional hubs. Several key solutions for optimising business processes, with enhanced security measures, were put in place in crucial areas. These included:

- For collaboration, the TEAMS dial-in feature was enhanced, additional conference services were provided, and infrastructure capacity was increased to accommodate the increase in remote working.
- For security, regular simulation of cyber security risks was conducted to create awareness, devices were equipped with additional security features, remote access services were upgraded, and security controls were enhanced.
- For business processes, secure access was provided, and DocuSign was enabled for e-signatures in addition to PDF electronic signatures.

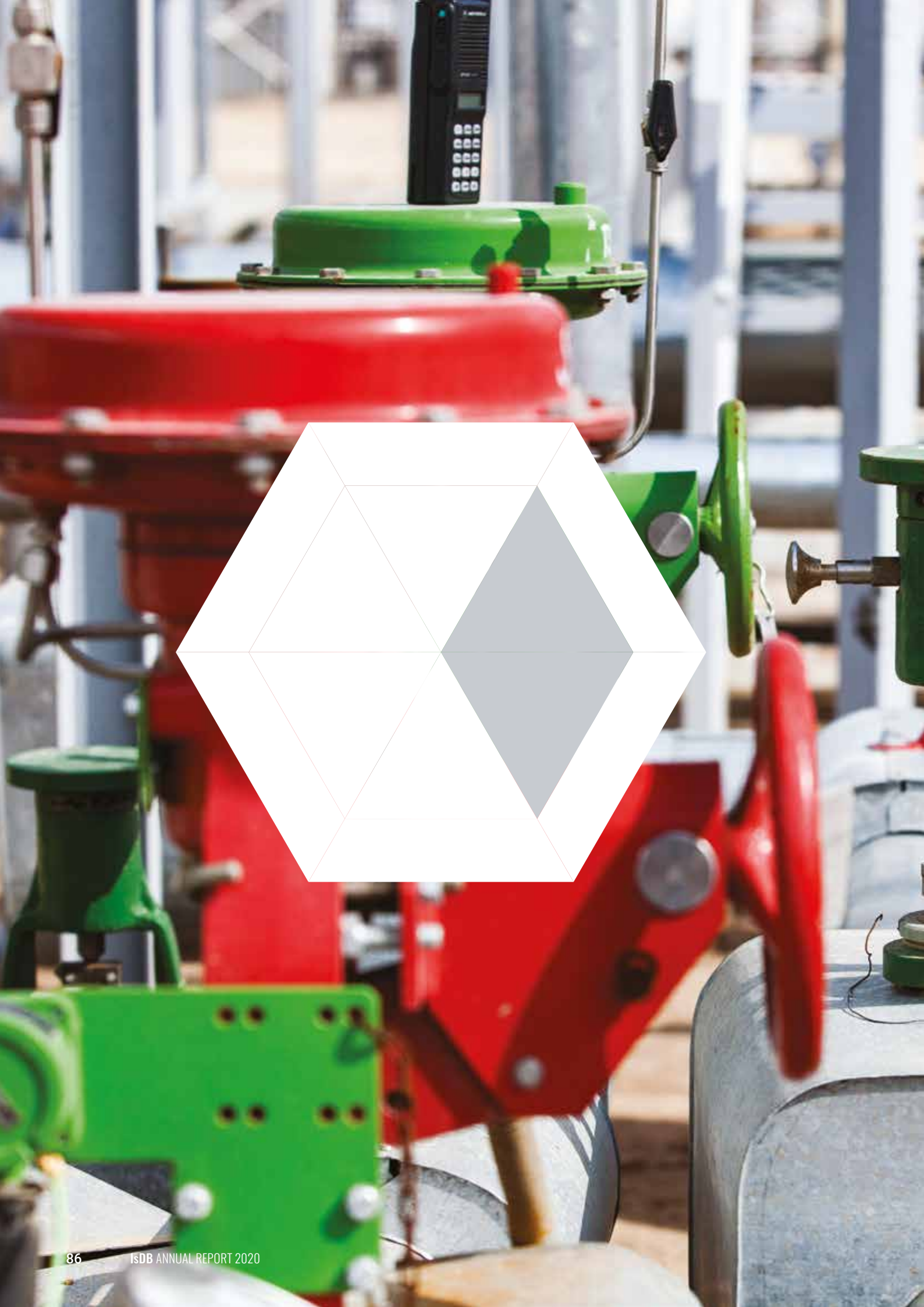
#### 4.11 Other Administrative Support Services

In terms of security, efforts were made to provide all the necessary administrative support to ensure the continuous functioning of the Bank. A fully automated touch-free gate control system was installed to provide higher levels of security at IsDB Headquarters buildings.

As part of the decentralisation and cost-saving efforts of the Bank, a new SAP Travel Management System for Regional Hubs was launched during the year. This is a unified platform that provides access to quality services from 11 travel management companies and 30 airlines. This ensures cost efficiency, 24/7 emergency services and synergy with policy control and ticket entitlements for staff and their dependents.

In terms of health services, amid the unprecedented challenges posed this year by the COVID-19 pandemic, the Health Services Centre (HSC) focused on ensuring staff safety and minimising disruption of its service delivery. There was close monitoring of the epidemiological situation at the Headquarter Host Country and Regional Hubs levels. As lockdowns were being implemented, the HSC leveraged the use of innovative digital solutions to continue delivering its services to staff. This included virtual healthcare services delivered via online telemedicine platforms. In total, 2400 consultations were conducted on telemedicine technology providing staff with quality and convenient care. These services were delivered through the HSC's existing network of 58 healthcare providers and newly established agreements with five medical institutions in 2020.

The Business Continuity Management (BCM) was reinvigorated with a cross-functional response team to work towards mitigating COVID-19 risks and covering all operational workstreams at the IsDB Group, thereby ensuring uninterrupted business processes. The BCM has been coordinating with relevant agencies to regularly update the IsDB Group community on situations, advising staff on safety measures and compliance with host government decisions as well as informing staff of management decisions on remote work arrangements. The BCM worked with the relevant agencies to successfully bring together 179 IsDB Group staff and their dependents from 21 countries during the period of travel restrictions.







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# ANNEX 1

## SHARI'AH AUDIT REPORT

### THE ISLAMIC DEVELOPMENT BANK GROUP SHARI'AH BOARD

#### SHARI'AH AUDIT REPORT FOR 1441H/1442H

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

Chairman of the Board of Governors,

Members of the Board of Governors,

*Assalamu alaikum warahmatullahi wabarakatuhu*

Following your request to provide you with a Shari'ah report on the IsDB Group's 1441/1442H activities, we have audited the existing principles as well as the contracts pertaining to the transactions undertaken by the Islamic Development Bank's - Ordinary Capital Resources, Special Account Resources Waqf Fund, Islamic Corporation for the Insurance of Investment and Export Credit, Islamic Corporation for the Development of the Private Sector, International Islamic Trade Finance Corporation, Islamic Solidarity Fund for Development, Awqaf Properties Investment Fund (IsDB Group), World Waqf Foundation, and all Trust Funds, for the year ending on 31 December 2020G (17 Jumada Ula 1442H). We have also conducted the audit required to give an opinion on whether the IsDB Group has complied with the rules and principles of the Shari'ah as well as the *Fatwas*, decisions, rulings and specific guidelines issued by us.<sup>1</sup>

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

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

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

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



## IN OUR OPINION

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

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

*Wassalamu alaikum warahmatullahi wabarakatuhu*

**His Eminence Dr. Mohamed Raougui**  
For the Shari'ah Board

**Aboubacar Salihou KANTE**  
Acting Manager, IsDBG Shari'ah Compliance  
Section

Jeddah, 18 Rajab 1442H, 2 March 2021









## MANAGEMENT'S REPORT REGARDING THE EFFECTIVENESS OF INTERNAL CONTROLS OVER EXTERNAL FINANCIAL REPORTING

The Management of the Islamic Development Bank (IsDB or the Bank) is responsible for the preparation, fair presentation and overall integrity of the published financial statements of the Bank, the Trust and Special Funds. The financial statements of the Bank, the Trust and Special Funds have been prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

The financial statements have been audited by the independent audit firm Ernst & Young (EY), who were given unrestricted access to all financial records and related data. Management believes that all representations made to the external auditor during their audit were valid and appropriate. The external auditors' reports accompany the audited financial statements.

Management is responsible for establishing and maintaining effective internal controls over external financial reporting in conformity with the basis of accounting. The system of internal control contains monitoring mechanisms and actions that are taken to correct deficiencies identified. Internal controls for external financial reporting are subject to ongoing scrutiny and testing by Management and internal audit and are revised as considered necessary. Management believes that such controls support the integrity and reliability of the financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Furthermore, the effectiveness of an internal control system can change over time. Accordingly, an effective internal control system can provide only reasonable, as opposed to absolute, assurance with respect to the financial statements' preparation and presentation.

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

The Bank's assessment of the effectiveness of internal controls was based on criteria established in "Internal Control – Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the results of this assessment, Management asserts that the Bank, Special and Trust Funds have maintained effective internal controls over its financial reporting as contained in the financial statements as of 31 December 2020. Management is not aware of any material control weakness that could affect the reliability of the 2020 financial statements.

In addition to providing an audit opinion on the fairness of the financial statements for 2020, the external auditor conducted an independent assessment of the effectiveness of the Bank, Special and Trust Funds internal control over financial reporting as of 31 December 2020 and their opinion thereon is presented separately in this annual report.

**Dr Bandar M.H Hajjar**  
The President, IsDB

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

# ANNEX 2B

## AUDITOR'S COSO REPORT

### INDEPENDENT REASONABLE ASSURANCE REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROL OVER THE FINANCIAL REPORTING

#### Your Excellencies the Chairman and Members of the Board of Governors

Islamic Development Bank  
Jeddah  
Kingdom of Saudi Arabia

#### SCOPE

We have been engaged by the Islamic Development Bank ("the Bank" or "IsDB") to provide a reasonable assurance on the effectiveness of the internal control over the financial reporting as of 31 December 2020 based on criteria established in Internal Control – Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the Framework" or "COSO Framework"), an internationally recognized framework and one of the most widely accepted and adopted.

#### MANAGEMENT'S RESPONSIBILITIES

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

#### OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

#### INDEPENDENT AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on the effectiveness of the internal control over the financial reporting based on our procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, effective internal control was maintained over financial reporting

A reasonable assurance engagement includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk. It also includes performing such other procedures as considered necessary in the circumstances. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.





