

20 ANNUAL 23 REPORT



**CHERISHING OUR PAST
CHARTING OUR FUTURE**
ORIGINALITY, SOLIDARITY AND PROSPERITY

20 ANNUAL 23 REPORT



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.

OUR DEVELOPMENT FINANCING
REACHES PEOPLE ACROSS FOUR
CONTINENTS, IMPACTING THE LIVES OF
1 IN 5
OF THE WORLD'S POPULATION.

CHERISHING OUR PAST

1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998

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).



IsDBI was established in 1401H (1981) to help the Bank in discharging its functions in the fields of research and training assigned to it by its Articles of Agreements.



ICIEC was established in 1415H (1994) with the objective to enlarge the scope of trade transactions and investment flows among the member countries of the Organisation of Islamic Cooperation (OIC).



- ICD was established in Rajab 1420H (November 1999) as an independent entity within the IsDB Group. The mission of the ICD is to complement IsDB through the development and promotion of the private sector, as a vehicle for economic growth and development in member countries.
- Commencing operations in January 2008, The International Islamic Trade Finance Corporation (ITFC) was established with the primary objective of advancing trade among Organization of Islamic Cooperation (OIC) member countries.
- On 1 January 2016, the financial year was changed to the Solar Hijra year starting from 11th of Capricorn (corresponding to 1 January) and ending on 10th Capricorn (corresponding to 31 December of every year).

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

CHARTING OUR FUTURE

- The World WAQF Foundation (WWF) was established by IsDB in 1422H (2001) in response to a need to create a global entity for Waqf, in collaboration with Waqf organizations governmental, NGOs and philanthropists from the private sector.



ISFD

- The Islamic Solidarity Fund for Development (ISFD) was established as a special endowment fund (Waqf) in 2007 with the mandate to alleviate poverty in OIC members.

The IsDB is dedicated to enhancing the social and economic development of its 57 member countries and Muslim communities in non-member countries.

Over the years, the Bank has evolved from a single entity established in 1974 into a group of five entities, each delivering diverse and value-added products and services to its members.

IsDB mission is 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.

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 45th Annual Meeting, the IsDB's Board of Governors approved the 6th General Capital Increase of ID5.5 billion. As at the end of 2023, the subscribed capital of the IsDB stood at ID55.3 billion.

ISLAMIC DEVELOPMENT BANK GROUP

The IsDB Group comprises five entities: the Islamic Development Bank (IsDB), the Islamic Development Bank Institute (IsDBI), 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, Türkiye; 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 January 2016, the financial year was changed to the Solar Hijra year starting from 11th of Capricorn (corresponding to 1 January) and ending on 10th Capricorn (corresponding to 31 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.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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ABBREVIATIONS

| | | | |
|---------------|--|-----------------|--|
| AATB | Arab Africa Trade Bridges | IIFM | International Islamic Financial Market |
| ACG | Arab Coordination Group | IITA | The International Institute of Tropical Agriculture |
| ADB | Asian Development Bank | ILO | International Labour Organization |
| ADER | Annual Development Effectiveness Report | IMDT | Information Management and Disruptive Technologies |
| AEs | Advanced Economies | IMF | International Monetary Fund |
| AFTIAS | Aid for Trade Initiatives of the Arab States | IOFS | The Islamic Organization for Food Security |
| AGFUND | The Arab Gulf Fund for Development | IsDB | The Islamic Development Bank |
| AHTF | Afghanistan Humanitarian Trust Fund | IsDBG | The Islamic Development Bank Group |
| AIIB | Asian Infrastructure Investment Bank | IsDBI | The Islamic Development Bank Institute |
| ALAE | Asia, Latin America & Europe | IsDB-OCR | IsDB - Ordinary Capital Resources |
| ALCO | Asset and Liability Management Committee | ISFD | Islamic Solidarity Fund for Development |
| APIF | Awqaf Properties Investment Fund | ITFC | The International Trade and Finance Corporation |
| ASD | Administrative Services Department | ITIO | International Transport Infrastructure Observatory |
| BED | The IsDB Board of Executive Directors | KIMB | Al Kuraimi Islamic Bank |
| BMGF | Bill and Melinda Gates Foundation | KIMS | Kaah International Microfinance Services |
| BoG | The IsDB Board of Governors | KRI | Key Risk Indicators |
| CEF | Country Engagement Framework | LC | Letter of Credit |
| CETMO | The Centre for Transportation Studies for the Western Mediterranean | LDMCs | IsDB's Least Developed Member Countries |
| CISNA | The Council of Islamic Schools in North America | LIBOR | London Interbank Offered Rate |
| COP | The Communities Outreach Programme | LLF | The Lives and Livelihoods Fund |
| CSED | Country Strategy & Engagement Division | MAPs | The Management Action Plans |
| CSO | Civil Society Organisation | MCPS | Member Country Partnership Strategy |
| CWIS | City-wide Inclusive Sanitation. | MCs | IsDB Member Countries |
| CWLS | Cash Waqf Linked Sukuk | MDBs | Multi-lateral Development Banks |
| DIOS | Digital Inclusion Operational Strategy | MENA | Middle East and North Africa |
| DISPP | Digital Inclusion Strategic Partnership Program | MIGA | Multilateral Investment Guarantee Agency |
| ECO | The Economic Cooperation Organization | MSMEs | Micro, Small and Medium Enterprises |
| EMDEs | Emerging Markets and Developing Economies | MSP | The Merit Scholarship Program for High Technology |
| ESCWA | The United Nations Economic and Social Commission for Western Asia | NGOs | Non-Governmental Organizations |
| ESID | Economic and Social Infrastructure Department | NMCs | Non-Member Countries |
| ESS | Environmental and Social Safeguards | ODEC | Operations and Development Effectiveness Committee |
| FAO | Food and Agriculture Organization | OIC | The Organization of the Islamic Cooperation. |
| FDI | Foreign Direct Investment | OPEC | Organization of the Petroleum Exporting Countries |
| FIs | Financial Institutions | OPHI | The Oxford Poverty and Human Development Initiative |
| FRP | Fragility and Resilience Policy | PPP | Private-Public Partnership |
| FSRP | Food Security Response Program | QRCS | Qatar Red Crescent Society |
| GABAC | Group against Money Laundering in Central Africa | RBMF | Results-Based Management Framework |
| GCE | Group Chief Economist | RCSA | Risk Control and Self-Assessment |
| GCI | General Capital Increase | RH | Regional Hub |
| GDP | Gross Domestic Product | RMC | The Risk Management Committee |
| GHG | Green House Gas | RSFIP | Risk Sharing of Foreign Investment Policy |
| GIABA | Inter-Governmental Action Group against Money Laundering in West Africa | SCIs | Special Capital Increases |
| GIS | Geographic Information System | SDGs | Sustainable Development Goals |
| GPE | Global Partnership for Education | SFF | Sustainable Finance Framework |
| GRT | Governors Round Table | SMEs | Small and Medium Enterprises |
| HRMD | The Human Resources Management Department | SPMC | The Scholarship Program for Muslim communities in non-member countries |
| HSCD | Health Service Center Division | SPRP | IsDB's Strategic Preparedness and Response Program |
| IAD | Internal Audit Department | SSA | Sub-Saharan Africa |
| ICBA | The International Center for Biosaline Agriculture | SSC | South-South Cooperation |
| ICD | The Islamic Corporation for the Development of the private sector | TA | Technical assistance facility |
| ICIEC | The Islamic Corporation for the Insurance of Investments and Export Credit | TCCA | Trade Connect Central Asia |
| ICMA | The International Capital Market Association | TCP | Technical Cooperation Programme |
| ICRC | International Committee of the Red Cross | TDCP | Technology Deployment Cooperation Program |
| ICT | Information, communications, and Technology | TDCP | Technology Deployment Cooperation Program |
| ID | Islamic Dinar (equivalent to one Special Drawing Right of IMF) | TOF | Takaful Operating Framework |
| IDITWG | The IsDB Digital Inclusion Technical Working Group | TVET | Technical and Vocational Education and Training |
| levD | Independent Evaluation Department | UMEA | Uganda Muslim Education Association |
| IF | Islamic Finance | UNDP | United National Development Programme |
| IFAA | The Islamic Finance Artificial Intelligence Assistant | UNECE | United Nations Economic Commission for Europe |
| IFPM | The Islamic Finance Pavilion Marketplace | WASH | Water Sanitation Hygiene |
| IFRC | International Federation of the Red Cross and Red Crescent Societies | WB | World Bank |
| | | WBGTF | West Bank and Gaza Investment Trust Fund |
| | | WFP | World Food Programme |
| | | WHO | World Health Organization |
| | | WSMEs | Women-owned Small and Medium Enterprises |
| | | WYE | Women and Youth Empowerment |
| | | Y-DEEP | Youth Digitalization for Employment and Entrepreneurship Program |

