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Al Manar

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50
Cherishing our Past
Charting our Future

COP28UAE
UNITE. ACT. DELIVER.

IsDB Group's Historic Commitments on Climate Action at COP28

Develop Green, Include All

IsDB

البنك الإسلامي للتنمية

Islamic Development Bank

IsDB Group Purposeful Contribution to COP28

Welcome to this special edition of Al Manar Magazine, where we highlight the Islamic Development Bank (IsDB) Group's influential role at the 28th UN Climate Change Conference (COP28) in Dubai. As an AAA-rated institution representing the Global South, the IsDB Group led critical climate discussions and significantly contributed to shaping the global climate action narrative.

At the forefront of our coverage is the IsDB Group's transformative commitment at COP28: a pledge of $1 billion to climate finance over the next three years. This strategic investment, focusing on member countries facing fragility and conflict, is an integral part of our broader development goals. It reflects our deep understanding of the complex relationship between climate change and societal challenges, and underscores the urgency for impactful, transformative actions.

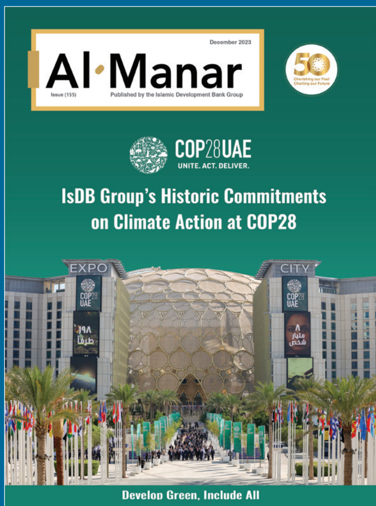
As Chair of the Heads of Multilateral Development Banks on Climate, the IsDB Group played a pivotal role in driving collective action and fostering collaboration among global financial entities. This leadership position highlighted our influential role in steering discussions on climate finance mechanisms and aligning global efforts towards sustainable climate solutions.

A highlight of our participation was the unveiling of our "Fair, Inclusive, and Just Transition" Conceptual Framework and Action Plan. Aligned with the Paris Agreement, this initiative demonstrates our commitment to an equitable and inclusive transition, ensuring all member countries are integral to global climate initiatives while adhering to international climate commitments.

In this issue, we focus on the IsDB Group's strategic engagement in the climate conference and our endeavors in environmental initiatives.

Join us in exploring the IsDB Group's preeminent role in the global climate dialogue, as we celebrate our innovative strategies and commitment to a sustainable future for all.

Editorial Board



CONTENTS

Issue 155

IsDB | Al·Manar

06 | PRESIDENT PERSPECTIVE

Welcoming remarks by the IsDB President HE Dr. Mohammed Al-Jasser at the opening ceremony of COP 28

07 | NEWS

IsDB Injects US$ 2.12 Billion to Finance Projects in Education, Health, Energy, Transport, and Youth Development Across Member Countries

12
COVER STORY

Actively Participated in COP28:
IsDB Group Steps Up Its Climate Efforts and Action

20
FEATURE STORY

Mobilizing Islamic Banking for Climate Action

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24 | **FEATURE STORY**

IsDB Group Steps Up Its Climate Efforts and Action

34 | **REPORT**

Global Refugees Forum 2023: Joint Commitments by the MDBs Coordination Platform on Economic Migration and Forced Displacement

38 | **ARTICLE**

'Just Transition' in the Eye of the Beholder!

Welcoming Remarks by the IsDB President HE Dr. Mohammed Al-Jasser at the Opening Ceremony of COP 28

Excellencies,
Ladies and gentlemen,

I am delighted to welcome you all to our high-level side event titled «Charting the Course: IsDB's Journey Towards Paris Alignment.»

This event promises to showcase our collective commitment to the climate agenda and encapsulates each of our ongoing efforts to align our work with the objectives of the Paris Agreement.

The challenges posed by climate change are immense, but they also give us a unique opportunity to redefine our development pathways toward a green, resilient, and inclusive future.

Our member countries face different developmental challenges induced by their vulnerability, among other things, to climate change. Let us look at the climate-development nexus more closely. The financing challenge is more acute for low-income and lower-middle-income countries, some of which must cope with narrow fiscal space, compounded by debt sustainability issues, not to mention the challenges related to fragility and conflict.

As the President of the IsDB Group, I am proud to say that our Bank is set to embark on its journey and meet its commitments to align its sovereign operations with the objectives of the Paris Agreement by the end of this year. We have proactively put in place tools, guidelines, and processes, as well as built the capacities of our staff to meet this important milestone.

In this regard, I am also pleased to announce the launch of the Bank's Fair, Inclusive, and Just Transition Conceptual Framework and Action Plan. This Action Plan underscores our commitment to a transition that is both environmentally sustainable and socially equitable. As we strive towards a low-carbon and climate-resilient future, our goal is to ensure that no one is left behind. For the first year of our action plan, we have outlined some specific initiatives: (i) We plan to conduct a comprehensive review of our current Just Transition activities to track ongoing projects and build our internal capacities; (ii) We will establish a set of metrics for screening and monitoring "Just Transition" activities within the IsDB's portfolio and at sectoral levels; (iii) We will incorporate the Just Transition approach into our Member Country Partnership Strategy (MCPS) diagnostics. This will guide the development of our new project pipeline with member countries.

Our framework is a testament to our dedication to facilitating the flow of climate finance, which is now close to reaching our target, supporting capacity-building efforts, and harnessing the power of innovation and technology for climate action within our member countries.

Finally, as we look toward COP28 and our current role as Chair of the MDB Working Group on Climate Change, we seek to better coordinate efforts among MDBs at the country level and support country-led platforms, including the development of long-term climate strategies. The IsDB stands ready to play its part, support our member countries, and work closely with our partners to accelerate climate action.

I look forward to hearing from our distinguished high-level panelists about their perspectives and experiences and to engaging in a fruitful and constructive dialogue on how we can chart the course toward Paris alignment together.

Thank you.

IsDB Injects US$ 2.12 Billion to Finance Projects in Education, Health, Energy, Transport, and Youth Development Across Member Countries

The Board of Executive Directors of the Islamic Development Bank (IsDB), today, approved US$ 2.12 billion to finance new development projects in member countries.

Chaired by IsDB President and Group Chairman, H.E. Dr. Muhammad Al Jasser, the 353rd board meeting approved 16 projects that support socio-economic development and promote sustainability in member countries in key strategic sectors such as transport, energy, health and education, in addition to youth development/entrepreneurship-employment.

In his remarks, the IsDB President highlighted the significance of the approved projects, and their transformative impacts on improving transportation, health, education, and energy, as well as fostering regional economic integration.

Dr. Al Jasser told the Board members that IsDB is working to deepen the Sukuk (Islamic bonds) market to enable the Bank to finance more projects, be they green, sustainability, or ordinary Sukuk.

Top among the approvals is IsDB's EUR 803.3 million (US$ 845.57 million) financing to Indonesia to contribute to "Strengthening Indonesia's Health Care Referral Network Project". The objective of the project is to enhance the physical and service capacity of the health referral system in Indonesia, ensuring that everyone has equal access to quality healthcare services in all districts, cities, and provinces.

The IsDB Board also approved financing of EUR 187.84 million (US$ 204.00 million) to Morocco for the "Construction of Guercif-Nador Highway Project" in the Kingdom of Morocco. The project aims to contribute to improving the connectivity of the Oriental region and the Nador West Med port complex by completing the construction 104 km of highway including 17 bridges and 53 flyovers by 2029.

Also, among the key approved projects are IsDB's financing contribution of EUR 136.86 million (US$ 144.00 million) to Burkina Faso and US$ 106 Million to Uganda to improve the living environment of the populations and support the transport sector in the two beneficiary countries.

Additionally, the Board approved the following projects:

EUR 55 million (US$ 58.0 million) to the Republic of Mali to help enhancing the country's electricity transmission grid via modernization and expanding of the high voltage transmission infrastructure;

Euro 64.30 million (US$ 70.0 million) for the Republic of Chad and EUR 25.24 million (US$ 27.13 million) to the Republic of Togo to support the higher education sector in these two African member countries.

US$ 16.90 million in slums Upgrading and Integrated Urban Development Project in Bouloas, Djibouti to improve the livelihoods of people living in slum areas through developing basic economic infrastructure.

US$ 79 million to improve access to affordable, resilient, and energy-efficient housing for the underserved population, as well as to support the Shariah mortgage development in the Kyrgyz Republic.

US$ 40.00 million to contribute towards supporting sustainable and green economic transformation of the Maldivian economy through improved access to Islamic finance while embracing social and environmental responsibilities.

US$ 200 million to deliver beneficiary driven, multi hazard resilient, reconstruction of core housing units to the populace affected by the 2022 floods in Sindh province in Pakistan.

US$27 million to improve the quality of life of the people living along the project road as well as contribute to the development of the international transit traffic potential of Tajikistan.

The IsDB Board approved US$ 300 million in financing for two projects for Türkiye earthquake-affected areas:

US$100 million to support the economic recovery of earthquake-affected industrial firms in various sectors and thereby contribute to enhancing the resilience of productivity and economic growth of the country.

US$ 200 million to support Türkiye's efforts towards the rapid delivery of health facilities and services to improve the quality of life of the earthquake-affected population.

Furthermore, the IsDB Board reviewed several technical reports including the progress report of the IsDB Group Food Security Response Program (FSRP) which aims at supporting member countries in better averting the ongoing food crisis and further strengthening their resilience to future food security shocks. The Board was also updated on "Various Initiatives to Enhance IsDB's Products and Services".