## INHERENT LIMITATION

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion, the Bank, in all material respects, maintained effective internal controls over financial reporting as at 31 December 2020, based on the criteria established by the COSO Framework.

## EMPHASIS OF MATTER

We draw attention to the following points which are not material weaknesses but areas of improvement which require management attention:

- A formal succession planning framework is fundamental to enable continuity of operations at the Bank.
- Assignment of clear roles and responsibilities towards fraud risk management from ownership and oversight perspectives.
- A mechanism to disclose gifts received and/or offered by employees to ensure adherence to the IsDB's gift policy with a view of upholding transparency in the conduct of business and procurement operations.



For Ernst & Young

**Ahmed I. Reda**

Certified Public Accountant  
Licence No. 356

OS 2021  
OS 1442 H

Jeddah



# ANNEX 2C

## ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### INDEPENDENT AUDITOR'S REPORT TO

#### Your Excellencies the Chairman and Members of the Board of Governors

Islamic Development Bank  
Jeddah  
Kingdom of Saudi Arabia

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying financial statements of Islamic Development Bank – Ordinary Capital Resources (the "Bank"), which comprise the statement of financial position as at 31 December 2020, and the related income statement, statement of changes in members' equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2020, and the results of the operations, its cash flows and changes in members' equity for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

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

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>EXPECTED CREDIT LOSS ALLOWANCE AGAINST TREASURY ASSETS AND PROJECT ASSETS</b></p> <p>As at 31 December 2020, the gross treasury assets and project assets of the Bank were ID 7,493 million and ID 15,900 million, respectively, against which an expected credit loss (“ECL”) allowance of ID 16.4 million and ID 380.6 million, respectively, was maintained.</p> <p>We considered this as a key audit matter, as the determination of ECL involves significant management judgement and this has a material impact on the financial statements of the Bank. Moreover, the COVID-19 pandemic has resulted in heightened uncertainty about the economic outlook in particular and increased the levels of judgement needed to determine the ECL. The key areas of judgement include:</p> <ol style="list-style-type: none"> <li>1. Categorisation of exposures into Stages 1, 2 and 3 based on the identification of:           <ol style="list-style-type: none"> <li>(a) exposures with a significant increase in credit risk (“SICR”) since their origination; and</li> <li>(b) individually impaired / defaulted exposures.</li> </ol> </li> </ol> <p>The Bank has applied additional judgements to identify and estimate the likelihood of borrowers that might have experienced SICR.</p> <ol style="list-style-type: none"> <li>2. Assumptions used in the ECL model for determining probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”) including but not limited to assessment of financial condition of counterparty, expected future cash flows and developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probabilities weightages.</li> <li>3. The need to apply post model adjustments using expert credit judgement to reflect all relevant risk factors that might not be captured by the ECL model.</li> </ol>	<ul style="list-style-type: none"> <li>● The Bank adopted and applied requirements and guidance of FAS 30 ‘<i>Impairment, Credit Losses and Onerous Commitments</i>’, issued by AAOIFI and effective from 1 January 2020, to assess ECL against treasury assets and project assets.</li> <li>● We have updated our understanding of management’s assessment of impairment of treasury assets and project assets including the Bank’s internal rating model, impairment allowance policy and the ECL modelling methodology, including the enhancements made in light of the COVID-19 pandemic.</li> <li>● We assessed the design and implementation, and tested the operating effectiveness of the key controls (including IT general and application controls) over:           <ul style="list-style-type: none"> <li>○ the IT systems and applications underpinning the ECL model.</li> <li>○ the modelling process, including governance over the monitoring of the model and <i>its validation (where applicable)</i> including approval of key assumptions and post model adjustments, if any;</li> <li>○ the classification of borrowers into various stages and timely identification of SICR and the determination of default / individually impaired exposures; and</li> <li>○ the integrity of data inputs into the ECL model.</li> </ul> </li> <li>● For a sample of counterparties, we assessed:           <ul style="list-style-type: none"> <li>○ the internal ratings determined by management based on the Bank’s internal rating model and assessed these assigned ratings against external market conditions and available industry information in particular considering the impacts of the COVID-19 pandemic and also assessed that these were in line with the ratings used in the ECL model;</li> <li>○ the staging as identified by management; and</li> <li>○ management’s computations for ECL.</li> </ul> </li> </ul>



# ANNEX 2C

## ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

(Continued)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Application of these judgements, particularly in light of the global pandemic, have given rise to greater estimation uncertainty and the associated audit risk around ECL calculations as at 31 December 2020.</p> <p><i>Refer to the summary of significant accounting policy note 3 for the impairment of treasury assets and project assets including the disclosure of critical accounting judgements, estimates and assumptions relating to impairment losses on treasury assets, project assets and the impairment assessment methodology used by the Bank; note 14 which contains the disclosure of impairment against treasury assets and project assets; and note 31 for details of credit quality analysis and key assumptions and factors considered in determination of ECL. (suggest to include reference to COVID note, where applicable)</i></p>	<ul style="list-style-type: none"> <li>● We tested the appropriateness of the Bank’s criteria for the determination of SICR and identification of “default” or “individually impaired” exposures; and their classification into stages. Furthermore, for a sample of exposures, we assessed the appropriateness of the Bank’s staging categorisation including in particular counterparties in vulnerable member countries affected by the COVID-19 pandemic.</li> <li>● We assessed the qualitative factors which were considered by the Bank to recongnise any post model adjustments, in case of data or model limitations. Where such post model adjustments were applied, we assessed those post model adjustments and the governance process around them.</li> <li>● We assessed the reasonableness of the underlying assumptions used by the Bank in the ECL model including forward looking assumptions in cognisance of the uncertainty and volatility in economic scenarios due to the COVID 19 pandemic .</li> <li>● We tested the completeness and accuracy of data underpinning the ECL calculations as at 31 December 2020.</li> <li>● Where relevant, we involved our specialists to assist us in reviewing model calculations, evaluating interrelated inputs and assessing reasonableness of assumptions used in ECL model particularly around macroeconomic variables, forecasted macroeconomic scenarios and probability weights and of assumptions used in post model adjustments (if any).</li> <li>● We assessed the adequacy of disclosures in the financial statements.</li> </ul>



KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>VALUATION OF INVESTMENTS NOT TRADED IN AN ACTIVE MARKET</b></p> <p>Investments classified as fair value through other comprehensive income (“FVOCI”) comprise both debt and equity instruments. These instruments are measured at fair value with the corresponding unrealized fair value changes recognised in other comprehensive income. The fair value of these financial instruments is determined through the application of valuation techniques which often involve the exercise of judgment by management and the use of assumptions and estimates.</p> <p>Estimation uncertainty exists for those instruments not traded in an active market (i.e. unquoted) and where the internal modelling techniques use:</p> <ul style="list-style-type: none"><li>● significant observable valuation inputs (i.e. level 2 investments); and</li><li>● significant unobservable valuation inputs (i.e. level 3 investments).</li></ul> <p>Estimation uncertainty is particularly high for level 3 investments. The business disruptions and economic impacts of the COVID-19 pandemic have further raised the degree of estimation uncertainty involved in fair valuing unquoted investments.</p> <p>As at 31 December 2020, the Bank held ID 92.8 million of unquoted investments. The valuation of the Bank’s unquoted investments in level 2 and 3 categories was therefore considered a key audit matter given the degree of complexity involved in valuing these investments and the significance of the judgments and estimates made by the management.</p> <p>Refer to the significant accounting policies note 3 to the financial statements, note 3 which explain the investment valuation methodology used by the Bank and the critical judgments and estimates.</p>	<p>We assessed the design and implementation and tested the operating effectiveness of key controls over</p> <ul style="list-style-type: none"><li>● management’s processes for performing valuation of investments classified as FVOCI which are not traded in an active market; and</li><li>● Data integrity of the investment portfolio information held.</li></ul> <p>We evaluated the valuation techniques, inputs and reasonableness of assumptions used by management to value FVOCI and FVIS investments.</p> <p>We tested the valuation of a sample of FVOCI investments not traded in an active market. As part of these audit procedures, we assessed the key inputs used in the valuation such as comparable entity data and liquidity discounts by benchmarking them with external data.</p> <p>We assessed the adequacy of the financial instrument hierarchy disclosure and also considered AAOIFI related disclosures.</p>

# ANNEX 2C

## ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

(Continued)

### OTHER INFORMATION INCLUDED IN THE BANK'S 2020 ANNUAL REPORT

Other information consists of the information included in the Bank's 2020 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2020 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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





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

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

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

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



For Ernst & Young

**Ahmed I. Reda**

Certified Public Accountant

Licence No. 356

OS 2021

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# ANNEX 2C

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

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

	Notes	31 December 2020	31 December 2019
Cash and cash equivalents	4	363,923	854,174
Commodity murabaha placements	5	5,320,823	4,424,022
Sukuk investments	6	1,466,183	1,724,211
Murabaha financing	7	325,892	343,698
<b>Treasury assets</b>		<b>7,476,821</b>	<b>7,346,105</b>
Istisna'a assets	9	7,955,365	7,378,187
Restricted mudaraba	10	732,834	849,606
Instalment sale	11	2,225,787	1,906,569
Ijarah assets	12	2,826,878	2,845,652
Loans (Qard)	13	1,779,003	1,781,830
<b>Project assets</b>		<b>15,519,867</b>	<b>14,761,844</b>
Equity investments	15	454,723	541,130
Investment in associates	16	728,904	756,875
Other investments		55,394	55,161
<b>Investment assets</b>		<b>1,239,021</b>	<b>1,353,166</b>
Property, equipment and intangibles		53,754	53,464
Other assets	17	132,474	59,310
<b>Total Assets</b>		<b>24,421,937</b>	<b>23,573,889</b>
<b>Liabilities</b>			
Sukuk issued	18	14,307,777	12,181,904
Commodity murabaha liabilities	19	308,962	1,613,652
Wakala (due to)	20	347,221	361,763
Other liabilities	21	343,416	351,315
<b>Total Liabilities</b>		<b>15,307,376</b>	<b>14,508,634</b>
<b>Members' Equity</b>			
Paid-up capital	23	5,940,601	5,785,122
Reserves	24	3,057,744	3,139,738
Net income for the year		116,216	140,395
<b>Total Members' Equity</b>		<b>9,114,561</b>	<b>9,065,255</b>
<b>Total Liabilities and Members' Equity</b>		<b>24,421,937</b>	<b>23,573,889</b>
<b>Restricted Investment Accounts</b>	29	78,190	80,921

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

# ANNEX 2C

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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