ACKNOWLEDGEMENTS

The 2023 Annual Report of the Islamic Development Bank was prepared by the Economic Research of IsDB Group Chief Economist based on the overall guidance of the Board of Executive Directors

UNDER THE SUPERVISION OF:

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In the Name of Allah, the Beneficent, the Merciful

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

Dear Chair,

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 honor 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 2023.

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. Chair, the assurances of my highest consideration.

Dr. Muhammad Al Jasser
President, Islamic Development Bank
Chairman, Board of Executive Directors

MESSAGE FROM THE PRESIDENT

In 2024 the Islamic Development Bank (IsDB) is commemorating 50 years of continuous development interventions aimed at promoting human dignity and advancing Islamic cooperation and solidarity. From its humble beginnings in 1974, IsDB has grown from a single entity to a group of five development entities, with a network of 10 regional hubs. Its membership has increased from 22 to 57 member countries. Its capital and annual financing approvals have also expanded significantly. Accumulated approvals from inception to the end of 2023 reached US\$182.1 billion.

In 2023, IsDB started the implementation of its Realigned Strategy for 2023-2025 and introduced a Results-Based Management Framework to monitor and report transparently on implementation progress. With the Realigned Strategy, IsDB is better positioned to respond to the evolving development needs of its member countries and address the challenges of the new normal, including the impact of COVID-19, poverty reversal, food insecurity, natural disasters, and geopolitical fragmentations. The Food Security Response Program (FSRP) and Emergency Response programs complement the strategy, providing substantial financial support to member countries for recovery and resilience.

The IsDB Group approved a total financing of US\$12 billion (ID9 billion) in 2023, up US\$1.6 billion from the previous year. Out of the total approvals, IsDB contributed US\$4.3 billion (ID3.2 billion), ITFC US\$6.9 billion (ID5.2 billion), ICD US\$531.7 million (ID396.3 million), ISFD US\$213.6 million (ID159.0 million). ICIEC provided US\$13.3 billion (ID9.9 billion) of business insurance.

IsDB's commitment to meeting high expectations has earned it the continuous trust of its member countries, as reflected in their full subscription to the 6th General Capital Increase of ID5.5 billion and the recent Special Capital Increase of ID881.7 million (US\$ 1.2 billion) by Indonesia. This robust and steady shareholder support has helped IsDB maintain an AAA credit rating for 21 consecutive years up to 2023.



The Bank's efforts reflect its dedication to promoting human dignity, sustainable development, and resilience in the face of evolving global challenges.

Recognizing the critical role of its staff in its development mission, IsDB introduced a new Career Management Policy that provides a comprehensive framework for career progression, development, engagement, and retention. Meanwhile, efforts were made to further enhance diversity and geographical representation within the organization as well as staff well-being and equity.

In conclusion, IsDB's 50-year journey is marked by significant growth and substantial financial commitments to meet the aspirations of its member countries. The Bank's efforts reflect its dedication to promoting human dignity, sustainable development, and resilience in the face of evolving global challenges.