At COP28: IsDB Allocates Over $1 Billion in Climate Finance to Tackle Rising Climate Challenges in its Member Countries

The Islamic Development Bank (IsDB) President, H.E. Dr. Muhammad Al Jasser, has announced that the IsDB will provide over $1 billion in climate finance to support its member countries affected by fragility and conflict during the next three years. The President declared IsDB's intent during the session on Accelerating Climate Action and Finance to Countries and Communities Facing Multifaceted Crises: Launch of the COP28 Declaration on Climate, Relief, Recovery and Peace as part of the ongoing COP28 events in the UAE.

In his declaration, President Al Jasser elucidated that fragile and conflict-affected countries are disproportionately experiencing the devastating impacts of climate change. He said that amplifying resource scarcity in these countries disrupts livelihoods and further challenges their economies, noting that the IsDB recognizes the urgency of creating genuine momentum in addressing these challenges. «This financing will prioritize high-impact actions, mainly adaptation finance, aligning them with broader development objectives of addressing fragility. In this endeavor, we will try to deploy as much concessional finance as possible, including through our Lives and Livelihoods Fund,» Dr. Al Jasser emphasized.

Highlighting the importance of taking transformative climate action to promote inclusive development, especially among the vulnerable populations of least-developed countries, the IsDB Chief said it is crucial to identify high-impact programs, establish effective policies, and secure significant concessional financing to ensure tangible results.

Dr Al Jasser reiterated the Bank's commitment to developing interventions that foster resilience and sustainable development in the key demographics considering women, youth and children. He also shed light on the particular emphasis placed on supporting women and children, who often bear the brunt of climate change, conflicts, and economic hardship.

He applauded the commitment of the UAE Presidency and expressed IsDB's firm commitment to enhancing climate resilience, promoting sustainable development, and protecting women and children in its member countries facing fragility and conflict.

IsDB Group's Historic Commitments on Climate Action at COP28

At the United Nations Climate Change Conference (COP28) in Dubai, UAE, the Islamic Development Bank (IsDB) Group announced a commitment of over US$ 1 billion in climate finance. This initiative aims to support member countries grappling with fragility and conflicts.

IsDB Group's participation yielded major milestones and groundbreaking initiatives with lasting impact on climate action and the pursuit of a sustainable future. The bank group's early engagement showcased its preeminent role in driving positive change and galvanizing action on climate challenges.

The financial commitment, which is to be disbursed in the next 3 years, comes within the context of IsDB Group's broader development objectives that address fragility.

«This financing will prioritize high-impact actions," stated IsDB President and Group Chairman, H.E. Dr. Muhammad Al Jasser, while making the announcement during a COP28 session on Accelerating Climate Action and Finance to Countries and Communities Facing Multifaceted Crises: Launch of the COP28 Declaration on Climate, Relief, Recovery and Peace.

The IsDB Group participated in the high-profile global event with an impactful presence manifested through a wide range of events and advocacy sessions for collective climate action.

One notable event was the launch of the bank group's ‹Fair, Inclusive, and Just Transition' Conceptual Framework and Action Plan, aligning with the Paris Agreement.

At the launching event, IsDB President and Group Chairman, Dr. Al Jasser stated: "Our framework and action plan for alignment with the Paris Agreement stand as a testament to our dedication to facilitating the flow of climate finance, which is now close to reaching our target, supporting capacity-building efforts, and harnessing the power of innovation and technology for climate action within our member countries."

COP28: ITFC, TDFD, and OSP Discuss Clean Cooking Solutions for a Sustainable Future

The International Islamic Trade Finance Corporation (ITFC) a member of the Islamic Development Bank (IsDB) and the Trade Development Fund (TDFD), co-hosted a panel discussion with the Oil Sustainability Program (OSP), at COP28, on clean cooking solutions. Titled "A Just Transition to Clean Cooking with LPG & Renewables," the session aimed to ignite critical discussion and collaboration on the future of clean cooking solutions.

The panel discussion was inaugurated by remarks from Eng. Hani Salem Sonbol, CEO ITFC and Chairman of the TDFD Executive Committee, and Eng. Mohammad Al Tayyar, Program Director, OSP and moderated by Ms. Najla Alsudairy, Policy & Awareness Department Head at the OSP.

Bringing together a diverse group of experts, the panelists included Eng. Nasser Al-Thekair, General Manager, Trade and Business Development at ITFC and Member of the TDFD Executive Committee, Mr. Anibor Kragha, Executive Secretary at the African Refiners & Distributors Association (ARA), Ms. Reema Alashgar, Clean Fuel Solutions for Cooking Initiative Manager, and Ms. Radia Sedaoui, Chief, Energy Section, Sustainable Development Policies Division at ESCWA.

Globally, 2.2 billion people lack access to clean cooking solutions and technologies. This reliance on traditional cooking solutions, such as wood, charcoal, and animal dung, has severe consequences on human health, and the environment.

As the world grapples with the dual challenges of climate change and energy access, the panel discussion delved into the role of LPG (liquefied petroleum gas) and renewable energy sources in achieving a just and sustainable transition to clean cooking. This transition is not merely about switching energy sources; it is about empowering communities, safeguarding health, and protecting the environment.

The panel underscored that clean cooking is essential for human health, the environment, and sustainable development. According to the World Health Organization (WHO), household air pollution from cooking with solid fuels is the leading environmental cause of death, accounting for 3.8 million deaths each year. Clean cooking also helps to reduce greenhouse gas emissions and improve air quality.

Eng. Hani Salem Sonbol during his intervention conveyed that "The ITFC's commitment to clean cooking solutions is deeply rooted in its mission to foster sustainable economic development in Member Countries. Through our collaboration with partners like OSP, we are promoting access to clean and affordable cooking fuels with the aim to improve the lives of millions of people, who often bear the brunt of traditional cooking methods."

The ITFC's approach to clean cooking is centered on ensuring a just transition for communities. The Corporation recognizes that the shift to cleaner energy sources must be inclusive, empowering individuals and communities to make informed decisions and participate in the process.

On the other hand, Eng. Mohammad Al Tayyar mentioned, in his opening remarks, that the Oil Sustainability Program (OSP) has an ambitious scope that enables an Energy Transition that is just and sustainable. He emphasized the need for global action, similar to OSP's collaboration with ITFC to bridge the access gap to cleaner energy.

In addition to its focus on LPG and renewable energy, there is a focus towards supporting the development of innovative clean cooking technologies, such as improved cookstoves and solar-powered cooking solutions. These technologies offer promising alternatives for remote and off-grid communities.

ICIEC Launches Bespoke Climate Change Policy & ESG Framework At COP28

Dubai, UAE, December 02, 2023: The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a multilateral credit and political risk insurer and a member of the IsDB Group, proudly announces the unveiling of its Climate Change Policy and Environmental, Social, and Governance (ESG) Framework during COP28. The momentous launch was graced by H.E. Dr. Muhammad Sulaiman Al Jasser, the President of the Islamic Development Bank and Chairman of the Board of Directors of ICIEC, H.E. Francesco La Camera, the Director-General of International Renewable Energy Agency (IRENA), and Mr. Oussama Kaissi, the CEO of ICIEC.
The ICIEC Climate Change Policy reinforces our unwavering commitment to combatting climate change and serves as a blueprint for ICIEC's to increase ICIEC's intervention in sustainable projects and programs. Anchored on this policy, ICIEC pledges to upscale its support to initiatives aimed at reducing carbon emissions, safeguarding nature, and fostering sustainable economic growth.

To advance the role of climate action, ICIEC commits to assisting Member States in meeting their obligations under the Paris Agreement and champion investment and trade opportunities that enhance resilience and increase adaptability to climate change.
The ICIEC ESG Framework is a holistic tool showcasing our strong dedication to ESG principles. The framework emphasizes embedding ESG principles to ICIEC's operations, developing ESG-centric products and services, incorporating ESG imperatives into risk assessment and underwriting. Measures are implemented to promote sustainability throughout internal processes, including sourcing and resource usage practices.
In a statement, Mr. Oussama Kaissi, CEO of ICIEC, affirmed, "The launch of our Climate Change Policy & ESG Framework reflects ICIEC's commitment to sustainability. We aim to drive positive change, contribute to global climate objectives, and set new benchmarks for ESG excellence in insurance and development."
This significant initiative reaffirms ICIEC's policy thrust in promoting sustainable development and resilience in the face of climate challenges.

New Report by ITFC & Partners Highlight Transformational Role of Financial Institutions in Boosting GCC's Food Security and Climate

With the global population set to reach 9.8 billion by 2050, communities and ecosystems are facing enormous resource challenges. A recent report by the Islamic Development Bank's trade financing arm, the International Islamic Trade Finance Corporation (ITFC), KPMG Lower Gulf and First Abu Dhabi Bank (FAB) titled "Harvesting Resilience, Leveraging Finance for Food Security and Climate Resilience", shows how the financial sector is a critical catalyst for change, with potential to shape a sustainable and resilient future.
The report analyses how banks, investors, regulators, and multilateral institutions can effectively collaborate to achieve global climate and food security objectives. It also highlights supporting technologies that are preserving food system integrity and proposes actionable recommendations for financial institutions to actively contribute to a sustainable future.

Abu Dhabi Fund for Development hosts the 91st Arab Coordination Group meeting on the sidelines of COP28

Abu Dhabi Fund for Development (ADFD) hosted the meeting at the level of directors of operations of the member institutions of the Arab Coordination Group of national and regional development institutions, which coincided with the commencement of the United Nations Climate Change Conference, COP28, in the UAE. The objective of the meeting was to explore climate solutions.