	Notes	For the year ended 31 Dec 2020	For the year ended 31 Dec 2019
<b>Income / (Loss) from:</b>			
Commodity murabaha placements		71,666	108,017
Sukuk investments	6	57,587	60,095
Murabaha financing		10,752	13,037
<b>Treasury assets</b>		<b>140,005</b>	<b>181,149</b>
Istisna'a assets		260,822	244,784
Restricted mudaraba		25,160	32,444
Instalment sale		71,097	63,687
Ijarah assets, net of depreciation of assets under Ijarah	12.4	68,346	83,762
Loans (Qard)		9,658	11,836
<b>Project assets</b>		<b>435,083</b>	<b>436,513</b>
Equity investments		8,148	18,078
Investment in associates	16	(10,560)	(29,418)
Other investments		1,173	864
<b>Investment assets</b>		<b>(1,239)</b>	<b>(10,476)</b>
Foreign exchange losses		(1,253)	(2,452)
Swap hedging gains	21	13,522	10,365
Other		6,661	6,684
<b>Other income</b>		<b>18,930</b>	<b>14,597</b>
<b>Total income</b>		<b>592,779</b>	<b>621,783</b>
Financing costs	18, 19, 20, 21	(277,702)	(296,195)
Impairment charge	14	(29,769)	(28,739)
<b>Net income before operating expenses</b>		<b>285,308</b>	<b>296,849</b>
Administrative expenses	2 5	(163,145)	(148,271)
Depreciation / amortization on property, equipment and intangibles		(5,947)	(8,183)
<b>Total operating expenses</b>		<b>(169,092)</b>	<b>(156,454)</b>
<b>Net income for the year</b>		<b>116,216</b>	<b>140,395</b>

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

# ANNEX 2C

## STATEMENT OF CHANGES IN MEMBERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Paid-up capital	Reserves				Total reserves	Net income	Total members' equity
			General reserve	Fair value reserve	Pension and medical obligations	Other reserves			
<b>Balance at 1 January 2019</b>		<b>5,595,416</b>	<b>2,878,346</b>	<b>255,381</b>	<b>(47,554)</b>	<b>(25,347)</b>	<b>3,060,826</b>	<b>83,903</b>	<b>8,740,145</b>
Increase in paid-up capital	23	189,706	-	-	-	-	-	-	189,706
Net changes in fair value of investments		-	-	70,281	-	-	70,281	-	70,281
Actuarial losses relating to retirement pension and medical plans	22	-	-	-	(60,642)	-	(60,642)	-	(60,642)
Hedge accounting reserve	21	-	-	-	-	(541)	(541)	-	(541)
Share in investments in associates reserve movement	16	-	-	-	-	(1,497)	(1,497)	-	(1,497)
Net income for the year		-	-	-	-	-	-	140,395	140,395
Transfer to general reserve	24	-	83,903	-	-	-	83,903	(83,903)	-
Allocation for grants	24	-	(12,592)	-	-	-	(12,592)	-	(12,592)
<b>Balance at 31 December 2019</b>		<b>5,785,122</b>	<b>2,949,657</b>	<b>325,662</b>	<b>(108,196)</b>	<b>(27,385)</b>	<b>3,139,738</b>	<b>140,395</b>	<b>9,065,255</b>
Adjustment against credit losses – FAS 30 (Note 14)		-	(64,263)	-	-	-	(64,263)	-	(64,263)
<b>Revised balance as at 1 January 2020 after FAS 30 adjustment</b>		<b>5,785,122</b>	<b>2,885,394</b>	<b>325,662</b>	<b>(108,196)</b>	<b>(27,385)</b>	<b>3,075,475</b>	<b>140,395</b>	<b>9,000,992</b>
Increase in paid-up capital	23	155,479	-	-	-	-	-	-	155,479
Net changes in fair value of investments		-	-	(46,658)	-	-	(46,658)	-	(46,658)
Actuarial losses relating to retirement pension and medical plans	22	-	-	-	(45,169)	-	(45,169)	-	(45,169)
Hedge accounting reserve	21	-	-	-	-	(3,026)	(3,026)	-	(3,026)
Share in associates' reserve movements	16	-	(20,443)	-	-	(31,974)	(52,417)	-	(52,417)
Net income for the year		-	-	-	-	-	-	116,216	116,216
Transfer to general reserve	24	-	140,395	-	-	-	140,395	(140,395)	-
Allocation for grants	24	-	(10,856)	-	-	-	(10,856)	-	(10,856)
<b>Balance at 31 December 2020</b>		<b>5,940,601</b>	<b>2,994,490</b>	<b>279,004</b>	<b>(153,365)</b>	<b>(62,385)</b>	<b>3,057,744</b>	<b>116,216</b>	<b>9,114,561</b>

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



# ANNEX 2C

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

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



	Notes	For the year ended 31 Dec 2020	For the year ended 31 Dec 2019
<b>Cash flows from operations</b>			
Net income for the year		116,216	140,395
Adjustments for non-cash items:			
Depreciation / amortization		5,947	8,183
Loss from investment in associates	16	10,560	29,418
Credit losses against financial assets	14	29,769	28,739
Unrealized fair value gains on sukuk	6	(5,154)	(5,694)
Amortization of other income		(567)	(567)
Foreign exchange losses		1,253	2,452
Loss/(gain) on disposal of investment in equity capital		3,928	(902)
<b>Operating income before changes in operating assets and liabilities</b>		<b>161,952</b>	<b>202,024</b>
<b>Changes in operating assets and liabilities:</b>			
Istisna'a assets		(703,639)	(713,360)
Restricted mudaraba		83,683	28,792
Instalment sale		(350,049)	(316,162)
Ijarah assets		(67,330)	(126,903)
Loans (Qard)		18,366	26,504
Other assets		(59,238)	11,680
Other liabilities		(50,339)	(154,069)
Commodity murabaha placements		(1,050,771)	(230,297)
Murabaha financing		11,517	(38,793)
<b>Net cash used in operating activities</b>		<b>(2,005,848)</b>	<b>(1,310,584)</b>
<b>Cash flows from investing activities</b>			
Acquisition of sukuk investments	6	(164,289)	(227,568)
Proceeds from disposal/redemption of sukuk investments	6	368,305	171,388
Acquisition of equity investments	15	-	(8,349)
Proceeds from disposal of equity and other investments		34,734	3,821
Acquisition of other investments		(12,852)	(5,348)
Acquisition/increase in share of associate	16	(48,618)	(66,744)
Dividends from associates	16	577	1,328
Proceeds from capital repayment/disposal of investment in associates	16	2,947	33,442
Additions to property, equipment and intangibles		(6,237)	(4,999)
<b>Net cash from/(used in) investing activities</b>		<b>174,567</b>	<b>(103,029)</b>
Increase in paid-up capital		155,479	189,706
Allocation for grants	24	(10,856)	(12,592)
Proceeds from issuance of sukuk		3,991,039	3,372,412
Redemption of sukuk		(1,491,011)	(2,899,552)
Commodity murabaha liabilities		(1,308,676)	833,095
Redemption of Wakala (due to)		(86)	(28,946)
<b>Net cash from financing activities</b>		<b>1,335,889</b>	<b>1,454,123</b>
Net change in cash and cash equivalents		(495,392)	40,510
Exchange difference on cash and cash equivalents		5,141	(1,861)
Cash and cash equivalents at the beginning of the year		854,174	815,525
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>363,923</b>	<b>854,174</b>

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

# ANNEX 3

ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES (WAQF FUND)  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

## INDEPENDENT AUDITOR'S REPORT

Your Excellencies the Chairman and Members of the Board of Governors

Islamic Development Bank – Special Account Resources Waqf Fund

Jeddah

Kingdom of Saudi Arabia

### REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

We have audited the accompanying statement of financial position of Islamic Development Bank – Special Account Resources Waqf Fund (the "Fund") as of 31 December 2020 and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements and the Fund's undertaking to operate in accordance with Islamic Shari'ah are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

### OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as of 31 December 2020, and of the results of its operations and its cash flows for the year then ended in accordance with the Islamic Shari'ah Rules and Principles as determined by the Shari'ah Board of the Islamic Development Bank Group and the accounting standards of AAOIFI.



For Ernst & Young

**Ahmed I. Reda**

Certified Public Accountant  
License No. 356-

OS 2020  
OS 1442H

Jeddah



# ANNEX 3

## ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES (Waqf Fund) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

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



	Notes	31 December 2020	31 December 2020
<b>Assets</b>			
<b>Treasury assets</b>			
Cash and cash equivalents	5	105,951	62,631
Commodity murabaha placements	6	240,521	237,526
Investments in sukuk	7	91,146	100,945
Syndicated murabaha	8	2,651	4,471
<b>Investment assets</b>			
Installment sale projects	9	5,276	5,261
Syndicated Ijarah	10	2,983	2,890
Equity capital	11	27,119	31,259
Investment in funds	12	68,644	93,519
Associates	13	154,522	157,609
<b>Loans (Qard)</b>	14	178,331	180,585
<b>Other assets</b>		14,115	19,961
<b>Fixed assets</b>		24,321	25,889
<b>Total Assets</b>		915,580	922,546
<b>Liabilities</b>			
Accruals and other liabilities	15	96,317	57,463
<b>Total liabilities</b>		96,317	57,463
<b>Net assets</b>		819,263	865,083
<b>Represented by:</b>			
Waqf Fund principal amount		1,069,852	1,071,460
Special assistance		(428,920)	(386,962)
Special account for Least Developed Member Countries (LDMC)		178,331	180,585
<b>Total funds</b>		819,263	865,083