Dr. Muhammad Al Jasser
President, Islamic Development Bank
Chairman, Board of Executive Directors

BOARD OF EXECUTIVE DIRECTORS



H.E. DR. MUHAMMAD SULAIMAN AL JASSER
PRESIDENT, ISLAMIC DEVELOPMENT BANK AND
CHAIRMAN, BOARD OF EXECUTIVE DIRECTORS



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REPRESENTING: LIBYA



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REPRESENTING: KUWAIT



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EMIRATES



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REPRESENTING: QATAR



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 ABDELRHMAN**
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 DARUSSALAM, GUYANA, INDONESIA,
 MALAYSIA, SURINAME



HON. TAMERLAN TAGHIYEV
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 KYRGYZ REPUBLIC, TURKMENISTAN,
 TAJIKISTAN, UZBEKISTAN



EXECUTIVE SUMMARY

A YEAR IN REVIEW

IsDB has created a legacy of tremendous accomplishments in its development journey over the last 50 years. Meanwhile, the dynamics of development challenges have also become more complicated, and the Bank has realigned its strategy to respond to this new normal. The year 2023 witnessed the successful roll-out of this Realigned Strategy. With the ongoing implementation of the Food Security Response Program, the Bank also extended emergency aid to the member countries affected by earthquakes and conflicts in 2023.

The IsDB Group approved US\$12 billion (ID9 billion) for development financing, an increase of 15.3% over the 2022 total approvals. Out of this total approval amount, IsDB contributed US\$4.3 billion (ID3.2 billion), ITFC US\$6.9 billion (ID5.2 billion), ICD US\$531.7 million (ID396.3 million), ISFD US\$213.6 million (ID159.0 million), and ICIEC provided US\$13.3 billion (ID9.9 billion) of business insurance. These approvals will address recovery, food security, resilience, green growth, and inclusive human development. Furthermore, the Bank implemented several activities in 2023 to reinforce institutional and financial soundness. The highlights of our operations in 2023 are outlined below.

BOOSTING RECOVERY AND FOOD SECURITY

- The IsDB Group is continuing with the operationalization of the Food Security Response Program (FSRP) approved in July 2022. The amount allocated for the program is US\$10.54 billion, plus US\$500 million of credit and political risk insurance.
- In 2023, the total amount of financing approved under FSRP stood at US\$4.0 billion, representing 46% of the pledged amount (excluding ICIEC insurance approvals). Out of this amount, US\$906.3 million was approved by IsDB, US\$3.0 billion by ITFC, US\$100 million by ICD, and US\$19.1 million by ISFD. Also, US\$788.5 million worth of business credit and political risk insurance was approved by ICIEC toward the FSRP.
- US\$581.9 million worth of accelerated disbursements have been made as part of IsDB financing from 85 active projects relevant to the FSRP.
- The IsDB provided substantial support to its member countries (MCs) in 2023 through Emergency Response grants. Türkiye, Syria, Sudan, Libya, and Morocco collectively received US\$7.0 million in rapid financial assistance, demonstrating a dedicated effort to aid member countries impacted by humanitarian crises.

DRIVING RESILIENCE AND GREEN GROWTH

- The Bank's initiatives in 2023 provided comprehensive support to member countries grappling with various challenges, including natural disasters, conflict, and fragility. In doing so, it demonstrated a commitment to being a reliable partner during critical times and fostering impactful contributions to address complex global challenges.
- The Bank actively engaged in COP28, pledging US\$1.0 billion for climate adaptation financing for fragile member countries. This marked a significant milestone in its efforts to address climate challenges.
- In 2023, IsDB developed a greenhouse gas (GHG) accounting system and accompanying staff guidance to identify, measure, and report on operational and organizational GHG emissions, aligning with the Paris Agreement targets and Sustainable Development Goals (SDGs).

The Bank's initiatives in 2023 provided comprehensive support to member countries grappling with various challenges, including natural disasters, conflict, and fragility.

- In terms of climate finance, IsDB has exceeded its target of a 35% climate finance share of total financial commitments by 2025, with 37% already achieved.
- As part of efforts under the Small-Scale Renewable Energy Applications in Rural Areas program, the Bank approved US\$200 million for the establishment of a new 400kV Jasra subsystem in Mauritania.
- In 2023, IsDB approved 13 transport projects totaling US\$1.2 billion, with the aim of developing sustainable, reliable, cost-effective, and resilient transportation systems to accelerate socioeconomic activities, growth, and poverty reduction in IsDB member countries.
- A total of US\$392.3 million was approved in 2023 for urban development projects, including US\$298 million for peri-urban and rural housing finance in Bangladesh, US\$15.3 million for the Slums Upgrading and Integrated Urban Development program in Djibouti, and US\$79 million for affordable, resilient, and energy-efficient housing for underserved populations in the Kyrgyz Republic.
- IsDB also embarked on a journey to reduce the digital divide in its 57 member countries, launching the Technology Deployment Cooperation Program (TDCP) to facilitate the transfer and deployment of cost-effective technologies to address development challenges and improve digital inclusion.
- In partnership with Microsoft, the Bank supported the efforts of the Technology for Social Change and Development (Tech4Dev) initiative by implementing a Women Techsters Fellowship Program that aims to empower five million women across all 54 African countries by 2030.
- The approvals for education include US\$86 million for Tajikistan under the GPE and US\$220.25 million for Uzbekistan to improve the quality and efficiency of its education services.
- In addition, the first pilot project under the Bank's human capital development initiative in partnership with WFP – "Investing in the Future of Learners" – was approved for Benin through blended financing amounting to US\$25.51 million.
- In 2023, the Bank awarded scholarships to 524 students from 57 countries, including 180 candidates from 27 Muslim communities in non-member countries (NMCs). As of December 2023, the scholarship program continues to support 1,804 students and scholars, with 1,321 from 98 countries studying in 68 countries, and 483 students being in the process of securing admission to start their study programs.
- In 2023, IsDB approved 12 projects with US\$2.64 million of funding to support education, technical and vocational education and training (TVET), and capacity development in NMCs.
- In 2023, IsDB also approved US\$1.4 billion for health-related projects. This included US\$846 million towards health transformation in Indonesia.
- In line with this, IsDB is also at the core of the New Global Financing Pact for providing health and well-being for all through universal health coverage in low- and low-middle-income countries.
- IsDB supported telehealth in 2023 as a Reverse Linkage Project between Somalia and Egypt. Upon completion of the project, critically ill patients will be able to benefit from an Intensive Care Unit operated by Somalian medical staff in the East Africa University Hospital.