The meeting was convened with representatives from institutions including the Kuwait Fund for Arab Economic Development, Saudi Fund for Development, Qatar Fund for Development, Arab Fund for Economic and Social Development, Islamic Development Bank, OPEC Fund for International Development, Arab Bank for Economic Development in Africa, Arab Bank for Economic and Social Development, Arab Gulf Development Fund (AGFUND), and the Arab Monetary Fund.

His Excellency Khalifa Abdullah Al Qubaisi, Deputy Director General of the Abu Dhabi Fund for Development, delivered the opening speech at the meeting, welcoming the representatives of the group's members. He expressed optimism that ACG would successfully realize its objectives in financing development projects, ensuring a sustainable impact that directly uplifts societies in developing countries.

Discussions centered on strategic objectives to bolster development efforts in developing countries. Emphasis was placed on activating collaborative efforts between the group's institutions and reaffirming commitment to continue with cooperation in supporting development projects to achieve sustainable development goals. The meeting also provided a platform for exchanging views and ideas on enhancing support for development efforts and outlining the group's working mechanism for the next stage. Additionally, the meeting reviewed the positive impact of development projects financed by the group in various countries, stimulating economic activities and improving lives.

His Excellency Mohamed Saif Al Suwaidi, Director General of Abu Dhabi Fund for Development, underscored the importance of the convention in Abu Dhabi, especially given the concurrent COP28. He highlighted the significance of taking decisive measures to confront challenges related to climate change and adapting to potential impacts on environmental systems and various economic sectors.

He added that the group's efforts had significantly contributed to promoting sustainable economic development, making the people of developing countries more prosperous. He indicated that ACG was exploring proposals to enhance joint work effectiveness and employ available financing tools to support beneficiary countries, thereby reducing economic development burdens and driving the progress of essential sectors.

The agenda of the meeting covered joint financing opportunities, unifying efforts related to financing development, consultation on issues related to climate change challenges, and financing projects with a sustainable impact on the environment and climate. Recommendations were made to establish a digital platform for exchanging information and communication among group members to facilitate project implementation and communication between experts.

Established in 1975, the Arab Coordination Group plays a key role in strengthening development efforts and coordination among its members. The group is instrumental in harmonizing policies governing financing operations, and adopting international best practices in sustainable development work.

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Actively Participated in COP28:

IsDB Group Steps Up Its Climate Efforts and Action

COP28 signified a critical juncture for global climate efforts, providing an invaluable opportunity for IsDB Group to spotlight its role in sustainable development. As the supreme decision-making body convened, the IsDB Group aligned its extensive expertise and resources with the COP's mission to address climate challenges.

The IsDB has increased its support for the development of green Islamic finance products for capital markets in member countries

The opening session of COP28 was attended by 70 ministers and more than 100 country delegates to show their commitment towards the global efforts on climate change.

Speakers praised IsDB role in providing support to member countries to help them address the climate issues.

IsDB has a prominent role to play to achieve such goals, and at the heart of IsDB Group's participation is its dedication to climate financing. The Bank encourages and supports climate ambition, with a bold 5-Year Climate Action Plan targeting a 35% commitment to climate finance by 2025. In 2022, 33% of the Bank's total approvals were directed towards climate action, demonstrating a robust commitment to green initiatives.

Recognizing the urgency of climate adaptation, IsDB Group takes a leading role. A significant 65% of its 2022 commitments were dedicated to climate adaptation across various sectors. The Bank addresses challenges by fostering climate-resilient investments and innovative approaches, such as green sukuk, to mobilize resources for climate action.

In a nutshell, IsDB Group makes a bold pledge to fully align its sovereign operations with the objectives of the Paris Agreement by the end of 2023. This commitment ensures that IsDB's operations support member countries' Nationally Determined Contributions and long-term climate strategies, facilitating a just and equitable transition towards low-carbon development.

Full cooperation

To achieve these goals, IsDB worked closely with the UAE COP28 Presidency since last year at COP27, and the collaboration has only strengthened with time. Also, IsDB co-hosted with the UAE Presidency a major roundtable event on climate change in fragile and conflict-affected communities, with participation of key fragile Member Country representatives and institutions. This event served as a platform to provide inputs for announcements and initiatives to be introduced at COP28.

In addition to the ongoing collaboration, the IsDB is proud to be coordinating with Multilateral Development Banks (MDBs) working group on climate change for the second half of this year.

IsDB Group makes a bold pledge to fully align its sovereign operations with the objectives of the Paris Agreement by the end of 2023

IsDB Private Finance Mobilization As a global leader in Islamic financing, the IsDB continues to increase its effort on initiatives and programs to mobilize private finance for Environmental, Social and Governance (ESG) activities and climate action in our client countries across the globe.

The Bank is increasing its effort in diversification of financial instruments and support in de-risking private sector investments to leverage private finance for adaptation and mitigation activities. Specifically, the Bank, along with the entities of the Group, including the Islamic Corporation for the Development of the Private Sector (ICD), the International Islamic Trade Finance Corporation (ITFC) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) are finalizing ESG strategies suited to deploy a whole range of private sector-focused instruments such as guarantees, trade finance products and line of credit and equities for increased private finance mobilization for climate-friendly investments.

The IsDB has increased its support for the development of green Islamic finance products for capital markets in member countries. The support provided by the Bank ranges from capacity enhancement for debt market stakeholders and establishment of regulatory framework to increase mobilization of green and sustainable sukuk across our member

countries. This has further helped us to support effort towards greening the Islamic debt market in our member countries.

In addition, in recent years, the Bank has utilized its Public Private Partnership (PPP) offering to increase support for mobilization of private capital in its member countries. This has particularly been utilized for large scale in solar projects and small/medium size hydropower investments with enormous climate co-benefits. The Bank plans to increase its effort in the role PPP plays through the newly established PPP Advisory Unit with the aim to support our clients develop the needed regulatory framework and provide advisory support.

Finance for Adaptation

Historically, finance for adaptation has always been prioritized by the IsDB. In fact, in a survey administered across our member countries, 97% of our clients have specifically identified climate adaptation as priority area. This was expected as our MCs are from the global south.

In 2021, 35% of our total commitment was for climate adaptation across multiple sectors. In the last 5 years, an average of 55% of the Bank's total commitments to climate action were dedicated to climate adaptation. We do anticipate doing more in the years ahead.

65% of IsDB Group's 2022 commitments were dedicated to climate adaptation across various sectors

Specifically for climate adaptation investment, the major challenge has often been the lack of investable/bankable projects. At the IsDB, we understand this challenge and thus set up capacity enhancement programs for development of climate resilient investments to support thematic and sector department/agencies/ministries in member countries on approaches to develop climate resilient investments, appealing to both public and private financiers.

Mobilization of Finance

The IsDB encourages and supports the climate ambition of its clients and effort towards green economy by all available means. The Bank is committed to a 5-Year Climate Action Plan from 2020 to 2025; with an ambitious climate finance target of 35% of total commitments by 2025 as we mentioned before . The good news is that in

Recognizing the urgency of climate adaptation, IsDB Group takes a leading role. A significant 65% of its 2022 commitments were dedicated to climate adaptation across various sectors

2021, 31% of the Bank's total approvals were for climate action including adaptation and mitigation activities.

As the world largest south-south development Bank, the IsDB continues to provide and mobilized climate finance resources through non-traditional source of financing for climate action such as green sukuk and exploring other labelled sukuk including resilience and transition sukuk for our clients.

To increase access to climate finance, the IsDB continues to support its member countries through resources mobilized from specialized climate funds such as the Green Climate Fund (GCF) for readiness programs from private sectors actors in the region we work to enhance capacity and develop investable/bankable projects as well as initiatives such as the NDC Partnership for increasing climate ambition and resource mobilization.

The Bank has also done extensive work with other MDBs on Paris Alignment and is now targeting to be fully Paris Aligned itself by the end of 2023. Our Paris Alignment Action Plan was announced by H.E. The President of the IsDB Group at the Annual Meeting of the Bank in Sharm El- Sheik, with a goal to have the Bank's sovereign operations fully aligned with the objectives of the Paris Agreement by 2023. We believe this step would further enshrine sustainable imperatives in our business and further enable our clients access more finance resources for climate action and sustainable development.

The Bank realigned strategy (2023-2025) prioritizes vital elements of the sustainable development goals (SDGs) including effort towards transition to low carbon and climate resilient future. Driving green economic growth is one of the main pillars of the Bank's new strategy which aims to support economic recovery and growth that is environmentally sustainable and made resilient by fortifying the use of natural and human resources and minimizing the risks to the people, the planet, and strengthening the key drivers of an expanding economy. This strategy offers pathways to mobilizing increased sustainable finance for our clients across geographies.

IsDB strongly believes that innovative and alternative financing instruments play vital role to scaling up climate finance across the globe as they offer some of the most effective instruments that could be employed for mobilizing climate-linked and sustainability-linked finance in emerging markets and developing economies.