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

# ANNEX 3

## ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES (WAQF FUND) STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	2020				2019
		Waqf Fund principal amount	Special assistance	Special account for LDMC	Total	Total
<b>Statement of activities</b>						
<b>Income/(loss) from:</b>						
<b>Treasury assets</b>						
Commodity murabaha placements					4,716	3,158
Investments in sukuk	7				4,365	5,584
<b>Investment assets</b>						
Syndicated ijarah					24	906
Investment in funds					1,291	1,048
Associates					1,509	9,546
Other					2,805	4,295
					<b>14,710</b>	<b>24,537</b>
Foreign exchange gains					2,531	437
<b>Income before impairment charge</b>					<b>17,241</b>	<b>24,974</b>
Impairment charge	17				(9,370)	(6,456)
<b>Attributable net income</b>					<b>7,871</b>	<b>18,518</b>
Allocation of attributable net income		1,574	6,297	-	-	-
Donations to Special Assistance		-	-	-	-	7,066
Islamic Technical Financial Assistance Grant from IsDB-OCR		-	2,174	-	2,174	362
Non-Shari'ah income transferred from IsDB-OCR		85	341	-	426	435
Contributions from IsDB-OCR for technical assistance grants and scholarship progra	18	-	14,894	-	14,894	17,466
<b>Income before grants and program expenses</b>		<b>1,659</b>	<b>23,706</b>	-	<b>25,365</b>	<b>43,847</b>
Grants for causes	19	-	(28,055)	-	(28,055)	(28,465)
Program expenses	19	-	(20,706)	-	(20,706)	(25,653)
<b>Net deficit for the year</b>		<b>1,659</b>	<b>(25,055)</b>	-	<b>(23,396)</b>	<b>(10,271)</b>
<b>Statement of changes in net assets</b>						
Net assets at 1 January		1,071,460	(386,962)	180,585	865,083	938,857
Net surplus/(deficit) for the year		1,659	(25,055)	-	(23,396)	(10,271)
Retirement pension plan liability		-	(6,088)	-	(6,088)	(7,947)
Fair value and other reserves		(3,267)	(13,069)	-	(16,336)	471
Reallocation from Special Account for LMDC to Special Assistance Programs Fund		-	2,254	(2,254)	-	-
STI Endowment Fund Contribution	20	-	-	-	-	(50,000)
Foreign exchange translation		-	-	-	-	(6,027)
<b>Net assets at 31 December 2020</b>		<b>1,069,852</b>	<b>(428,920)</b>	<b>178,331</b>	<b>819,263</b>	<b>865,083</b>

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



# ANNEX 3

## ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES (Waqf Fund) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

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



	Note	2020	2019
<b>Cash flows from operations</b>			
Net deficit for the year		(23,396)	(10,271)
<b>Adjustments to reconcile net deficit to net cash used in operating activities</b>			
Depreciation		1,569	1,732
Provision for impairment	17	9,370	6,456
Share of gain/(loss) in associates, net		2,345	(5,983)
Gain on deemed disposal of associates		(338)	(134)
Pension deficit movement	16	(6,088)	(7,947)
Foreign exchange		2,827	(6,419)
<b>Change in operating assets and liabilities</b>			
Syndicated Murabaha		1,820	18
Installment Sale Projects		(15)	(906)
Syndicated Ijarah		(93)	15,726
Loans (Qard)		2,254	11,414
Other assets		5,847	(8,234)
Accruals and other liabilities		38,854	(3,905)
<b>Net cash from/(utilized in) operations</b>		<b>34,956</b>	<b>(8,453)</b>
<b>Cash flows from investing activities</b>			
Net movement in commodity placements		(2,995)	(61,720)
Addition of investment in sukuk	7	-	(12,000)
Redemption of investments in sukuk	7	9,337	20,853
Additions to investment in equity capital	11	(1,285)	-
Additions to investments in funds	12	(36)	(11,405)
Disposal of investments in funds	12	2,263	8,567
Dividends from associates	13	1,080	1,478
<b>Net cash from/(utilized in) investing activities</b>		<b>8,364</b>	<b>(54,227)</b>
<b>Cash flows from financing activities</b>			
Contribution to the STI Endowment Fund	20	-	(50,000)
<b>Cash utilized in financing activities</b>		<b>-</b>	<b>(50,000)</b>
<b>Net change in cash and cash equivalents</b>		<b>43,320</b>	<b>(112,680)</b>
Cash and cash equivalents at 1 January		62,631	175,311
<b>Cash and cash equivalents at 31 December</b>	5	<b>105,951</b>	<b>62,631</b>

# ANNEX 4

## ISDB BOARD OF EXECUTIVE DIRECTORS AND THEIR CONSTITUENCIES 1 JANUARY 2020 – 31 DECEMBER 2020

Name	Country of Nationality	Representing Countries
Hon. Abdul Ghani Ahmad Mohamed Al-Ftissi	Libya	Libya
Hon. Bulent Aksu	Turkey	Turkey
Hon. Abbas Memar Nejad	Iran	Iran
Hon. Abdulghaffar Al Awadhi	Kuwait	Kuwait
H.E. Dr. Hamad Sulaiman Al Bazai	Saudi Arabia	Saudi Arabia
Hon. Dr. Nada Massoud	Egypt	Egypt
Hon. Khalaf Sultan Al Dhaheri	United Arab Emirates	United Arab Emirates
Hon. Bader Ahmad Al-Emadi	Qatar	Qatar
Hon. Mohammed Gambo Shuaibu	Nigeria	Nigeria
Hon. Fredrick Twesiime	Uganda	Uganda, Chad, Gabon, Djibouti, Comoros, Mozambique, Somalia
Hon. Abdoulie Jallow	Gambia	Senegal, Burkina Faso, Niger, Mali, Gambia, Togo
Hon. Péma Guilavogui	Guinea	Benin, Guinea, Guinea Bissau, Sierra Leone, Cameroon, Côte D'Ivoire
Hon. Faouzia Zaaboul	Morocco	Algeria, Morocco, Mauritania, Tunis
Hon. Zeina Toukan	Jordan	Jordan, Syria, Iraq, Palestine, Lebanon
Hon. Sami Mohamed Hameed	Bahrain	Yemen, Sudan, Oman, Bahrain
Hon. Fatima Yasmin	Bangladesh	Afghanistan, Pakistan, Bangladesh, Maldives
Hon. Ahmad Jefri Abd Rahman	Brunei Darussalam	Indonesia, Malaysia, Brunei Darussalam, Suriname, Guyana
Hon. Bakhodir Aliqhanov	Uzbekistan	Azerbaijan, Albania, Uzbekistan, Turkmenistan, Tajikistan, Kazakhstan, Kyrgyz Republic

# ANNEX 5A

## STATEMENT OF ISDB SHARE CAPITAL SUBSCRIPTION AS OF 31 DECEMBER 2020



S/N	Country	Consolidated Position of Subscribed Capital							
		No. of Shares (Units)	Amount in Million ID				Breakdown of Called-up Capital (ID)		
			Called-up	Callable	Total	% of Total	Paid-up	Overdue	Not Yet Due
1	Saudi Arabia	1,189,680	2,135.9	9,761.0	11,896.8	23.50%	1,459.2	0.0	676.6
2	Libya	477,166	856.7	3,915.0	4,771.7	9.43%	462.6	122.7	271.4
3	Iran	417,463	749.5	3,425.2	4,174.6	8.25%	504.1	7.9	237.4
4	United Arab Emirates	379,949	682.1	3,117.4	3,799.5	7.51%	464.8	0.0	217.3
5	Nigeria	387,452	695.6	3,178.9	3,874.5	7.66%	253.8	59.3	382.4
6	Qatar	363,236	653.0	2,979.3	3,632.4	7.18%	436.7	0.0	216.4
7	Egypt	357,965	641.9	2,937.7	3,579.7	7.07%	420.0	0.0	221.9
8	Kuwait	350,000	880.9	2,619.1	3,500.0	6.92%	614.1	0.0	266.8
9	Turkey	326,384	585.3	2,678.6	3,263.8	6.45%	376.2	6.7	202.4
10	Algeria	128,559	230.5	1,055.1	1,285.6	2.54%	152.9	0.0	77.7
11	Pakistan	128,559	230.5	1,055.1	1,285.6	2.54%	147.8	3.1	79.7
12	Indonesia	113,795	204.2	933.8	1,138.0	2.25%	144.3	0.0	59.9
13	Malaysia	82,308	147.6	675.5	823.1	1.63%	96.6	0.0	51.0
14	Bangladesh	50,996	91.4	418.5	510.0	1.01%	59.8	0.0	31.6
15	Morocco	25,669	46.0	210.7	256.7	0.51%	30.1	0.0	15.9
16	Yemen	25,862	46.2	212.4	258.6	0.51%	24.8	5.4	16.0
17	Sudan	23,295	41.8	191.1	233.0	0.46%	13.9	14.7	13.2
18	Jordan	21,976	39.5	180.3	219.8	0.43%	27.0	0.0	12.5
19	Oman	14,255	25.6	117.0	142.6	0.28%	16.7	0.0	8.8
20	Senegal	14,781	26.5	121.3	147.8	0.29%	9.4	8.8	8.4
21	Iraq	13,505	24.2	110.8	135.1	0.27%	15.8	0.0	8.4
22	Brunei	12,836	23.0	105.3	128.4	0.25%	15.3	0.0	7.7
23	Cameroon	12,836	23.0	105.3	128.4	0.25%	12.0	3.0	8.0
24	Burkina Faso	9,017	23.0	67.2	90.2	0.18%	15.1	0.0	7.9
25	Niger	9,017	23.0	67.2	90.2	0.18%	7.3	7.8	8.0
26	Uganda	6,895	12.4	56.5	69.0	0.14%	12.1	0.3	(0.0)
27	Bahrain	7,245	13.0	59.5	72.5	0.14%	8.5	0.0	4.5
28	Kazakhstan	5,400	9.8	44.2	54.0	0.11%	6.4	0.0	3.4
29	Azerbaijan	5,092	9.1	41.8	50.9	0.10%	6.1	0.0	3.1
30	Mali	5,092	9.1	41.8	50.9	0.10%	6.0	0.0	3.1
31	Gabon	5,458	27.4	27.2	54.6	0.11%	15.4	2.5	9.5
32	Guinea	4,585	23.0	22.8	45.9	0.09%	13.2	1.8	8.0
33	Lebanon	3,577	9.1	26.6	35.8	0.07%	6.0	0.0	3.2
34	Mauritania	3,577	9.1	26.6	35.8	0.07%	5.6	0.4	3.2
35	Tunisia	7,158	18.3	53.3	71.6	0.14%	12.2	0.0	6.1
36	Kyrgyz	2,584	4.6	21.2	25.8	0.05%	2.9	0.1	1.6
37	Mozambique	2,584	4.6	21.2	25.8	0.05%	2.9	0.2	1.6
38	Maldives	2,584	4.6	21.2	25.8	0.05%	3.0	0.0	1.6
39	Gambia	2,584	4.6	21.2	25.8	0.05%	2.6	0.4	1.6
40	Tajikistan	1,816	4.6	13.5	18.2	0.04%	3.0	0.0	1.6
41	Benin	5,823	10.5	47.8	58.2	0.12%	7.0	0.2	3.3
42	Togo	1,816	4.6	13.5	18.2	0.04%	2.6	0.4	1.6
43	Sierra Leone	1,816	4.6	13.5	18.2	0.04%	2.6	0.5	1.6
44	Palestine	1,955	9.9	9.7	19.6	0.04%	5.7	4.1	0.0
45	Syria	1,849	9.3	9.2	18.5	0.04%	5.0	1.1	3.2
46	Uzbekistan	1,344	3.7	9.7	13.4	0.03%	2.9	0.0	0.8
47	Cote D'Ivoire	1,302	3.6	9.5	13.0	0.03%	3.6	0.0	0.0
48	Comoros	1,302	3.6	9.5	13.0	0.03%	0.6	2.2	0.8
49	Chad	977	4.9	4.9	9.8	0.02%	4.7	0.3	0.0
50	Afghanistan	993	5.0	4.9	9.9	0.02%	5.0	0.0	0.0
51	Suriname	923	4.6	4.6	9.2	0.02%	2.8	0.2	1.6
52	Albania	923	4.6	4.6	9.2	0.02%	2.8	0.2	1.6
53	Somalia	496	2.5	2.5	5.0	0.01%	2.5	0.0	0.0
54	Turkmenistan	496	2.5	2.5	5.0	0.01%	2.5	0.0	0.0
55	Guinea-Bissau	496	2.5	2.5	5.0	0.01%	2.2	0.3	0.0
56	Djibouti	496	2.5	2.5	5.0	0.01%	1.6	0.9	0.0
57	Guyana	250	2.5	0.0	2.5	0.005%	0.6	0.0	1.9
	Net Shortfall	*	*	*	*	0.00%	(0.010)	0.000	0.009
	<b>Sub-Total</b>	<b>5,026,049</b>	<b>9,371.9</b>	<b>40,888.6</b>	<b>50,260.5</b>	<b>99.30%</b>	<b>5,940.6</b>	<b>255.6</b>	<b>3,175.7</b>
	Uncommitted	35,357	0.0	353.6	353.6	0.70%	*	*	*
	<b>Grand Total</b>	<b>5,061,406</b>	<b>9,371.9</b>	<b>41,242.2</b>	<b>50,614.1</b>	<b>100.00%</b>	<b>5,940.6</b>	<b>255.6</b>	<b>3,175.7</b>