BUILDING INCLUSIVE HUMAN CAPITAL DEVELOPMENT

- In 2023, IsDB boosted its development financing to help deliver education for all, universal healthcare, and poverty reduction as part of its aim to build inclusive human capital in its member countries.
- IsDB investments in education are aimed at driving a shift from schooling to learning. Approvals for education in 2023 reached a new high of US\$420.59 million, leveraging US\$71.67 million in grants including US\$65 million from the Global Partnership for Education (GPE), and US\$21.72 million in co-financing from Arab Coordination Group (ACG) partners.
- Furthermore, as part of its participation in the Alliance to Fight Avoidable Blindness, the Bank formulated an eyecare program aimed at empowering 10 million children in 13 African countries to fight avoidable blindness.
- In 2023, US\$213.6 million was approved through ISFD for poverty reduction projects in the member countries.
- IsDB has also continued to facilitate the transfer of development solutions among its member countries through mechanisms such as the Technical Cooperation Programme (TCP) and the Reverse Linkage mechanism, which brings member countries together to tackle shared challenges.

IsDB continues to nurture its most critical asset: its staff. The Bank has prepared a new Career Management Policy to provide a comprehensive framework for career progression, development, engagement, and retention.

- IsDB approved 38 TCP operations in 2023, amounting to US\$0.9 million. Meanwhile, a grant of US\$2.93 million was approved for Reverse Linkage, benefiting Chad, Djibouti, Mauritania, and Mozambique in areas such as education and rural and urban development.
- The Bank has intensified its efforts to mainstream regional integration into its operations. To this end, the Bank allocated US\$0.96 million in 2023 to support regional integration and investment promotion and mobilized US\$2.15 million for its regional integration and investment promotion operations in member countries.
- At the 2023 Annual Meeting, IsDB's capital base was bolstered once again when the Honourable Board of Governors approved an SCI for the Republic of Indonesia amounting to a cash injection of ID881.7 million (US\$1.2 billion).
- High capitalization levels with very high subscription rates strengthen the financial sustainability of the Bank and reinforce its ability to withstand financial crises. This status is also viewed very positively by the global rating agencies who by 2023 had maintained IsDB's top-tier AAA-rating for 21 consecutive years.

REINFORCING INSTITUTIONAL AND FINANCIAL SOUNDNESS

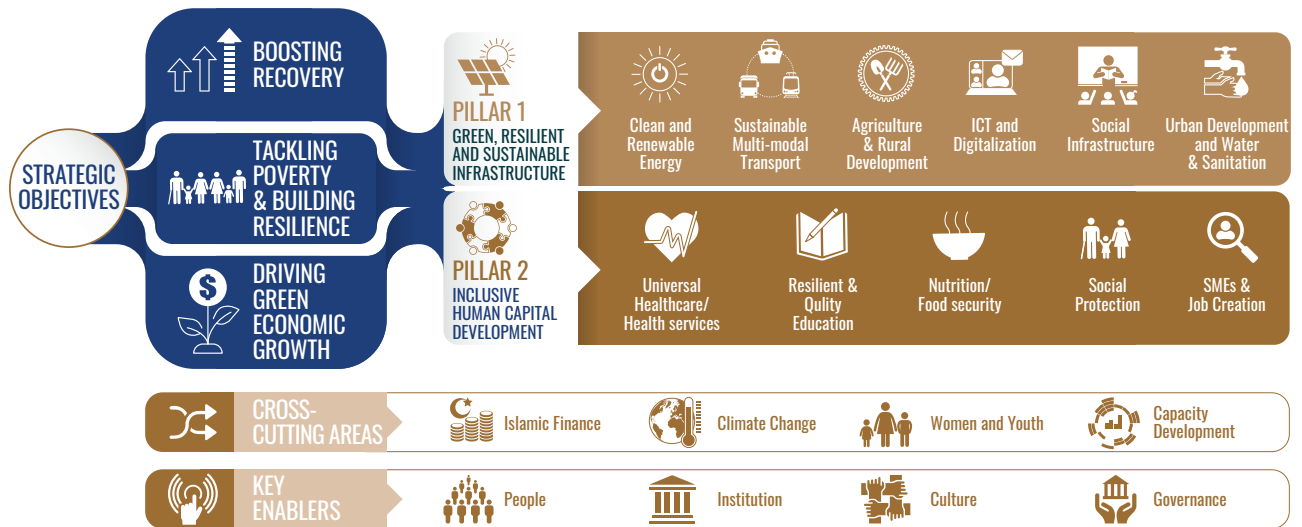
- In 2023, IsDB executed several institutional and financial soundness programs to reinforce its good governance and financial sustainability.
- In this context, the implementation of a Bank-wide Enterprise Risk Management Project with advanced risk and finance analytics, including an integrated DataMart, reached an advanced stage in defining the institution's capacity and willingness to bear risk exposures.
- The Bank implemented the LIBOR transition project to ensure a smooth transition to alternate benchmark rates.
- In 2023 IsDB completed 11 project evaluations across 10 member countries and one instance of Special Assistance, and finalized eight Corporate, Country, and Thematic evaluations initiated in 2022.
- IsDB member countries have contributed to the Bank's financial sustainability through ongoing shareholder support with multiple equity injections in the form of both General Capital Increases (GCIs) and Special Capital Increases (SCIs).
- IsDB also continues to nurture its most critical asset: its staff. The Bank has prepared a new Career Management Policy to provide a comprehensive framework for career progression, development, engagement, and retention.
- Our commitment to diversity was evident, particularly in terms of attracting skilled professionals, both males, and females, and improving geographical representation. Vacancy requisition increased 38% in 2023, with applications coming from 166 countries. Our female staff were accorded equal access to benefits such as educational grants and dependency allowances.
- In 2023 the Bank resolved 1,231 compliance issues and rigorously followed up on the implementation of the Management Action Plans (MAPs). The IsDBG Administrative Tribunal became fully operational and is the highest body in the internal justice system of the Bank. The decisions of the Tribunal are final and binding.