Climate Change in MENA

In the MENA region, many countries are expected to be significantly affected by climate change, regarding climate impacts on water availability and heat stress.
The Arab region is highly vulnerable to climate change. Temperature has increased by an average of 0.8 °C over the last 20 years, and is projected to increase by 4.8 °C by the end of the century. Droughts, heat waves, forest fires, sand and dust storms, sea level rise and flash floods are impacting health, homes, livelihoods and nature in urban, rural and coastal communities alike.
MENA is the most water-stressed region in the world. This has implications across all sectors and industries, from energy and transport to impacts on food and agriculture, with the potential for increased fragility and conflict due to deteriorating environmental conditions.
Over the past decade, Arab States received about $34 billion in public international climate finance, less than 7% of what would be required to implement the nationally determined contributions (NDCs) of 11 Arab countries. More climate finance commitment is required with a greater focus on adaptation, particularly in the water and agricultural sectors.
In fact, water and food security remain key catalysts for the attainment of the Sustainable Development Goals (SDGs), as well as mitigation and adaptation goals in the Arab region.
Despite these challenges, significant opportunities abound in the region. All countries in the region have made some level of commitments through their NDCs and an increasing number have made commitment towards net zero around mid-century.
There is an enormous potential for supporting countries in the region through their existing commitments in Nationally Determined Contributions (NDCs) and sector specific strategies and plan.
Specifically in the region, the Bank alongside the World Bank through the NDC Partnership Climate Action Enhancement Package mobilized grant-based resources from the NDC Partnership to support Lebanon and Palestine in their climate action effort.
Starting this year, the Bank is working with the Green Climate Fund (GCF) as delivery partner for

The Bank supports climate ambition through a bold 5-year action plan targeting a 35% climate finance commitment by 2025

Sub-Saharan Africa experiences more climate disaster than other parts of the world

the largest readiness program for five countries in the region (Iraq, Jordan, Lebanon, Oman, and Palestine) for private sector stakeholders in their ability to access climate finance.

Climate Change in Africa

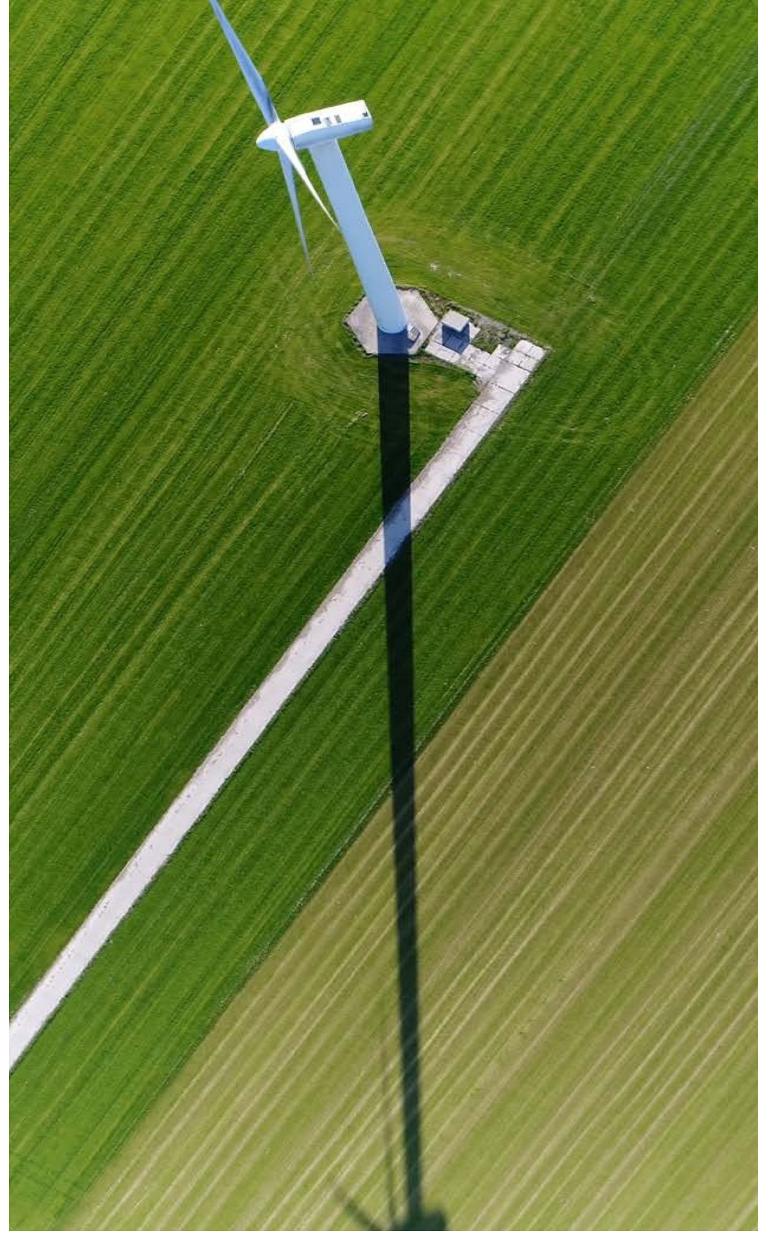
Sub-Saharan Africa experiences more climate disaster than other parts of the world. It is destroying crops, disrupting food deliveries and driving more people into poverty and hunger. One-third of the world's droughts occur in sub-Saharan Africa (Ethiopia and Kenya are enduring one of the worst for at least four decades) and countries such as Chad are being severely impacted by torrential rains and floods.

Food supplies and prices are especially vulnerable to climate change in sub-Saharan Africa because of a lack of resilience to climatic events, food import dependence, and excessive government intervention. Most people live in rural agricultural and fishing communities that can't afford infrastructure to protect them from adverse weather. For example, they depend on rain to water their crops, and less than 1 percent of arable land is equipped with irrigation

The resulting rise in poverty and other human costs are compounded by cascading macroeconomic effects, including slower economic growth.

There is, however, a global consensus that economic development and climate/environment ob-

The Bank is increasing its efforts to diversify financial instruments and support the de-risking of private sector investments in order to benefit from private financing for adaptation and mitigation activities



jectives are not mutually exclusive.

In fact, there is a strong synergy that economic development and climate/environment objectives often yield inclusive and sustainable development results.

Indeed, Africa needs to take advantage of the opportunities offered by jointly addressing economic development goals and climate/environmental objectives.

There are some of the co-benefits and potential opportunities to advance this synergy in Africa:

1) Harness Synergy through Prioritization of Green Recovery

Africa can develop interventions and policies with high multiplier potential on both economic gains and climate benefits.

This approach would drive opportunities and provide diverse options for increased recovery investments supporting low carbon and resilient development such as clean physical infrastructure, building efficiency retrofits, investment in education and training, and natural capital investment across the continent.

Lack of investable/ finanable projects is the main investment challenge in climate adaptation

2) Leverage Inclusive Development

Women and youths are well positioned in many of the sectors where green jobs will be created on the continent such as energy, construction, and agriculture sectors.

This helps with an opportunity to address the employment gap that exists with current economic models.

3) Capitalize on Transition to Green Economy

Africa does not need to miss out in this as it will create new economic opportunities, spawn new jobs, and spur the adaptation of existing jobs.

4) Attract Impactful Investment

This synergy can be leveraged to attract sustainable investments such as green and social financing windows through foreign and direct investments and other options.

Mobilizing Islamic Banking for Climate Action

The United Nations Environment Program Finance Initiative (UNEP FI), the Islamic Development Bank (IsDB), and The General Council for Islamic Banks and Financial Institutions (CIBAFI) joined forces to enhance climate knowledge for the Islamic banking sector.

The report titled "Mobilising Islamic Banking for Climate Action" was launched at the 2nd Middle East and North Africa (MENA) Regional Climate Week, hosted in Riyadh by the Kingdom of Saudi Arabia and the United Nations Framework Convention on Climate Change (UNFCCC).

Mobilising Islamic Banking for Climate Action report presents the current integration of climate-related practices in Islamic banking in the MENA region based on interviews, surveys, and an in-depth desk review, and goes on to indicate how Islamic banks can bring climate action into the mainstream of their businesses.

Potential driver of climate finance

Islamic banking has come to the forefront as a potential driver of climate finance in the Middle East and North Africa (MENA) region. This sector has demonstrated considerable resilience against global economic shocks, the rise of the COVID-19 pandemic, and impending global economic inflation. Islamic finance has a strong position in the region, especially, though by no means exclusively, in the Gulf Cooperation Council (GCC) countries. In Islamic finance generally, there has been increasing interest in Environmental, Social and Governance (ESG), green and sustainable products, with particular interest in sustainability-related and green sukuk. The MENA region has also been prominent in this trend. Such momentum creates opportunities for Islamic banks in the MENA region.

On one hand, the transition to a low-carbon economy will create important investment opportunities across multiple sectors in the region. On the other hand, they, and the countries in which they operate, are exposed to risks from climate change which they need to evaluate and manage. A growing number of countries in the region are taking climate action in the form of tailored policies and regulatory measures to support a market transition to less carbon-intensive and more resilient economies.

Such transitions will involve, and have implications for, the financial sector. At the same time, international regulators and standard-setting bodies, including those focused specifically on Islamic finance, are increasingly embedding climate change considerations. For example, disclosure standards from the International Sustainability Standards Board (ISSB), may imminently be adopted by some countries in the region.

Islamic banking has come to the forefront as a potential driver of climate finance in the Middle East and North Africa

Moral reasons

In addition to the commercial risks and opportunities arising from climate change, and the current and potential regulatory pressures, there are strong moral reasons for Islamic banks to bring climate issues into the mainstream of their business. Islamic finance is based on religious principles. The link between those principles and concern for sustainable development can be articulated in several ways.

There are growing calls among sharia scholars, academics and international organizations in Islamic finance to capitalize on the common values that link sharia-based principles of Islamic finance, sustainable development, and climate action to provide an ethical conceptual framework that will further encourage Islamic banks to develop proactive climate action agendas. An increasing number

of Islamic banks in the MENA region are starting to integrate sustainability and ESG into their operational framework with varying degrees of scope and depth of integration.