NOTE : Total may not add up due to rounding.

# ANNEX 5B

## STATEMENT OF IsDB VOTING POWER AS OF 31 DECEMBER 2020

S/N	Country	Voting Power	
		No. of Votes	% Voting
1	Saudi Arabia	1,122,516	23.83%
2	Libya	438,258	9.30%
3	Iran	393,428	8.35%
4	United Arab Emirates	358,715	7.61%
5	Nigeria	343,778	7.30%
6	Qatar	342,100	7.26%
7	Egypt	336,272	7.14%
8	Kuwait	323,818	6.87%
9	Turkey	305,974	6.49%
10	Algeria	121,291	2.57%
11	Pakistan	120,781	2.56%
12	Indonesia	108,307	2.30%
13	Malaysia	77,705	1.65%
14	Bangladesh	48,333	1.03%
15	Morocco	24,578	0.52%
16	Yemen	24,219	0.51%
17	Sudan	20,999	0.45%
18	Jordan	21,227	0.45%
19	Oman	13,872	0.29%
20	Senegal	13,564	0.29%
21	Iraq	13,168	0.28%
22	Brunei	12,567	0.27%
23	Cameroon	12,237	0.26%
24	Burkina Faso	8,722	0.19%
25	Niger	7,942	0.17%
26	Uganda	7,362	0.16%
27	Bahrain	7,296	0.15%
28	Kazakhstan	5,565	0.12%
29	Azerbaijan	5,287	0.11%
30	Mali	5,277	0.11%
31	Gabon	4,763	0.10%
32	Guinea	4,105	0.09%
33	Lebanon	3,761	0.08%
34	Mauritania	3,719	0.08%
35	Tunisia	7,047	0.15%
36	Kyrgyz	2,914	0.06%
37	Mozambique	2,908	0.06%
38	Maldives	2,924	0.06%
39	Gambia	2,882	0.06%
40	Tajikistan	2,155	0.05%
41	Benin	5,973	0.13%
42	Togo	2,117	0.04%
43	Sierra Leone	2,108	0.04%
44	Palestine	2,042	0.04%
45	Syria	1,921	0.04%
46	Uzbekistan	1,763	0.04%
47	Cote D'Ivoire	1,802	0.04%
48	Comoros	1,501	0.03%
49	Chad	1,452	0.03%
50	Afghanistan	1,493	0.03%
51	Suriname	1,242	0.03%
52	Albania	1,241	0.03%
53	Somalia	996	0.02%
54	Turkmenistan	996	0.02%
55	Guinea-Bissau	967	0.02%
56	Djibouti	909	0.02%
57	Guyana	562	0.01%
	Net Shortfall	*	*
	<b>Sub-Total</b>	<b>4,711,421</b>	<b>100.00%</b>
	Uncommitted	*	*
	<b>Grand Total</b>	<b>4,711,421</b>	<b>100.00%</b>

NOTE : Total may not add up due to rounding.





# ANNEXES 6A-9B

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# ANNEX 6A

## SECTORAL DISTRIBUTION OF ISDB-OCR NET APPROVALS BY COUNTRY (2020G)<sup>1</sup>

(US\$ million)

Country	Agriculture	Education	Energy	Health	Industry & Mining	Information & Communications	Transportation	Water, Sanitation & Urban Services	Others <sup>2</sup>	Total
Afghanistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Albania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Algeria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bahrain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bangladesh	0.0	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0.0	20.0
Benin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brunei	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	0.0	0.0	0.0	18.2	0.0	0.0	0.0	0.0	0.0	18.2
Cameroon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chad	0.0	0.0	0.0	0.0	0.0	0.0	148.3	0.0	0.0	148.3
Comoros	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Côte d'Ivoire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Djibouti	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Egypt	0.0	0.0	220.0	0.0	0.0	0.0	0.0	0.0	0.0	220.0
Gabon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gambia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Guinea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Guinea-Bissau	0.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0	0.0	12.0
Guyana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	0.0	261.7	0.0	0.0	0.0	0.0	0.0	261.7
Iran	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iraq	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jordan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	10.0
Kazakhstan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kuwait	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kyrgyz Republic	0.0	0.0	0.0	0.0	0.0	0.0	20.0	0.0	0.0	20.0
Lebanon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malaysia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maldives	0.0	0.0	0.0	20.0	0.0	0.0	0.6	0.0	0.0	20.6
Mali	0.0	0.0	0.0	19.5	0.0	0.0	0.0	0.0	0.0	19.5
Mauritania	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0
Morocco	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mozambique	0.0	0.0	0.0	28.0	0.0	0.0	0.0	0.0	0.0	28.0
Niger	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nigeria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oman	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Palestine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Qatar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Saudi Arabia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Senegal	0.0	0.0	0.0	0.0	0.0	0.0	17.8	0.0	1.6	19.5
Sierra Leone	0.0	0.0	0.0	10.0	0.0	0.0	10.0	40.0	0.0	60.0
Somalia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sudan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Suriname	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Syria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tajikistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Togo	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tunisia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Turkey	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.7	100.7
Turkmenistan	0.0	0.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0	60.0
U.A.E.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uganda	0.0	35.0	0.0	0.0	0.0	0.0	210.0	0.0	0.0	245.0
Uzbekistan	200.0	0.0	0.0	80.0	0.0	0.0	0.0	0.0	0.0	280.0
Yemen	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>ISDB-57</b>	<b>212.0</b>	<b>35.0</b>	<b>280.0</b>	<b>469.3</b>	<b>0.0</b>	<b>0.0</b>	<b>406.7</b>	<b>40.0</b>	<b>112.4</b>	<b>1,555.5</b>

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2020 (16 JUMADA-I 1442H).

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

SOURCE: Economic Research & Statistics

# ANNEX 6B

## SECTORAL DISTRIBUTION OF ISDB-OCR NET APPROVALS BY COUNTRY (1395H-2020G)<sup>1</sup>

(US\$ million)