2023 AT A GLANCE

ISDB REALIGNED STRATEGY

2023 SAW THE FULL
ROLL-OUT OF ISDB'S
REALIGNED STRATEGY.

THE REALIGNED STRATEGY HAS CONTRIBUTED TO THE REVAMPING OF THE MEMBER COUNTRY PARTNERSHIP STRATEGY (MCPS) PROCESS, LEADING TO THE LAUNCH OF SEVEN MCPSs IN 2022 AND THE PREPARATION OF SIX MORE IN 2023.



ECONOMIC CONTEXT

CURRENT EXPECTATIONS ARE FOR THE GLOBAL ECONOMY TO SLOW DOWN. GROWTH IN ISDB MEMBER COUNTRIES IS FORECAST TO DECREASE FROM 5.6% IN 2022 TO 3.3% IN 2023, BEFORE SLIGHTLY INCREASING TO 3.9% IN 2024.

AVERAGE GOVERNMENT DEBT IN ISDB COUNTRIES SLIGHTLY DECREASED FROM 43.8% OF GDP IN 2022 TO 43.0% IN 2023 AND IS PROJECTED TO FURTHER REDUCE TO 40.5% IN 2024.

MANY ISDB MEMBER COUNTRIES HAVE RECOVERED UNEVENLY FROM COVID-19-INDUCED UNEMPLOYMENT, WITH UNEMPLOYMENT RATES STEADILY DECREASING FROM 6.9% IN 2020 TO 5.9% IN 2022, AND FURTHER DOWN TO 5.8% IN 2023, BUT HIGHER RATES AMONG WOMEN AND YOUTH AT 6.9% AND 12.8% IN 2023 RESPECTIVELY.



GLOBAL INFLATION IS EXPECTED TO DECREASE FROM 8.7% IN 2022 TO 6.9% IN 2023, AND FURTHER TO 5.8% IN 2024. ISDB MEMBER COUNTRIES ARE EXPERIENCING HIGHER INFLATION, ESTIMATED AT

17.7% IN 2023
AND DECREASING SLIGHTLY TO 17.0% IN 2024, DRIVEN BY FOOD AND ENERGY PRICES.

EMERGENCY RESPONSE

A TOTAL OF
US\$7 MILLION
OF RAPID FINANCIAL ASSISTANCE
WAS GIVEN IN 2023 TO
**TÜRKIYE, SYRIA, SUDAN,
LIBYA, AND MOROCCO.**

TÜRKIYE

IN TÜRKIYE, MORE THAN
372,000
FOOD PACKAGES
WERE DISTRIBUTED TO
128,000 FAMILIES
IN RESPONSE TO THE
EARTHQUAKE.



SYRIA

A **US\$2 MILLION**
PROJECT WAS LAUNCHED
IN RESPONSE TO THE
SYRIAN EARTHQUAKE, IN
PARTNERSHIP WITH THE
QATAR RED CRESCENT
SOCIETY.

MOROCCO

FOLLOWING THE
EARTHQUAKE IN MOROCCO,
ISDB PROVIDED GRANT
FINANCING OF
US\$1.5 MILLION
FOR EMERGENCY
REHABILITATION.

SUDAN

US\$1.5 MILLION
WAS ALLOCATED TO
SUPPORTING
125,000 PEOPLE
AFFECTED BY THE CONFLICT
IN SUDAN.



LIBYA

A **US\$1.5 MILLION**
PACKAGE OF SUPPORT WENT TO LIBYA IN RESPONSE TO
THE FLOODS OF SEPTEMBER 2023, PROVIDING SHELTER,
HEALTHCARE, WATER AND SANITATION.



FOOD SECURITY



THE ISDB GROUP'S FOOD SECURITY RESPONSE PROGRAM (FSRP) IS A COMPREHENSIVE PACKAGE WORTH

US\$10.54 BILLION

WITH THE OBJECTIVE OF PROVIDING CRUCIAL SUPPORT TO ISDB MEMBER COUNTRIES IN COMBATING FOOD CRISES.

AT THE END OF 2023, THE TOTAL AMOUNT OF FINANCING APPROVED FOR THE FOOD SECURITY RESPONSE PROGRAM STOOD AT

US\$4.0 BILLION, REPRESENTING 46% OF THE PLEDGED AMOUNT UNDER APPROVAL.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC), A MEMBER OF THE ISDB GROUP, HAS COMMITTED

US\$4.5 BILLION OF THE TOTAL US\$10.54 BILLION COMMITMENT OVER 3.5 YEARS (JULY 2022-DECEMBER 2025).

HEALTH



IN 2023, ISDB APPROVED

US\$1.4 BILLION FOR HEALTH FINANCING ACROSS

6

COUNTRIES.

ISDB HAS ALLOCATED

US\$846 MILLION

TO A HEALTH TRANSFORMATION PROGRAM IN INDONESIA, AS PART OF A

US\$4.2 BILLION PARTNERSHIP

WITH OTHER MULTILATERAL DEVELOPMENT BANKS.