Climate change awareness

Climate change awareness and engagement differs from one bank to another. Some Islamic banks are adopting global reporting and disclosure practices. They are also adopting internationally relevant frameworks and evaluative approaches, sometimes with modifications for Islamic finance. But some Islamic banks still seem to see climate concerns as relatively peripheral to their business or struggle to integrate it into their day-to-day business frameworks. Incorporating climate considerations into bank operations increases Islamic banks' capacity to face climate-related financial risks and uncertainty. Concurrently, it can facilitate the transition to carbon-neutral and climate-resilient markets and economies, and realize new opportunities inherent in that process. The report sets out an approach intended to provide preliminary guidance, and support to interested Islamic banks to help bring efforts related to climate change into the mainstream of their businesses. It does so across five main pillars: 1. Climate leadership 2. Strategic climate management 3. Climate-related operational integration 4. Performance measurement and accountability and 5. Collaboration and exchange on climate resilience.

Incorporating climate considerations into bank operations increases Islamic banks' capacity to face climate-related financial risks

Case study

This section presents observations on how three of the larger Islamic banks, two from the MENA region and one, as a comparison, from Malaysia, have brought climate concerns into the mainstream of their businesses. It is based on primary evidence from the banks themselves.

Dubai Islamic Bank

Dubai Islamic Bank (DIB) has a major advisory business in the sukuk market and, since 2018, has been increasingly active in the issuance of ESG sukuk, having supported nearly US$ 6 billion of green Islamic capital market transactions.

DIB is the first Islamic bank in the United Arab Emirates to publish a Sustainable Finance Framework to facilitate the financing of green and social initiatives and projects in 2022.

In 2021, the bank released its initial annual sustainability report and ESG framework report. The ESG framework comprises five pillars: ethics and integrity, positive community impact, a thriving work environment, environmental stewardship, and sustainable finance and investment. Within the context of its Sustainable Finance and ESG frameworks, climate relevant practices include:

Financing environmentally beneficial projects, such as renewable energy, energy efficiency, clean transportation, green buildings, pollution prevention and control, and sustainable water and wastewater management.

Adopting a list of green projects which it may finance with the proceeds from green sukuk issuances. Selection criteria include emissions reduction.

Providing financing at reduced rates for hybrid and electric vehicles.

Implementing a plan to increase energy efficiency, recycle, construct green buildings, and reduce fuel consumption as part of its environmental stewardship initiative. In addition, it monitors Scope 1 and 2 carbon emissions.

Implementing Scope 3 accounting. To achieve this, the bank is measuring the carbon emis-

sions of its portfolio companies (scopes 1 and 2) and will develop a screening criterion to identify carbon-intensive industries in which it invests or operates.

Developing a framework for ESG risk exposure and tolerance, as well as an ESG scorecard for evaluation.

Qatar Islamic Bank

Qatar Islamic Bank (QIB) set out its Sustainability Policy in 2022, noting explicitly the convergence between the elements of sustainability and the principles of Islamic banking. Commitments relevant to climate included:

Offering sharia compliant sustainable finance products and services to QIB customers;

Supporting the bank's clients' transition to a low carbon economy;

Reducing the bank's own carbon emissions as well as its energy and resource consumption. Greenhouse gas emissions are one of several ESG-related factors that play a part in determining financing decisions. The bank estimated its portfolio of renewable energy projects in 2021 as USD 460 million and its portfolio of green buildings finance as US$ 1.1 billion. It has also reviewed all its financings over a certain size to determine their suitability for financing through a green sukuk. At retail level, QIB has announced a car financing scheme including incentives to buy electric cars. In governance terms, QIB has established a Sustainability Committee headed by the Group Chief Executive,

There are strong moral reasons for Islamic banks to bring climate issues into the mainstream of their business

while the Board's Audit and Risk Committee is tasked with integrating ESG risks within the Board's risk appetite and risk management frameworks.

CIMB Islamic Bank Berhad Malaysia

CIMB Islamic Bank Berhad and its conventional counterpart CIMB Bank Berhad are part of the CIMB Group that covers Malaysia and the Association of Southeast Asian Nations (ASEAN) region.

CIMB Group and its two affiliate banks operate through a sustainability roadmap integrated into the Forward23+ Strategic Plan launched in the second half of 2020. The main pillars of the roadmap (2021) are dictated by ESG considerations and the Malaysia value-based intermediation framework.

The sustainability roadmap and pillars have been locally adapted to the SDGs through a materiality assessment, which identified climate action as a key SDG.

• From the Report produced by the United Nations Environment Program

IsDB Perspective on Climate Change

To support the numerous efforts of member countries in the region, the Bank established in 2019 the IsDB Climate Change Policy (CCP) with focus on (i) mainstreaming climate action plans of member countries into IsDB activities (ii) promoting resilience to climate change (iii) supporting transition to a green economy and (iv) leveraging resources for climate action.

The Bank has done extensive work with the MDBs on Paris Alignment and currently finalized approaches towards being Paris Aligned. This would help define areas where climate finance and development resources need to be directed and prioritized in the context of recovery and restart, and how private sector capital may be mobilized for recovery and long-term plans in line with climate goals.

The Bank has also updated its overall strategy to consider emerging issues including COVID-19 pandemic, Sustainable Development Goals (SDGs) and transition to low carbon and climate resilient future.

This will result in 'building back better' through recovery and economic growth that is environmentally sustainable and resilient by fortifying the use of natural and human resources and minimizing the risks to the people, the planet, and strengthening the key drivers of an expanding economy.

IsDB Climate Change Policy

IsDB Climate Change Policy (CCP) is developed in the context of: IsDB's decentralized organizational structure, the IsDB 10YS, and within the broader context of the SDGs.

It is also informed by good practice from the Multilateral Development Bank (MDB) community, particularly around climate change strategies (i.e., Paris Agreement, Voluntary Principles for Mainstreaming Climate Action within Financial Institutions etc.), and at the same time it has been developed to be appropriately tailored for the realities of IsDB and its MCs.

Building on the 2017 Draft CCP, the IsDB CCP entails eight (8) guiding principles, which should inform all IsDB climate change activities, and four (4) policy pillars, which form the basis of specific activities, investments and advisory services across IsDB.

Together, the guiding principles and the policy pillars are the cornerstone of how IsDB will implement climate considerations across its operations.

Together, the guiding principles and the policy pillars are the cornerstone of how IsDB will implement climate considerations across its operations.

Meeting the goals of IsDB's CCP is likely to require having: (i) a sustained and growing pipeline of climate-related financing opportunities;

(ii) a sustained ability to mobilize additional resources and access to concessional sources of funding (including climate finance); and (iii) increased requests from MCs for these services.

Policy Pillar 1: Mainstreaming climate action in the Bank's operations

IsDB diverse network of MCs are experiencing the effects of climate change in different ways; as a result, they may require different forms of funding and support.

By 'mainstreaming' climate considerations across its investment and MC strategies, advisory activities, policies, approaches, tools and methodologies, the Bank can meet MCs' needs in the context that is most appropriate for each MC's stage of development and capacity. This includes opportunities associated with low-carbon and climate-resilient economic transformation, as well as opportunities to address potential climate risks, including disaster risks and resilience. Mainstreaming climate considerations across IsDB activities includes both (i) integrating climate considerations into IsDB's offerings to MCs and (ii) undertaking efforts to integrate climate considerations across IsDB's operations.

IsDB will scale up its financing of climate-related activities by leveraging resources from various sources

Policy Pillar 2: Promoting climate change resilience

As mentioned, many IsDB MCs are vulnerable to the impacts of climate change, and many of them are at high risk, in particular in sub-Saharan Africa and South East Asia, where, for example, some countries are heavily dependent on the agricultural sector or are located in lowlands or coastal areas.

Helping MCs build climate resilience will require efforts that can enable them to both (i) prepare for and adapt to changes expected as a result of a warmer planet and (ii) reduce vulnerability and the costs resulting from the impacts of climate change. IsDB will assist MCs in building their resilience and reducing their vulnerability to climate change risks in a number of ways, including (i) sectoral approaches and interventions; (ii) policy-level approaches and interventions; and (iii) financial support tailored to adaptation and resilience.

Policy Pillar 3: Green growth and supporting the transition to a green economy

Green growth means promoting growth and development, while reducing pollution and greenhouse gas emissions, minimizing waste and the inefficient use of natural resources,

In some countries, carbon assets are a major component of the local economy, provide employment and make a significant contribution to economic activity, which cannot be ignored from a development perspective

maintaining biodiversity and strengthening energy security.

Investments that support green growth provide benefits at the local, national and global levels. However, transitioning to a low-carbon economy can be more challenging for some countries than others. This presents difficult choices in some developing countries where the contribution of energy to economic growth may lead to energy investment decisions that prioritize fossil-based production over other alternatives, including renewables.

In some countries, carbon assets are a major component of the local economy, provide employment and make a significant contribution to economic activity, which cannot be ignored from a development perspective

This situation can present real trade-offs between short-term development needs and long-term climate change impacts. Thus, IsDB will support its MCs in their overall sustainable development objectives, being mindful of the particular trade-offs between supporting overall economic growth and green growth. However, the transition to low-carbon, green economic growth is also a major opportunity to revitalize a country/region by providing new and better employment conditions and opportunities for skills development.

Setting a strong foundation of effective policy and regulations, while promoting green investments and encouraging new climate-friendly businesses/enterprises, will be key for MCs' sustainable development. Specific activities that support this policy area include investments and technical assistance in: (i) renewable energy; (ii) energy efficiency measures in all sectors (e.g. water, manufacturing, production etc.); (iii) low carbon transport and mass transit; (iv) climate-smart agriculture with a carbon reduction impact/co-benefit; (v) sustainable trade; (vi) clean/green private-sector investment; and (vii) support for innovative technologies and/or research and development in complementary technologies, such as battery storage or carbon capture and storage and/or sequestration.