Country	Agriculture	Education	Energy	Health	Industry & Mining	Information & Communications	Transportation	Water, Sanitation & Urban Services	Others <sup>2</sup>	Total
Afghanistan	10.0	0.0	16.5	0.0	0.0	0.0	114.2	0.0	0.0	140.7
Albania	37.9	0.0	0.0	17.3	0.0	0.0	476.1	26.9	22.1	580.3
Algeria	50.5	0.0	146.5	0.0	71.1	0.0	31.4	112.9	5.4	417.7
Azerbaijan	112.7	0.0	497.0	19.3	0.0	0.0	45.5	264.9	10.8	950.2
Bahrain	0.0	0.0	535.5	0.0	24.7	0.0	144.7	460.7	97.8	1,263.3
Bangladesh	152.9	91.9	827.2	166.3	152.5	104.0	107.9	124.4	5.2	1,732.2
Benin	48.3	65.3	153.4	101.9	0.0	26.5	306.8	22.1	5.0	729.1
Brunei	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.2	6.2
Burkina Faso	247.4	67.9	147.4	44.1	27.7	0.0	391.3	67.6	1.7	995.1
Cameroon	300.1	46.1	52.2	112.0	0.0	0.0	480.6	54.4	7.5	1,052.9
Chad	122.6	51.4	47.9	23.9	3.8	0.0	528.6	50.8	6.4	835.4
Comoros	1.0	0.0	0.0	0.0	1.8	0.0	7.6	0.0	0.0	10.4
Côte d'Ivoire	90.7	253.3	0.0	46.2	0.0	0.0	544.5	465.7	0.0	1,400.4
Djibouti	7.3	17.1	19.3	105.1	0.0	55.3	69.9	0.0	0.7	274.7
Egypt	48.8	25.0	1,832.0	53.8	87.0	0.0	25.6	50.7	79.5	2,202.3
Gabon	0.0	18.2	0.0	4.5	0.0	60.0	342.4	57.8	0.0	483.0
Gambia	67.1	27.5	58.6	11.5	28.0	27.3	55.4	9.9	1.9	287.3
Guinea	138.1	40.1	210.5	97.9	8.4	0.0	300.8	92.9	8.7	897.4
Guinea-Bissau	0.3	0.0	0.0	12.0	0.4	0.0	1.5	0.0	0.0	14.2
Guyana	0.0	0.0	34.6	0.0	0.0	0.0	0.0	0.0	0.0	34.6
Indonesia	919.3	1,039.2	374.6	404.8	40.7	11.3	447.1	100.0	204.4	3,541.3
Iran	558.0	54.9	604.1	166.7	319.4	0.0	74.3	1,227.2	10.0	3,014.5
Iraq	0.0	0.0	0.0	20.5	5.5	0.0	0.0	0.0	0.0	26.0
Jordan	5.4	66.2	258.7	195.1	182.5	23.8	164.0	7.8	20.5	923.9
Kazakhstan	143.0	0.0	0.0	11.5	0.0	9.0	315.6	9.5	140.0	628.5
Kuwait	0.0	0.0	4.2	0.0	0.0	0.0	0.0	0.0	54.3	58.5
Kyrgyz Republic	36.3	0.0	95.2	4.9	8.0	0.0	131.5	15.0	0.0	290.8
Lebanon	0.0	241.5	30.0	168.3	0.0	12.5	269.1	579.3	0.0	1,300.6
Libya	22.3	0.0	101.9	0.0	112.5	22.0	58.3	0.0	0.0	317.0
Malaysia	6.2	196.9	0.0	79.5	2.0	0.0	175.4	0.0	45.0	505.0
Maldives	0.0	0.0	0.0	39.2	0.0	0.0	65.6	17.1	13.7	135.4
Mali	295.9	17.4	323.0	32.9	38.7	0.0	193.5	114.3	0.0	1,015.8
Mauritania	119.3	45.6	202.5	21.9	99.2	0.0	165.5	134.3	3.8	792.0
Morocco	235.1	5.1	1,011.2	111.3	31.9	16.0	825.4	430.0	6.2	2,672.2
Mozambique	37.6	25.6	309.2	39.4	0.0	0.0	30.7	0.0	0.0	442.4
Niger	131.2	76.3	146.9	47.6	7.8	8.0	147.3	19.4	6.3	590.9
Nigeria	98.2	96.3	1.1	162.6	0.0	50.0	80.0	146.0	7.8	642.0
Oman	357.8	134.0	252.8	10.5	142.4	0.0	546.9	590.1	0.0	2,034.7
Pakistan	32.0	88.5	1,115.6	385.0	177.3	0.0	482.5	4.9	100.7	2,386.7
Palestine	0.0	29.5	11.4	31.8	1.2	0.0	5.0	0.0	0.5	79.4
Qatar	0.0	0.0	0.0	49.1	29.3	0.0	0.0	225.0	0.0	303.4
Saudi Arabia	0.0	0.0	233.5	6.0	770.0	0.0	100.0	42.5	156.8	1,308.8
Senegal	324.5	66.2	381.8	67.4	21.0	0.0	900.4	515.4	24.7	2,301.4
Sierra Leone	95.9	11.2	10.4	40.5	9.1	24.5	29.6	54.1	0.0	275.4
Somalia	0.0	2.0	0.5	0.0	0.0	0.0	7.5	3.0	5.2	18.2
Sudan	383.8	67.0	152.0	57.2	82.7	0.0	60.1	103.2	41.6	947.5
Suriname	0.0	41.1	41.3	43.5	0.0	0.0	26.0	0.0	0.0	151.9
Syria	26.7	0.0	280.7	25.0	15.0	0.0	0.0	52.2	9.1	408.8
Tajikistan	50.5	62.0	122.5	33.0	0.0	0.0	91.1	11.3	1.0	371.2
Togo	19.4	42.5	26.0	17.0	0.0	0.0	135.4	43.9	0.0	284.3
Tunisia	183.3	84.9	1,251.6	63.7	176.2	0.0	9.0	226.5	27.9	2,023.1
Turkey	17.5	219.8	751.0	498.5	152.1	0.0	1,178.7	67.0	952.7	3,837.3
Turkmenistan	0.0	5.3	410.0	25.6	0.0	288.1	414.2	0.0	0.0	1,143.1
U.A.E.	0.0	0.0	110.0	53.2	105.2	0.9	60.0	0.0	9.9	339.1
Uganda	116.1	80.7	235.1	28.1	6.6	0.0	448.0	5.6	12.1	932.3
Uzbekistan	645.6	77.0	203.1	399.6	20.0	0.0	348.0	92.9	45.0	1,831.2
Yemen	105.2	56.4	53.2	10.2	0.7	0.0	46.7	29.9	18.5	320.7
<b>ISDB-57</b>	<b>6,402.0</b>	<b>3,636.8</b>	<b>13,683.1</b>	<b>4,166.7</b>	<b>2,962.4</b>	<b>739.4</b>	<b>12,007.0</b>	<b>6,728.9</b>	<b>2,176.5</b>	<b>52,502.6</b>

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2020 (16 JUMADA-I 1442H).

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

SOURCE: Economic Research & Statistics

# ANNEX 7A

## ISDB GROUP NET APPROVALS BY COUNTRY AND ENTITY<sup>1</sup>

(ID Million)

Country	2020 Approvals by Entity					Share in Net Approvals since Inception (%)
	IsDB-OCR	ICD	ITFC	Others <sup>2</sup>	Total	
Afghanistan	0.0	0.0	0.0	0.2	0.2	0.1
Albania	0.0	0.0	0.0	0.0	0.0	0.4
Algeria	0.0	0.0	0.0	0.2	0.2	2.1
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.7
Bahrain	0.0	0.0	0.0	0.2	0.2	1.1
Bangladesh	14.4	6.9	592.3	11.9	625.5	14.4
Benin	0.0	0.0	36.0	0.0	36.0	0.6
Brunei	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	12.6	0.0	68.6	10.3	91.6	2.0
Cameroon	0.0	0.0	161.7	0.0	161.7	1.4
Chad	107.5	0.0	0.0	0.1	107.7	0.6
Comoros	0.0	0.0	72.3	0.5	72.8	0.3
Côte d'Ivoire	0.0	0.0	6.2	0.0	6.2	1.2
Djibouti	0.0	0.0	97.2	2.5	99.7	0.9
Egypt	155.9	0.0	574.5	0.1	730.5	8.7
Gabon	0.0	0.0	0.0	0.0	0.0	0.3
Gambia	0.0	0.0	31.2	0.2	31.4	0.6
Guinea	0.0	0.0	0.0	11.4	11.4	0.7
Guinea-Bissau	8.6	0.0	0.0	2.1	10.7	0.0
Guyana	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	184.7	13.9	55.5	0.5	254.7	3.8
Iran	0.0	0.0	0.0	0.0	0.0	4.0
Iraq	0.0	0.0	0.0	0.0	0.0	0.3
Jordan	7.1	0.0	0.0	0.4	7.5	1.9
Kazakhstan	0.0	0.0	0.0	0.0	0.0	1.1
Kuwait	0.0	0.0	0.0	0.0	0.0	0.6
Kyrgyz Republic	14.6	0.0	0.0	0.0	14.6	0.3
Lebanon	0.0	0.0	0.0	0.0	0.0	1.0
Libya	0.0	0.0	0.0	0.0	0.0	0.6
Malaysia	0.0	0.0	0.0	0.2	0.2	0.6
Maldives	28.0	6.9	90.3	0.0	125.2	0.9
Mali	14.2	0.0	57.9	2.4	74.4	1.2
Mauritania	8.4	0.0	55.5	0.0	64.0	1.1
Morocco	0.0	0.0	0.0	0.3	0.3	4.5
Mozambique	20.3	0.0	0.0	0.0	20.3	0.4
Niger	0.0	0.0	0.0	0.2	0.2	0.6
Nigeria	0.0	0.0	0.0	0.3	0.3	1.0
Oman	0.0	0.0	0.0	0.2	0.2	1.4
Pakistan	0.0	5.6	506.8	0.0	512.4	9.0
Palestine	0.0	0.0	0.0	53.0	53.0	0.3
Qatar	0.0	0.0	0.0	0.0	0.0	0.2
Saudi Arabia	0.0	0.0	0.0	0.2	0.2	3.5
Senegal	14.2	9.4	151.4	12.1	187.1	2.5
Sierra Leone	43.6	0.0	0.0	0.0	43.6	0.2
Somalia	0.0	0.0	0.0	0.5	0.5	0.1
Sudan	0.0	0.0	0.0	0.3	0.3	1.1
Suriname	0.0	0.0	0.0	0.0	0.0	0.2
Syria	0.0	0.0	0.0	0.6	0.6	0.4
Tajikistan	0.0	0.0	8.3	0.0	8.3	0.4
Togo	0.0	0.0	32.9	0.0	32.9	0.4
Tunisia	0.0	0.0	393.5	0.4	393.9	3.4
Turkey	74.1	13.9	159.7	0.1	247.8	8.3
Turkmenistan	43.1	0.0	0.0	0.0	43.1	0.8
U.A.E.	0.0	0.0	0.0	1.9	1.9	0.8
Uganda	179.0	0.0	0.0	7.7	186.7	0.7
Uzbekistan	194.4	17.4	54.2	0.5	266.4	1.5
Yemen	0.0	0.0	0.0	0.4	0.4	0.7
Non-Member Countries	0.0	0.0	3.5	6.2	9.6	0.6
Regional Projects	17.4	138.9	69.4	8.6	234.2	3.3
<b>Net Approvals</b>	<b>1,142.0</b>	<b>212.9</b>	<b>3,279.0</b>	<b>136.7</b>	<b>4,770.5</b>	<b>100</b>

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2020 (16 JUMADA-I 1442H).