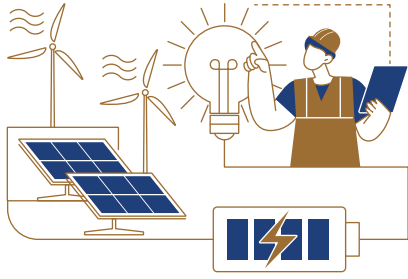


AS PART OF THE ALLIANCE TO FIGHT AVOIDABLE BLINDNESS, THE BANK FORMULATED AN EYECARE PROGRAM TO EMPOWER

10 MILLION CHILDREN IN 13 AFRICAN COUNTRIES

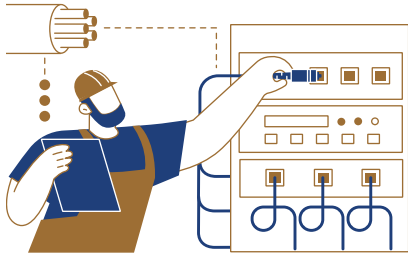
TO FIGHT AVOIDABLE BLINDNESS. THE PROGRAM WILL PROVIDE MORE THAN 320,000 CORRECTIVE GLASSES FOR CHILDREN.

INFRASTRUCTURE

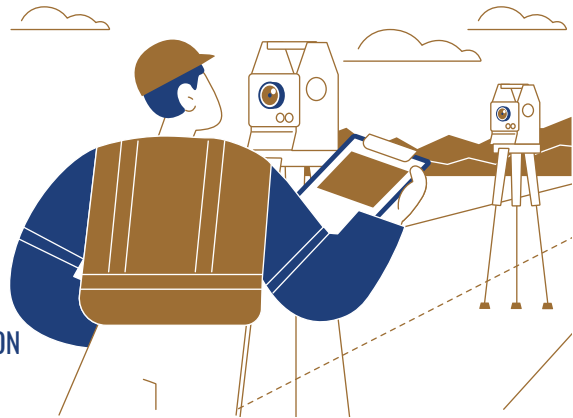


IN 2023, THE BANK APPROVED
US\$387.9 MILLION
FOR ENERGY DEVELOPMENT.

SINCE ITS INCEPTION, THE ISLAMIC
DEVELOPMENT BANK GROUP HAS
IMPLEMENTED A TOTAL OF
**90 ICT SECTOR
OPERATIONS**
WORTH OVER
US\$936 MILLION.

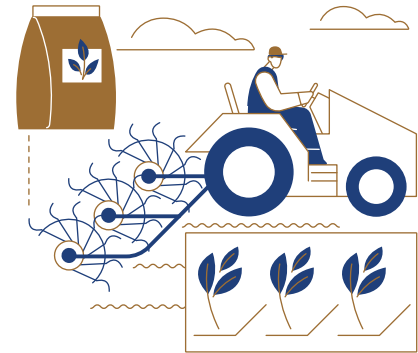


IN 2023, ISDB APPROVED
**13 TRANSPORT
PROJECTS**
WITH A TOTAL VALUE OF
US\$1.2 BILLION,
DESIGNED TO DEVELOP
SUSTAINABLE, RELIABLE,
COST-EFFECTIVE, AND
RESILIENT TRANSPORTATION
SYSTEMS.



IN 2023 A TOTAL OF
US\$392.3 MILLION
WAS APPROVED FOR URBAN
DEVELOPMENT PROJECTS.

IN 2023, ISDB APPROVED PROJECTS
WORTH
US\$365.72 MILLION
IN AGRICULTURE, WATER RESOURCES,
AND RURAL DEVELOPMENT.



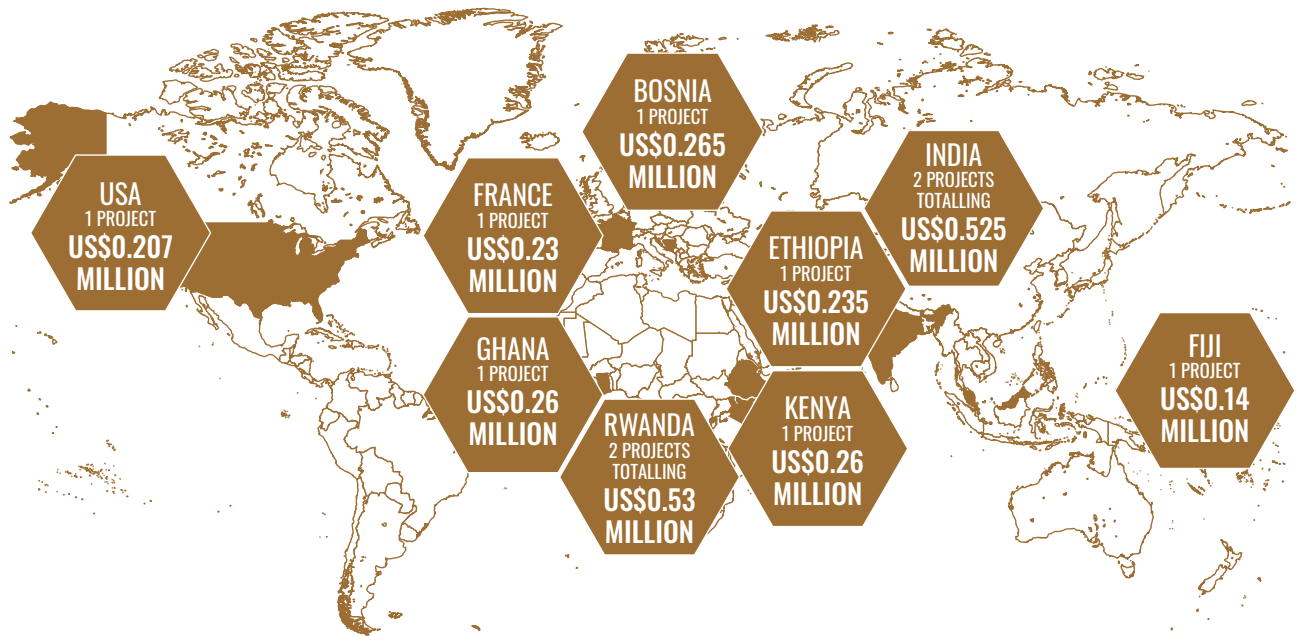
SOUTH-SOUTH DEVELOPMENT

A TOTAL OF
38
**TECHNICAL COOPERATION
PROGRAMME (TCP)**
OPERATIONS WERE APPROVED IN
2023, AMOUNTING TO
US\$900,000.
PRIORITY WAS GIVEN TO LEAST
DEVELOPED MEMBER COUNTRIES, AND
TO INTERVENTIONS IN AGRICULTURE,
EDUCATION, HEALTH, ISLAMIC FINANCE,
AND TECHNOLOGY DEPLOYMENT.