Policy Pillar 4: Leveraging resources

It is widely recognized that meeting the substantial investment needs required to address development targets and climate change will require a blend of public and private capital. Approaches that can leverage public resources to 'crowd in' additional public and private capital will be of critical importance.

In addition to core financing from its ordinary capital resources, IsDB has the ability to leverage additional resources for climate change through: (i) the design of innovative products and services; (ii) off-balance-sheet resource mobilization; and (iii) the creation and management of specialized financing and/or trust fund vehicles.

IsDB will scale up its financing of climate-related activities by leveraging resources from various sources, including: (i) domestic in-country resources; (ii) private-sector institutions within and outside the Bank; (iii) development partners; and (iv) philanthropic foundations.

IsDB Chief Calls for Urgent «Coalition of the Willing» to Bridge Digital Gap for Marginalized Communities

Islamic Development Bank (IsDB) President, H.E Dr. Muhammad Al Jasser has called for a global «coalition of the willing» at the Digital Government Forum in Riyadh, urging concerted action to bridge the digital divide and connect the estimated 2.7 billion people still offline.

«The digital economy is a lucrative business,» Al Jasser declared. «Telecommunication and digital industry can be good for business.» He warned against leaving marginalized communities behind, suggesting that it is a stigma in a 21st-century world increasingly driven by digital access to have digitally excluded communities.

President Al Jasser expressed optimism about connecting everyone but stressed the need for collective action. «We need a coalition of the willing to bring the infrastructure and skills needed to ensure digital inclusion,» he said, praising South-South cooperation and the IsDB's «Reverse Linkages» program as models for knowledge and skill transfer to empower developing nations.

The IsDB President acknowledged Saudi Arabia's leading role in the digitalization drive and hosting the forum. He also expressed gratitude to the Saudi Minister of Communications and Information Technology, H.E. Eng. Abdullah Al Swaha, and the Governor of the Saudi Digital Government Authority, H.E. Eng. Ahmed Al Suwaiyan, for the invitation to speak and the great achievements made in the digital economy of Saudi Arabia.

Elsewhere in his remarks, Dr. Al Jasser revealed IsDB's commitment to digital inclusion through the development of its Digital Inclusion Operational Strategy 2024-27, which includes a US$ 250 million budget to address the gap between digital haves and have-nots. This financial commitment is aimed at addressing the digital divide by implementing targeted initiatives, fostering ICT infrastructure, and integrating technology into critical development sectors.

Afghanistan Humanitarian Trust Fund (AHTF) and UNHCR Sign Three Agreements to Improve Access to Education, Health Services and Livelihood Opportunities in Afghanistan

The Islamic Development Bank (IsDB), acting as trustee of the Afghanistan Humanitarian Trust Fund (AHTF), signed three agreements with the United Nations High Commissioner for Refugees (UNHCR) for three projects aiming at improving access to education, health services and livelihood opportunities in Afghanistan.

Under the auspices of His Excellency Dr. Muhammad Al Jasser, President of the Islamic Development Bank (IsDB), the agreements were signed by Eng. Mohammad J. Alsaati, Special Adviser to the IsDB President and AHTF Coordinator and Dr. Khaled Khalifa, Senior Advisor to the United High Commissioner for Refugees and UNHCR Representative to the Gulf Cooperation Council Countries and witnessed by senior officials from the Organization of Islamic Cooperation (OIC) and Saudi Fund for Development (SFD), with the presence of officials from other relevant organization and stakeholders.

The first agreement for the project will improve access to education through Smart Hubs for enhanced education in Afghanistan, with a total cost of USD 7,520,404 is jointly funded through an AHTF grant of USD 5,878,800 as a contribution of Saudi Fund for Development to AHTF and a funding of USD 1,641,604 from UNHCR.

This project, which aims to construct and operationalize essential education facilities, including SMART hubs, and enhance the access to quality education to children from vulnerable communities living in Priority Area of Return and Reintegration (PARRs) will be operated in 16 Districts in 13 different Provinces of Afghanistan, with an implementation period of 18 months.

The second project focuses on improving access to health services for vulnerable communities, with a total cost of USD 5,435,317, is financed by an AHTF grant of USD 3,210,681 from the contribution of Saudi Fund for Development (SFD) to AHTF, while UNHCR will contribute USD 2,224,636. The project will be implemented in 18 months in 8 Districts in 6 Provinces of Afghanistan.

Under this project, health facilities will be constructed and operationalized in targeted Priority Area of Return and Reintegration (PARRs) to provide essential healthcare services to the vulnerable groups of population, especially IDPs, and returnees.

The third project targets supporting livelihoods opportunities and promoting women empowerment through integrated livelihood approach with a total cost of USD 1,370,487 with and AHTF grant of USD 910,519 from the contribution of Saudi Fund for Development (SFD) to AHTF and UNHCR contribution of USD 459,968 with an implementation period of 18 months, covering Herat, Kabul, and Lagman Provinces.

While delivering his remarks, Eng. Mohammad J. Alsaati stated that" signing of these three Agreements totaling USD 10 million from AHTF among the second group of AHTF grant operations is another major milestone of AHTF journey towards its goal to help and support the vulnerable in Afghanistan through the formulation and approval of high-impact projects. These agreements with UNHCR reflect our commitment to assisting the crisis affected Afghan population ".

Khaled Khalifa, Senior Advisor to the UN High Commissioner for Refugees and UNHCR Representative to the Gulf Cooperation Countries (GCC) expressed his gratitude for the support of the Kingdom of Saudi Arabia and praised the partnership with IsDB/AHTF, pointing out that "The decades-long conflict in Afghanistan has had a devastating impact on all aspects of people's lives. More than 28.3 million people (two thirds of Afghanistan's population) are in urgent need of assistance". He added: "With this generous contribution from the Kingdom of Saudi Arabia's Saudi Fund for Development - through Afghanistan Humanitarian Trust Fund (AHTF)-, UNHCR will be able to provide critical services in the extremely vital sectors of health, education and livelihoods. We are grateful to the Kingdom of Saudi Arabia and to AHTF for this much-needed support".

These three projects are set to benefit over 240,000 individuals in total, mark a significant milestone in the partnership between IsDB, as a trustee of AHTF and UNHCR, showcasing a strong commitment to improving access to education, health services and livelihood opportunities in Afghanistan.

The AHTF serves as a vehicle to channel humanitarian assistance, address basic needs, and promote self-reliance and development in the country, following the decision of the Council of Foreign Ministers of the OIC at its 17th Extraordinary Session held on 19 December 2021 in Islamabad, Pakistan.

IsDB and Saudi Ministry of Communications & Information Technology Team Up to Drive Digital Transformation

The Islamic Development Bank (IsDB) and Saudi Arabia's Ministry of Communications and Information Technology (MCIT) convened in Riyadh to explore potential collaboration on financing digital transformation projects, with a particular emphasis on developing the digital economy.

Talks in Riyadh between IsDB President, H.E. Dr. Muhammad Al Jasser, and Saudi Arabia's Minister of Communications and Information Technology in Saudi Arabia, H.E. Eng. Abdullah Al Swaha discussed potential involvement in the recently launched «Empowering Africa» initiative, led by Saudi ministries. The project aims to improve lives and advance sustainable development through clean energy, connectivity, e-health, and e-learning solutions across the continent.

Dr. Al Jasser noted the positive developments at IsDB that create opportunities for collaboration, highlighting the approval of the IsDB Digital Inclusion Operational Strategy 2024-27, focusing on regional and country levels to achieve universal and meaningful digital connectivity.

Both sides acknowledged the importance of enhancing digital reskilling and upskilling as crucial elements of digital transformation. They also discussed leveraging MCIT's expertise to assist other IsDB member countries in their digitalization efforts and capacity building.

Dr. Al Jasser proposed joint ventures with MCIT to improve connectivity, e-government, e-social, and e-public services across the IsDB's 57 member countries, emphasizing the need to connect the unconnected for economic and social growth.

The meeting concluded with an agreement on the importance of identifying quick wins and involving technical teams in further discussions to explore specific joint opportunities.

IsDB Group Chairman Advocates for Increased Investment and Enhanced Economic Cooperation as Key Focus Areas for COMCEC in the Next 50 Years

During his official visit to Türkiye for the 39th COMCEC Ministerial Meeting in Istanbul, the President, and Group Chairman of the Islamic Development Bank (IsDB), H.E. Dr. Muhammad Al Jasser, emphasized the need for escalated investment and improved economic cooperation within the COMCEC framework.

In his role as the keynote speaker at the opening ceremony, Dr. Al Jasser addressed the gathering under the auspices of the President of the Republic of Turkiye, H.E. President Recep Tayyip Erdogan. He highlighted IsDB's forthcoming 50th anniversary, to be celebrated during the Bank Group's Annual Meeting from April 27-30, 2024, in Riyadh. He described this milestone as a testament to the enduring partnership and collaboration that has greatly benefited Islamic nations.

Dr. Al Jasser commended all member countries, partners, and stakeholders of the IsDB Group for their steadfast support and cooperation in furthering the Bank's noble mission. He outlined a future vision centered on increased solidarity for shared prosperity, enhanced economic cooperation and integration, amplified investment in seamless connectivity infrastructure, and the development of human and institutional capacities, leveraging South-South Cooperation.

Established in 1981, the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) is the principal multilateral economic and commercial cooperation platform in the Islamic world. Meeting annually in Türkiye, it serves as a pivotal forum to address and provide solutions to the economic challenges facing the Islamic world.