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

SOURCE: Source: Economic Research & Statistics



# ANNEX 7B

## ISDB GROUP NET APPROVALS BY COUNTRY AND ENTITY<sup>1</sup>

(US\$ million)



Country	2020 Approvals by Entity					Share in Net Approvals since Inception (%)
	IsDB-OCR	ICD	ITFC	Others <sup>2</sup>	Total	
Afghanistan	0.0	0.0	0.0	0.3	0.3	0.1
Albania	0.0	0.0	0.0	0.0	0.0	0.4
Algeria	0.0	0.0	0.0	0.3	0.3	1.9
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.8
Bahrain	0.0	0.0	0.0	0.3	0.3	1.1
Bangladesh	20.0	10.0	853.0	16.3	899.3	14.7
Benin	0.0	0.0	51.8	0.0	51.8	0.6
Brunei	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	18.2	0.0	98.9	14.5	131.5	2.0
Cameroon	0.0	0.0	232.8	0.0	232.8	1.4
Chad	148.3	0.0	0.0	0.2	148.5	0.6
Comoros	0.0	0.0	104.1	0.7	104.9	0.3
Côte d'Ivoire	0.0	0.0	8.9	0.0	8.9	1.2
Djibouti	0.0	0.0	140.0	3.5	143.5	0.9
Egypt	220.0	0.0	827.5	0.1	1,047.6	8.7
Gabon	0.0	0.0	0.0	0.0	0.0	0.3
Gambia	0.0	0.0	45.0	0.3	45.3	0.6
Guinea	0.0	0.0	0.0	16.3	16.3	0.7
Guinea-Bissau	12.0	0.0	0.0	3.0	15.0	0.0
Guyana	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	261.7	20.0	80.0	0.7	362.4	3.8
Iran	0.0	0.0	0.0	0.0	0.0	4.1
Iraq	0.0	0.0	0.0	0.0	0.0	0.3
Jordan	10.0	0.0	0.0	0.6	10.6	1.8
Kazakhstan	0.0	0.0	0.0	0.0	0.0	1.1
Kuwait	0.0	0.0	0.0	0.0	0.0	0.6
Kyrgyz Republic	20.0	0.0	0.0	0.0	20.0	0.3
Lebanon	0.0	0.0	0.0	0.0	0.0	1.0
Libya	0.0	0.0	0.0	0.0	0.0	0.5
Malaysia	0.0	0.0	0.0	0.3	0.3	0.6
Maldives	20.6	10.0	130.0	0.0	160.6	0.9
Mali	19.5	0.0	83.3	3.3	106.1	1.2
Mauritania	12.0	0.0	80.0	0.0	92.0	1.2
Morocco	0.0	0.0	0.0	0.5	0.5	4.6
Mozambique	28.0	0.0	0.0	0.0	28.0	0.4
Niger	0.0	0.0	0.0	0.3	0.3	0.6
Nigeria	0.0	0.0	0.0	0.5	0.5	1.0
Oman	0.0	0.0	0.0	0.3	0.3	1.3
Pakistan	0.0	8.0	730.0	0.0	738.0	8.8
Palestine	0.0	0.0	0.0	73.9	73.9	0.3
Qatar	0.0	0.0	0.0	0.0	0.0	0.2
Saudi Arabia	0.0	0.0	0.0	0.3	0.3	3.6
Senegal	19.5	13.6	218.0	16.7	267.8	2.5
Sierra Leone	60.0	0.0	0.0	0.0	60.0	0.3
Somalia	0.0	0.0	0.0	0.7	0.7	0.1
Sudan	0.0	0.0	0.0	0.4	0.4	1.1
Suriname	0.0	0.0	0.0	0.0	0.0	0.2
Syria	0.0	0.0	0.0	0.9	0.9	0.4
Tajikistan	0.0	0.0	12.0	0.0	12.0	0.4
Togo	0.0	0.0	47.4	0.0	47.4	0.4
Tunisia	0.0	0.0	566.8	0.5	567.3	3.3
Turkey	100.7	20.0	230.0	0.1	350.8	8.1
Turkmenistan	60.0	0.0	0.0	0.0	60.0	0.8
U.A.E.	0.0	0.0	0.0	2.6	2.6	0.8
Uganda	245.0	0.0	0.0	10.6	255.6	0.7
Uzbekistan	280.0	25.0	78.0	0.7	383.7	1.6
Yemen	0.0	0.0	0.0	0.6	0.6	0.7
Non-Member Countries	0.0	0.0	5.0	8.4	13.4	0.6
Regional Projects	25.0	200.0	100.0	11.7	336.7	3.3
<b>Net Approvals</b>	<b>1,580.5</b>	<b>306.6</b>	<b>4,722.6</b>	<b>190.1</b>	<b>6,799.8</b>	<b>100</b>

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2020 (16 JUMADA-I 1442H).

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

SOURCE: Economic Research & Statistics

# ANNEX 8

## CUMULATIVE IsDB GROUP OPERATIONS BY MAJOR MODE OF FINANCING (1395H-2020G)<sup>1</sup>

Country	Project Financing			Technical Assistance Operations			Trade Financing			Special Assistance Operations			Grand Total <sup>2</sup>		
	No.	ID m.	\$ m.	No.	ID m.	\$ m.	No.	ID m.	\$ m.	No.	ID m.	\$ m.	No.	ID m.	\$ m.
Afghanistan	9	97.1	140.7	12	1.7	2.6	0	0.0	0.0	17	9.1	12.5	38	107.9	155.8
Albania	28	382.8	587.9	6	1.4	2.0	2	4.8	7.2	3	0.4	0.5	39	389.4	597.6
Algeria	28	331.3	444.7	12	1.7	2.3	347	1,932.5	2,493.0	7	4.4	5.6	394	2,270.0	2,945.7
Azerbaijan	34	664.7	1,012.4	18	2.7	3.9	18	107.2	160.8	3	1.4	2.0	73	776.1	1,179.1
Bahrain	45	888.2	1,311.1	22	2.4	3.5	25	255.9	375.4	0	0.0	0.0	92	1,146.6	1,690.0
Bangladesh	103	1,377.1	2,017.8	39	68.4	95.1	300	13,735.6	20,129.8	15	47.1	61.4	457	15,228.2	22,304.1
Benin	54	547.5	783.6	21	3.5	4.9	10	113.1	159.9	1	1.3	1.4	86	665.3	949.9
Brunei	2	7.2	9.9	1	0.0	0.0	0	0.0	0.0	0	0.0	0.0	3	7.2	9.9
Burkina Faso	101	726.6	1,047.0	36	10.9	15.3	33	1,390.1	1,960.4	7	7.9	8.6	177	2,135.6	3,031.3
Cameroon	67	753.7	1,081.4	15	1.5	2.2	17	723.0	1,011.1	3	1.3	1.7	102	1,479.6	2,096.4
Chad	63	611.8	899.3	36	4.5	6.3	4	30.2	42.3	11	10.0	11.2	114	656.5	959.0
Comoros	6	11.2	13.9	24	9.8	14.1	30	281.1	393.5	3	1.0	1.1	63	303.1	422.6
Côte d'Ivoire	46	983.7	1,422.4	9	0.8	1.1	11	292.9	415.7	5	0.9	1.2	71	1,278.3	1,840.6
Djibouti	43	233.9	337.8	24	3.0	4.3	28	730.1	1,023.0	11	1.7	2.4	106	968.8	1,367.5
Egypt	79	1,597.0	2,381.5	27	4.0	5.7	228	7,590.5	10,844.1	8	1.7	2.4	342	9,193.1	13,233.7
Gabon	18	325.5	483.0	3	0.2	0.3	1	18.8	25.2	0	0.0	0.0	22	344.5	508.5
Gambia	53	223.1	329.8	31	3.5	4.9	54	444.7	641.6	3	1.5	1.6	141	672.7	978.0
Guinea	99	724.8	1,010.5	40	13.8	19.8	6	38.4	48.8	8	6.5	8.6	153	783.6	1,087.7
Guinea-Bissau	6	14.7	20.2	12	2.0	2.7	3	13.1	17.0	3	1.1	1.3	24	30.9	41.2
Guyana	2	24.8	34.6	7	0.3	0.4	0	0.0	0.0	3	0.4	0.5	12	25.5	35.6
Indonesia	118	2,507.6	3,633.8	32	4.2	6.2	168	1,516.4	2,173.9	5	3.6	5.4	323	4,031.8	5,819.4
Iran	64	2,135.7	3,187.6	21	1.9	2.7	327	2,136.8	3,057.7	10	10.9	15.1	422	4,285.2	6,263.1
Iraq	3	23.5	26.0	9	0.6	0.9	59	319.3	369.1	14	4.6	6.4	85	348.1	402.5
Jordan	60	694.6	973.7	31	3.7	5.3	339	1,316.0	1,780.8	1	0.2	0.3	431	2,014.5	2,760.0
Kazakhstan	20	462.7	672.5	19	2.1	3.0	24	655.5	979.0	5	1.3	1.9	68	1,121.7	1,656.4
Kuwait	11	72.2	106.8	25	1.9	2.8	23	555.4	814.0	3	5.5	7.3	62	635.0	930.9
Kyrgyz Republic	37	256.6	372.3	20	4.0	5.9	6	25.1	36.0	7	1.7	2.4	70	287.4	416.6
Lebanon	60	950.6	1,362.9	10	0.8	1.2	9	152.1	212.1	19	7.4	10.6	98	1,111.0	1,586.9
Libya	17	265.6	366.0	8	2.5	3.6	15	320.1	419.9	6	3.4	4.9	46	591.7	794.3
Malaysia	31	394.4	563.6	25	1.9	2.7	85	261.6	361.4	5	8.5	11.4	146	666.4	939.2
Maldives	30	141.9	184.7	9	1.1	1.6	24	785.3	1,116.0	3	0.6	0.8	66	928.9	1,303.1
Mali	99	801.1	1,141.5	29	5.9	8.4	23	474.3	674.6	11	14.7	16.5	162	1,296.1	1,841.0
Mauritania	88	606.3	896.2	44	6.6	9.2	29	578.6	835.2	7	9.5	11.1	168	1,201.0	1,751.7
Morocco	65	1,853.0	2,724.3	50	7.2	10.2	127	2,934.0	4,173.4	4	1.1	1.5	246	4,795.4	6,909.4
Mozambique	24	325.2	461.1	14	2.1	3.3	5	48.3	70.0	6	2.4	2.5	49	378.0	536.9
Niger	75	468.5	669.7	49	55.2	80.6	24	144.2	189.8	18	10.3	12.5	166	678.1	952.6
Nigeria	26	478.0	706.0	20	12.2	17.0	32	522.5	768.7	28	5.5	7.5	106	1,018.1	1,499.1
Oman	39	1,468.3	2,034.7	8	1.3	1.9	2	3.7	5.0	2	0.4	0.5	51	1,473.7	2,042.0
Pakistan	84	1,756.9	2,601.7	29	21.9	30.5	288	7,725.7	10,642.1	11	9.7	13.2	412	9,514.2	13,287.5
Palestine	23	66.9	95.8	92	177.5	249.1	3	4.0	6.0	44	42.8	55.6	162	291.2	406.5
Qatar	10	210.4	324.3	1	0.1	0.1	6	33.8	54.1	0	0.0	0.0	17	244.3	378.5
Saudi Arabia	84	1,241.9	1,844.7	44	4.1	5.9	306	2,443.5	3,629.7	3	0.2	0.3	437	3,689.8	5,480.6
Senegal	122	1,700.6	2,452.9	39	6.0	8.6	60	932.2	1,303.2	7	13.3	14.5	228	2,652.1	3,779.3
Sierra Leone	46	235.4	342.5	24	8.6	12.2	4	18.1	26.0	4	2.6	3.5	78	264.8	384.2
Somalia	5	14.7	18.2	16	8.3	12.4	4	35.9	46.2	56	32.7	48.0	81	91.6	124.8
Sudan	96	796.8	1,176.4	39	27.4	38.7	38	328.1	462.6	21	21.2	25.5	194	1,173.5	1,703.2
Suriname	16	121.3	171.3	13	0.9	1.3	4	47.6	67.0	3	0.1	0.2	36	169.9	239.8
Syria	30	328.2	453.2	10	3.2	4.9	27	135.1	169.3	19	6.2	8.8	86	472.7	636.1
Tajikistan	38	290.0	415.3	24	4.1	5.9	17	137.4	199.0	6	0.8	1.1	85	432.3	621.3
Togo	27	214.5	304.3	6	1.4	2.0	14	250.5	355.9	2	1.3	1.5	49	467.7	663.7
Tunisia	71	1,434.1	2,082.8	25	4.9	7.2	174	2,132.8	2,954.3	4	3.2	4.2	274	3,575.0	5,048.6
Turkey	99	2,723.9	3,887.6	36	1.6	2.3	401	6,022.4	8,355.6	8	16.6	21.3	544	8,764.4	12,266.7
Turkmenistan	13	790.5	1,143.1	4	0.8	1.1	1	6.4	10.0	1	0.2	0.3	19	797.8	1,154.6
U.A.E.	23	319.2	451.1	21	6.6	9.8	35	494.0	706.9	0	0.0	0.0	79	819.9	1,167.9
Uganda	41	699.1	1,007.4	31	4.0	5.8	8	49.3	66.2	8	2.7	3.6	88	755.1	1,082.9
Uzbekistan	38	1,253.1	1,854.4	16	1.9	2.7	36	374.6	539.1	6	1.0	1.3	96	1,630.6	2,397.5
Yemen	58	346.9	509.1	25	16.6	23.5	44	379.0	451.2	11	21.8	29.7	138	764.3	1,013.5
Non-Member Countries	31	195.9	277.9	17	4.7	7.2	26	235.0	362.8	1,009	216.3	299.4	1,083	652.0	947.3
Regional Projects	52	1,355.3	1,924.9	788	922.3	1,360.2	11	601.3	852.0	325	581.8	879.8	1,176	3,460.7	5,016.9
Net Approvals	2,760	40,528.3	58,791.8	2,118	1,478.2	2,149.6	3,945	62,838.3	89,044.8	1,813	1,163.7	1,654.5	10,636	106,008.6	151,640.7
Gross Approvals	3,367	49,661.1	71,899.9	2,320	1,734.4	2,526.3	4,158	64,524.8	91,368.9	2,030	1,268.4	1,802.0	11,875	117,188.6	167,597.2