A **US\$2.93 MILLION**
GRANT WAS ALLOCATED FOR REVERSE LINKAGE IN 2023, BENEFITING
CHAD, DJIBOUTI, MAURITANIA, AND MOZAMBIQUE IN AREAS SUCH AS
EDUCATION AND RURAL AND URBAN DEVELOPMENT.

SPECIAL ASSISTANCE



IN 2023, THE COMMUNITIES OUTREACH PROGRAM APPROVED **12 PROJECTS** TOTALING **US\$2.638 MILLION**, SUPPORTING EDUCATION, TVET, AND CAPACITY DEVELOPMENT.

DURING 2023, A TOTAL OF **38 PROJECTS** WERE COMPLETED ACROSS AFRICA 19 EUROPE 2 ASIA 12 AND AMERICA 5.

SINCE ITS INCEPTION IN 1981, THE PROGRAM HAS APPROVED **1,869 PROJECTS** TOTALING **US\$908 MILLION**, WITH 1,096 BEING DEVELOPMENTAL PROJECTS AND 773 BEING RELIEF PROJECTS.

WOMEN AND YOUTH

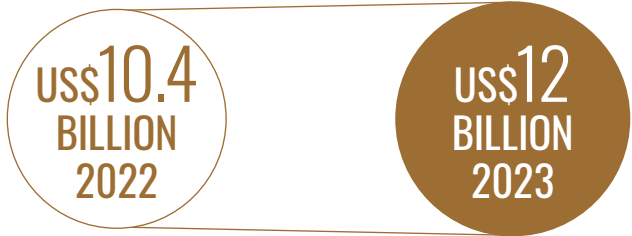
US\$55.6 MILLION HAS BEEN ALLOCATED TO THE IMPLEMENTATION OF SIX PROGRAMS THAT AIM TO SUPPORT WOMEN-OWNED/LED SMALL AND MEDIUM ENTERPRISES (WSMEs) IN NINE COUNTRIES.

IN PARTNERSHIP WITH MICROSOFT, THE WOMEN TECHSTERS INITIATIVE AIMS TO EMPOWER

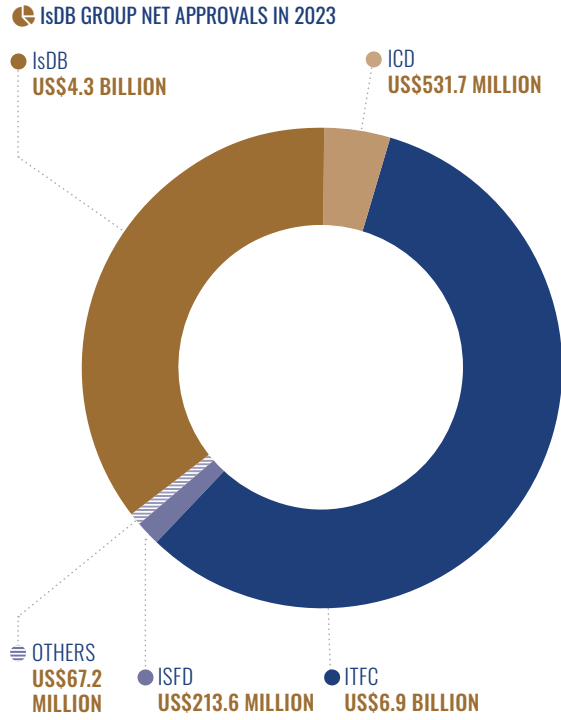
5 MILLION WOMEN ACROSS ALL 54 AFRICAN COUNTRIES BY 2030.



2023 IN NUMBERS



THE ISDB GROUP APPROVED **US\$12 BILLION (ID9 BILLION)** FOR DEVELOPMENT FINANCING, AN INCREASE OF **15.3%** OVER THE 2022 TOTAL APPROVALS. OUT OF THIS TOTAL APPROVAL AMOUNT, **ISDB CONTRIBUTED US\$4.3 BILLION (ID3.2 BILLION)**, **ITFC US\$6.9 BILLION (ID5.2 BILLION)**, **ICD US\$531.7 MILLION (ID396.3 MILLION)**, AND **ISFD US\$213.6 MILLION (ID159.2 MILLION)**.