At the outset of his keynote address, Dr. Al Jasser expressed gratitude to Hon. President Erdogan for hosting the COMCEC meeting and for the warm reception in Türkiye. He also extended condolences for the tragic loss of lives and widespread devastation in Gaza and in countries like Türkiye, Syria, Morocco, Libya, and Afghanistan, which suffered from natural disasters in 2023.

Dr. Al Jasser discussed the significant economic challenges faced globally, including rising inflation, declining economic growth, and increasing vulnerabilities to food insecurity and climate change. He highlighted the IsDB Group's initiatives, such as the Arab Africa Trade Bridges (AATB) Program and its US$1.5 billion Food Security Program, to mitigate these issues. He also mentioned the Arab Coordination Group's recent allocations, including US$50 billion for resilient infrastructure in Africa and a US$24 billion climate action financing package.

Moreover, Dr. Al Jasser stressed the importance of bolstering e-commerce, the focal theme of this year's COMCEC meeting. He noted challenges in digitalization and sustainable ICT, such as underdeveloped network infrastructure and high data costs. In response, IsDB has developed the ICT Roadmap 2025 and the Digital Inclusion Strategy 2024-2027. He also mentioned ongoing studies and initiatives to boost e-commerce and SME competitiveness in COMCEC member countries.

Arab Coordination Group allocation of US$10 billion to support energy transition

The Arab Coordination Group (ACG), a strategic alliance comprising regional and international development institutions, announced today at COP28) an allocation of US$10 billion until 2030. This funding is meant to drive a comprehensive and affordable transition to renewable energy in developing countries. The commitment is an integral part of a strategic plan encompassing seven key points designed to expedite the global shift towards clean energy sources. It further aligns with the group's earlier pledge of US$24 billion.

The key points of the strategic plan include:
Mobilizing financial resources by increasing the use of green bonds, blended finance, and risk mitigation tools; enhancing innovation and adopting new technologies to maximize the impact on energy efficiency and storage; supporting universal access to clean energy; enhancing resilience to climate change of key sectors including food, transport, water, and urban systems; encouraging cooperation and knowledge sharing; improving workforce skills worldwide in the clean energy sector; and monitoring and evaluation of the progress and impact.

This comprehensive initiative emerges as countries participating in COP28 declare their commitment to reducing carbon emissions. It comes at a crucial juncture, following a year marred by record climate events. The ongoing United Nations Conference on Climate Change puts a significant focus on substantially increasing climate financing and expediting the transition process. All of this unfolds as the world grapples with escalating temperatures and unprecedented natural disasters.

This commitment builds upon prior actions by the Arab Coordination Group in the realm of climate action. In 2022 alone, the group allocated approximately US$15.7 billion to nearly 500 financing operations across more than 80 countries. These funds were directed toward addressing fundamental challenges faced by societies in developing countries, such as food insecurity and climate change. Moreover, they supported key economic sectors and facilitated international trade. Notably, in 2022, the largest share of commitments by Coordination Group members — 27% — was dedicated to the energy sector, followed by 27% to the financial sector, and 21% to agriculture.

IsDB President and UN High Commissioner for Refugees Co-Chair GIFR 1st Board Meeting

The first board meeting of the founders of the Global Islamic Fund for Refugees (GIFR) has convened on the sidelines of the COP28 events in Dubai, UAE.

The board meeting was co-chaired by IsDB President, H.E. Dr. Muhammad Al Jasser, and United Nations High Commissioner for Refugees, Filippo Grandi, on 1 December 2023 at Islamic Development Bank (IsDB) pavilion at the COP28 venue.

GIFR was launched in September 2022 as a collaboration between UNHCR and IsDB through its poverty alleviation arm, the Islamic Solidarity Fund for Development (ISFD), on the sidelines of the UN General Assembly in New York. It aims to address the plight of refugees and facilitate their access to education, water and sanitation, and shelter.

In his remarks at the board meeting, Dr. Al Jasser underlined i) immediate and continuous mobilization of required resources to reach the target of US$ 500 million, ii) commencing the implementation of GIFR projects at the earliest for the benefit of refugee communities in member countries.

Nearly half of the world's refugees and internally displaced people come from member countries of the Organization of Islamic Cooperation (OIC). "A challenge of this magnitude underlines the vital need for innovative and sustainable financing tools such as the GIFR to provide funds and support to the communities and people in need," Dr. Al Jasser reiterated.

He added that resource mobilization will ensure a positive stream of funding that would be directed to the programs and interventions aimed at impacting the

lives of forcibly displaced persons.

Other keynote speakers at the meeting were the Co-Chair of the meeting, UN High Commissioner for Refugees, Mr. Filippo Grandi, as well as ISFD director General Dr. Hiba Ahmed who commented on the significance of the tasks on GFIR's agenda and also the Fund's activities and progress since it was launched in 2022.

The GIFR Board then discussed all the topics related to documents for the operationalization of the GIFR.

GIFR, is based on an innovative Islamic financing modality utilizing the concept of Waqf (endowment) to sustainably generate funds and is getting more and more attention and recognition as a globally innovative approach that facilitates solutions to challenges that refugees face.

Global Refugees Forum 2023: Joint Commitments by the MDBs Coordination Platform on Economic Migration and Forced Displacement

GLOBAL REFUGEE FORUM 2023

Following is the joint Commitments by the MDBs Coordination Platform on Economic Migration and Forced Displacement.

On the occasion of the Global Refugee Forum (13-15 December 2023 in Geneva, Switzerland), we – a group of multilateral development banks (MDBs) comprising the African Development Bank, Asian Development Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Islamic Development Bank and World Bank — reaffirm our commitment to promoting sustainable solutions for situations of economic migration and forced displacement (EMFD) and to supporting the operationalization of the Global Compact on Refugees by the United Nations High Commissioner for Refugees (UNHCR), United Nations Members and other relevant stakeholders.

We acknowledge that mobility is increasing, that fragility and conflict are on the rise, and that EMFD are in a mutually reinforcing relationship with other development themes and the result of multiple driving forces. In this context, and in line with our various mandates and regions of operation, we recognise the imperative for MDBs to continue supporting countries of origin, transit areas, host communities, refugees, internally displaced persons (IDPs), returnees and migrants in refugee-like situations through targeted financing, policy instruments and research.

We, the aforementioned MDBs, commit to continuing to work together through the MDB Coordination Platform on Economic Migration and Forced Displacement, launched in 2018. This platform seeks to enhance strategic dialogue and strengthen operational coordination and knowledge sharing to leverage our synergies and complementarities in the areas of EMFD.

We will endeavor to con tinue strengthening our partnership with strategic stakeholders, including but not limited to UNHCR and the International Organization for Migration (IOM), on issues of common interest. We will continue to work to build a nexus between humanitarian assistance and development investments on displacement and migration-related challenges. Current strategic and operational partnerships have already created some promising precedents on which to scale up and expand.

On the occasion of the 2023 Global Refugee Forum, we reaffirm our commitment to expanding our coordination and deepening our cooperation with all relevant stakeholders in the MDB community, with member countries and relevant specialized organizations – notably, UNHCR, the IOM, civil society, the private sector and partners across the humanitarian-development-peace nexus, to maximize our collective development impact.

Progress on MDB engagement on EMFD. Since 2019, MDBs have made progress on the four commitments set out in the 2019 Joint Statement:

• Stepping up the use of policy and financing instruments in the context of forced displacement All MDB Platform members have stepped up their policy and financing efforts in the context of forced displacement. This includes (i) direct financing for operations and technical cooperation projects benefitting host communities, refugees and IDPs; (ii) data collection and analytics, enabling the formulation of more effective policies and programs in these contexts; and (iii) the development of dedicated strategies, approach papers and frameworks.

• Enhancing coordination between MDBs and with external stakeholders. Since its creation, the MDB Platform has provided a space for its members to come together on a regular basis to learn and share knowledge on EMFD. In addition, members of the platform have strengthened their coordination with other stakeholders, such as humanitarian and development actors, the private sector, regional coordination platforms and diaspora organizations.

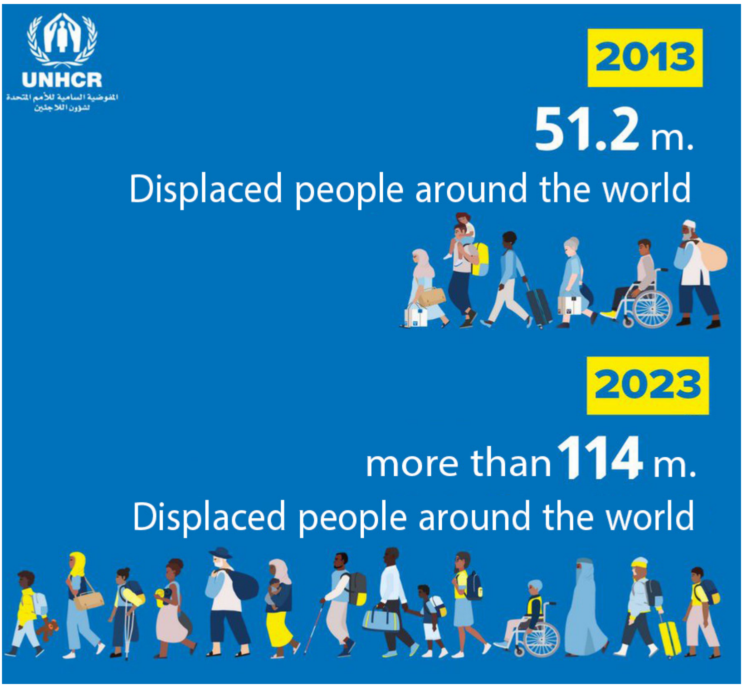
• Providing rapid financing to help alleviate strain on public services MDBs have demonstrated an ability to disburse rapid financing by different methods to support governments in times of crisis and shock. In low-income countries, some projects have (i) helped expand access to infrastructure and services for migrants, refugees, IDPs and host communities; (ii) improved environmental management in and around refugee settlements; (iii) enhanced access to documentation; (iv) improved access to education, health and economic opportunities; and (v) provided better inclusion of migrants and refugees in social safety-net programmes. In middle-income countries, some projects have helped mitigate the shocks caused by large influxes of migrants, refugees and IDPs.