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2020 (16 JUMADA-I 1442H).

<sup>2</sup> Figures are net of cancellation (unless otherwise specified) and include APIF, Economic Empowerment, EFS, IBP, ICD Funds, ISFD, ITFO, SAO, STI, Trust Funds and WAQF.

SOURCE: Economic Research & Statistics

# ANNEX 9A

## APPROVALS BY ENTITIES AND MODES OF FINANCING (1395H-2020G)<sup>1</sup>

(ID million)



	2017	2018	2019	2020	Grand Total <sup>1</sup>
<b>A. IsDB OCR</b>					
Loan	144.2	52.9	76.4	102.1	5,080.1
Equity	103.3	29.5	12.3	18.5	1,314.9
Leasing	533.4	9.1	141.1	155.9	7,523.2
Instalment Sale	846.8	713.7	825.7	814.4	7,460.4
Combined Lines of Financing	0.0	0.0	0.0	0.0	238.6
Profit Sharing (Musharaka)	0.0	0.0	0.0	0.0	112.2
Istisna'a	343.6	68.2	165.6	51.1	14,414.7
Mudaraba	0.0	0.0	0.0	0.0	730.4
Technical Assistance	0.0	0.0	0.0	0.0	0.0
<b>Sub-Total</b>	<b>1,971.2</b>	<b>873.4</b>	<b>1,221.0</b>	<b>1,142.0</b>	<b>36,874.5</b>
<b>B. ICD</b>					
Equity	8.5	6.6	13.8	9.4	967.5
Leasing	76.2	32.4	0.0	6.9	487.3
Instalment Sale	0.0	0.0	0.0	0.0	84.2
Istisna'a	0.0	0.0	47.0	5.6	76.1
Mudaraba	0.0	0.0	10.8	0.0	10.8
Trade (Murabaha)	506.2	301.3	35.0	190.9	2,267.3
<b>Sub-Total</b>	<b>590.9</b>	<b>340.2</b>	<b>106.7</b>	<b>212.9</b>	<b>3,893.2</b>
<b>C. ITFC</b>					
<b>Murabaha</b>	<b>2,818.7</b>	<b>3,632.0</b>	<b>4,204.0</b>	<b>3,279.0</b>	<b>37,210.9</b>
<b>D. Others</b>					
ICD Funds	34.6	29.0	0.0	0.0	674.5
APIF	41.1	7.5	56.0	16.7	316.2
Economic Empowerment	0.0	0.0	0.0	0.7	0.7
STI	0.0	0.0	4.7	0.1	4.8
Special Assistance Operations	5.0	4.5	3.2	2.0	617.8
ISFD	31.9	73.2	34.5	31.0	589.3
Trust Funds	79.9	69.0	95.9	76.5	2,155.8
WAQF	6.1	14.5	8.9	9.6	528.5
Pre-ITFC trade (EFS, IBP, ITFO)	0.0	0.0	0.0	0.0	23,142.4
<b>Sub-Total</b>	<b>198.6</b>	<b>197.8</b>	<b>203.2</b>	<b>136.7</b>	<b>28,030.0</b>
<b>Grand Total</b>	<b>5,579.4</b>	<b>5,043.4</b>	<b>5,734.9</b>	<b>4,770.5</b>	<b>106,008.6</b>

### Memo:

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

	2017	2018	2019	2020	Grand Total <sup>2</sup>
New Commitments	2,509.8	3,477.7	3,449.1	2,728.5	34,610.7
Business Insured	5,285.5	6,492.9	7,856.6	6,846.2	51,387.0

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

	2017	2018	2019	2020
Total Assets	19,676.0	22,047.4	23,573.9	24,424.0
Gross Income (net of Ijarah depreciation) <sup>3</sup>	575.5	537.7	621.8	592.2
Net Income	197.0	83.9	140.4	115.6
General Reserves	2,700.2	2,878.3	2,949.7	2,997.1
Fair Value Reserves	334.7	255.3	325.7	279.0
Subscribed Capital	50,187.9	50,225.3	50,225.3	50,260.5
Approved Administrative budget*	138.8	163.8	159.3	154.4
Actual Administrative budget*	133.6	145.3	139.3	141.9

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

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2020 (16 JUMADA-I 1442H).

<sup>2</sup> Cumulative approvals since inception in 1395H.

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

The conversion rates for the various years are as follows:

2017G 1ID = US\$1.42413 2018G 1ID = US\$1.39079

2019G 1ID = US\$1.38283 2020G 1ID = US\$1.44027

1395H-2020G 1ID = \$1.43046 (approximation only)

SOURCE: Economic Research & Statistics

# ANNEX 9B

## APPROVALS BY ENTITIES AND MODES OF FINANCING (1395H-2020G)<sup>1</sup>

(US\$ million)

	2017	2018	2019	2020	Grand Total <sup>2</sup>
<b>A. IsDB OCR</b>					
Loan	200.7	74.0	105.4	134.4	7,147.2
Equity	147.1	41.0	17.0	26.6	1,919.1
Leasing	742.2	12.6	195.7	220.0	10,960.6
Instalment Sale	1,184.5	1,001.4	1,140.0	1,139.2	10,598.5
Combined Lines of Financing	0.0	0.0	0.0	0.0	344.3
Profit Sharing (Musharaka)	0.0	0.0	0.0	0.0	168.3
Istisna'a	467.6	93.0	235.9	60.2	21,342.4
Mudaraba	0.0	0.0	0.0	0.0	1,060.0
Technical Assistance	0.0	0.0	0.0	0.0	0.1
<b>Sub-Total</b>	<b>2,742.1</b>	<b>1,222.0</b>	<b>1,694.0</b>	<b>1,580.5</b>	<b>53,540.6</b>
<b>B. ICD</b>					
Equity	12.1	9.2	19.1	13.6	1,433.1
Leasing	108.5	45.0	0.0	10.0	710.8
Instalment Sale	0.0	0.0	0.0	0.0	125.2
Istisna'a	0.0	0.0	65.0	8.0	105.4
Mudaraba	0.0	0.0	15.0	0.0	15.0
Trade (Murabaha)	720.9	419.0	48.4	275.0	3,229.6
<b>Sub-Total</b>	<b>841.5</b>	<b>473.2</b>	<b>147.5</b>	<b>306.6</b>	<b>5,619.1</b>
<b>C. ITFC</b>					
<b>Murabaha</b>	<b>4,014.2</b>	<b>5,051.4</b>	<b>5,813.4</b>	<b>4,722.6</b>	<b>54,064.7</b>
<b>D. Others</b>					
ICD Funds	49.2	40.3	0.0	0.0	992.2
APIF	56.4	10.7	77.8	23.1	458.0
Economic Empowerment	0.0	0.0	0.0	1.0	1.0
STI	0.0	0.0	6.4	0.1	6.6
Special Assistance Operations	7.0	6.3	4.5	2.8	828.7
ISFD	45.1	101.7	47.8	43.7	858.4
Trust Funds	110.0	96.9	132.8	106.0	3,092.3
WAQF	8.6	20.3	12.6	13.5	765.7
Pre-ITFC trade (EFS, IBP, ITFO)	0.0	0.0	0.0	0.0	31,413.4
<b>Sub-Total</b>	<b>276.2</b>	<b>276.2</b>	<b>282.0</b>	<b>190.1</b>	<b>38,416.3</b>
<b>Grand Total</b>	<b>7,874.0</b>	<b>7,022.8</b>	<b>7,936.9</b>	<b>6,799.8</b>	<b>151,640.7</b>
<b>Memo:</b>					
<b>E. ICIEC Operation for the last five years and total since inception (US\$ million)</b>					
	2017	2018	2019	2020	Grand Total <sup>2</sup>
New Commitments	3,574.3	4,836.7	4,769.5	3,929.8	50,229.8
Business Insured	7,527.2	9,030.3	10,864.3	9,860.4	73,512.0

<sup>1</sup> Cut-off date for data reported in this table was 31 December 2020 (16 JUMADA-I 1442H).

<sup>2</sup> Cumulative approvals since inception in 1395H.

SOURCE: Economic Research & Statistics











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