• Enhancing private-sector development and support MDBs have consistently highlighted the importance of increasing private-sector investments in situations of forced displacement and have engaged the private sector in their support. The MDB Platform has enhanced private-sector support through projects focused on financial inclusion, entrepreneurship, workforce capacity-building and employability, and economic development.

Lessons learnt. Through our enhanced and focused activities over the last four years, the MDBs have drawn several lessons, in line with our individual and common approaches. These lessons include the need to:

• Tailor investments and ensure systems-wide coordination to address the dynamic and complex development context of projects. These contexts, often linked to global challenges such as climate change and situations of conflict and fragility, mean that to achieve the desired impact, it is essential to address issues that may go beyond the scope of a single project, or even that of the MDB in question and the immediate project partners. Making progress on concrete, context-specific complementarities and synergies is critical. Working closely with local governments and community leaders to tailor interventions to the local cultural, social and economic contexts can lead to more sustainable and locally owned solutions.

• Further calibrate diagnostic and analytical tools to improve the targeting of displaced populations, their needs and vulnerabilities. This should be underpinned by enhanced data-collection systems that facilitate a shift towards preventative and durable solutions and approaches. It will also facilitate the development of strategic frameworks and policies (at subnational, na-



tional, regional and sectoral level) that address both the drivers and impacts of people movements in the context of fragility, conflict and climate change, including a focus on boosting gender equality and enhancing economic opportunities for youth. Promoting monitoring and evaluation frameworks is also key to improving performance management, capturing institutional learning and informing the development of engagement approaches that optimize outcomes.

• Develop and/or mobilize financial instruments tailored to specific realities and promote an integrated "financing architecture" to design interventions holistically. This integrated approach can entail various financial solutions, such as concessional loans/blending instruments, equity, guarantees, insurance products, technical assistance and cooperation. At the same time, flexible arrangements and innovative approaches to mobilizing additional investments for conflict prevention, sustaining peace and climate adaptation at scale remain paramount.

• Enhance partnerships as a critical strategic approach to achieving MDBs' investment objectives and supporting international efforts for more equitable responsibility sharing. Partnerships with public agencies, humanitarian partners that have complementary support and financing capabilities, civil society and the private sector are necessary to realize these objectives. Inclusive stakeholder dialogue and national ownership remain critical to advancing conflict-sensitive, peace-positive investments and leaving no-one behind, while joint and/or coordinated policy engagement can ensure that development investment is leveraged effectively.

Joint MDB commitments. The MDBs reaffirm our collective and individual commitment to applying the principles of good practice outlined in the 2019 Joint Statement, as we endeavor to address the specific needs of vulnerable populations in development assistance. To this end, the MDBs have identified further priority areas for the MDB Coordination Platform on Economic Migration and Forced Displacement to focus on in the coming years:

• promoting holistic and comprehensive approaches to preventing and addressing irregular economic migration and forced displacement situations, supporting assisted or independent voluntary return to the country of origin, and reintegration, taking into consideration the specific needs and intersecting vulnerabilities of individual population segments, such as efforts to prioritise the gender dimensions of EMFD

• advancing collaboration among MDBs and other stakeholders to promote initiatives, projects and programs that are complementary, create synergies and increase impact for both displacement prevention and solutions, while building on lessons from successful interventions that may be replicated in similar contexts

• deepening coordination and cooperation on EMFD-related analytics and knowledge, including through joint research and other products

• improving monitoring and evaluation to increase operational efficiency and effectiveness

• exploring innovative financing mechanisms to generate sustainable funding for EMFD projects.

To support the above work, the MDB Coordination Platform on Economic Migration and Forced Displacement will continue to work towards establishing streamlined mechanisms to facilitate cross-MDB knowledge sharing and operational exchanges, including through a series of papers on good practices and focused workshops. This approach ensures the continued evolution of MDBs' strategies in response to the dynamic challenges faced in EMFD contexts.

'Just Transition' in the Eye of the Beholder!

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One buzz word these days, especially for us in the developing world, is 'Just Transition.' Practitioners in the global development community seem to be satisfied with this term, liberating themselves from the guilt of the past or the burden of addressing the root causes of the global problem facing humanity. But, what's implied by 'just'? And who is funding the 'just' part of the 'just transition'? And who was responsible for this problem in the first place?

WEF cites the lack of sufficient climate action as the major global risk for the next decade. Sure, the developed world, with its scientific might and capabilities, has finally learned about the catastrophe awaiting mankind because of over two centuries of industrialization. They have, rightly, rallied the efforts and got the rest of the world to agree in Paris (2015) to deal with the threat of climate change by keeping a global temperature rise this century well below 2 degrees (1.5 degrees on best effort basis) Celsius above pre-industrial levels. An objective that most rational people will not dismiss, despite the tremendous challenge.

To keep things in context, however, the whole content of Africa is responsible for less than 4% of global pollution. Needless to mention that most countries in the Global South have been colonized in one way or another and have not historically contributed to the problem. As they gained independence and embarked on their development journeys in the past few decades trying to catch-up or leapfrog, they found themselves facing strict guidelines depriving them from the same cheap energy sources that got the Global North to where it is today. And if they don't conform, they will risk funding possibilities and, not to mention, they will be accused of not helping protect the planet!

The irony is that Germany, in the aftermath of the drop of the Russian gas supply, has reactivated its coal-fired power plants with absolutely no guilt at all; maybe understandably, citing economic necessity. Uganda, on the other hand, was criticized and denied funding for building infrastructure to benefit from its newly discovered oil resources.

The dilemma here is that without reliable energy supply, development efforts will stifle or be ridiculously slow, at best. A meager progress that will probably kill any hope for many countries to prosper or reach a minimum reasonable level of development, such as achieving the SDGs.

Clean energy technologies are developed in the

North and are still expensive. Despite the declining cost, many developing countries are highly indebted and cannot afford high cost borrowing for new generation plants, let alone do away with existing plants that use cheaper and more readily available sources of energy. Developing countries should be allowed to utilize their mineral resources to generate the energy required to attain their development aspirations; at least for the next 10-15 years to avoid substantial delays in development gains. Hopefully, by then, technology around cleaner sources of energy would have been advanced and become more affordable. So, 'Just Transition' should imply a full consideration of the pace of social and economic development and the realization of the growing gap between the Global North and the Global South.

Of course, a logical path to pursue, if the world is serious about this Just Transition, is for the rich countries to own their piece of the mess and take responsibility for causing the problem in the first place. This is from a technical point of view, not even addressing the historic adverse impact of colonization in the past couple of centuries. This could be manifested by committing to transferring technology, building capacity, and helping substantially in funding economic and social development in the least developed countries; in particular, the clean and affordable energy (SDG7) as a major enabler for progress and impactful development.

To be fair, G20 countries pledged USD 100 Bn per year, and agreed to some rechanneling of the SDR amounts issued by IMF in the aftermath of the covid crisis. And yes, COP28 has declared a commitment to multiplying renewables (X3 by 2030), boosting energy efficiency, and cutting down on emissions. The jury is still out to see the actions and the impact that would be achieved.

All MDBs have committed to increasing their funding to climate action and Just Transition; although one would think the priorities should be balanced and be fully aligned with the pressing needs and the national development plans of the concerned countries. Countries with some borrowing capacity have embarked on ambitious programs for Just Transition. Indonesia, for example, with the support of MDBs like IsDB, WB, AsDB and AIIB, has launched a national transformational program during its presidency of the G20 in 2022. However, Indonesia is an example of a middle-income country that has the capacity to borrow and implement. Many LDMCs do not, unfortunately!

Developed countries are moving forward with serious climate action initiatives and programs to achieve the Paris objectives, but they should not expect that developing countries have necessarily the same perspective. Leaving aside the political correctness of signing agreements, for the two perspectives to converge, only sincere demonstration of taking responsibility and a genuine commitment to contributing to the wellbeing of developing countries, will ensure collaboration of all parties to save mankind and protect the planet!

This reminds us of the powerful metaphor used in the Hadeeth of Prophet Mohmmad ( ); in comparing a person who does right to the one who does wrong is like: "The example of people drawing lots for seats in a boat. Some of them got seats in the upper part while the others in the lower part; those in the lower part must pass by those in the upper one to get water, and that troubled the latter. One of them (i.e. the people in the lower part) took an ax and started making a hole in the bottom of the boat to get water. The people of the upper part came and asked him, 'What is wrong with you?' He replied, 'You have been troubled much by my coming up to you, and I have to get water.' Now if they prevent him from doing that, they will save him and themselves, but if they leave him (to do what he wants), they will destroy him and themselves.

فَإِنْ أَخَذُوا عَلَى يَدَيْهِ أَنْجَوْهُ وَنَجَّوْا أَنْفُسَهُمْ
وَإِنْ تَرَكُوهُ أَهْلَكُوهُ وَأَهْلَكُوا أَنْفُسَهُمْ