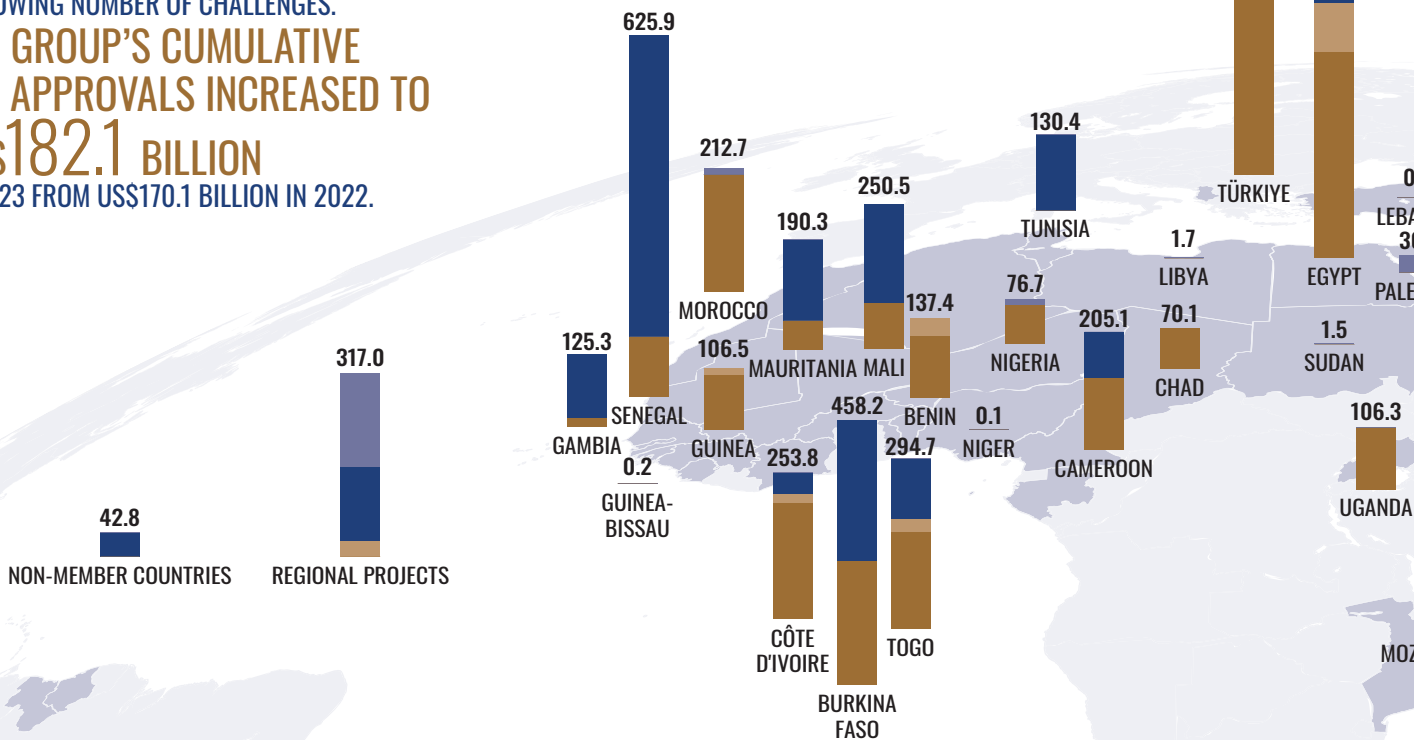


THE TOTAL NET APPROVALS OF THE ISDB GROUP HAVE CONTINUED TO RISE SINCE 2020, WITH INCREASED RESOURCES BEING MADE AVAILABLE TO MEMBER COUNTRIES TO HELP THEM ADDRESS A GROWING NUMBER OF CHALLENGES.

THE GROUP'S CUMULATIVE NET APPROVALS INCREASED TO **US\$182.1 BILLION** IN 2023 FROM **US\$170.1 BILLION** IN 2022.

ISDB GROUP NET APPROVALS BY COUNTRY AND ENTITY (US\$ MILLION)

ISDB ICD ITFC OTHERS



CHAPTER 1

ISDB GROUP ACTIVITIES



This chapter highlights the main achievements of the IsDB Group, the umbrella organization under which sits the Islamic Development Bank (IsDB), the Islamic Development Bank Institute (IsDBI), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Corporation for the Development of the Private Sector (ICD), and the International Islamic Trade Finance Corporation (ITFC). While the IsDB is the main development bank, the other organizations complement its work to deliver a comprehensive range of projects and activities to support sustainable socio-economic development in its member countries.

1.1: RECENT ECONOMIC PERFORMANCE

GROWTH

Economic growth in 2023 was lower globally in 2023 than in 2022. Current expectations are for the global economy to slow down further in 2024. Global growth is estimated to decrease from 3.5% in 2022 to 3% in 2023 and then to 2.9% in 2024. This slowdown is primarily due to geopolitical conflicts and fragmentation. Advanced Economies (AEs) are estimated to experience a significant decline while Emerging Markets and Developing Economies (EMDEs) are projected to maintain solid growth. Islamic Development Bank (IsDB) member countries are also facing challenges such as high inflation, supply chain disruptions, and falling commodity prices. Growth in IsDB member countries is estimated to decrease from 5.6% in 2022 to 3.3% in 2023, before slightly increasing to 3.9% in 2024. In Asia, Latin America, and Europe (ALAE) member countries, growth is estimated to slow from 5.7% in 2022 to 4% in both 2023 and 2024. For IsDB countries in the Middle East and North Africa (MENA), growth is estimated to drop sharply from 6.0% in 2022 to 1.9% in 2023, then rebound to 3.6% in 2024. Fuel-exporting economies in the Middle East and North Africa (MENA) region are estimated to experience a sharp growth slowdown from 6.7% in 2022 to 1.7% in 2023, reflecting both a weaker oil supply and lower prices. Sub-Saharan Africa (SSA) IsDB countries saw growth decrease from 4.0% in 2022 to 3.7% in 2023, followed by an expected increase to 4.3% in 2024.

DEBT SITUATION

The global economic recovery post-COVID-19 remains fragile, with low-income countries facing potential debt deterioration in the context of slower growth and tighter financing conditions. Average government debt in IsDB countries slightly decreased from 43.8% of GDP in 2022 to 43.0% in 2023 and is projected to further reduce to 40.5% in 2024. However, there is significant variation across regions and countries. The IsDB group of low-income countries faced the highest debt burden of 83.1% of GDP in 2023, slightly higher than 81.0% of GDP in 2022, though this is expected to ease down to 78.1% of GDP in

2024. Of the IsDB regions, ALAE member countries had the lowest debt level of 40.8% of GDP in 2023 (down from 41.3% in 2022), followed by MENA member countries (45.3% of GDP, down from 46.4% of GDP in 2022), and SSA member countries (47.4% of GDP, up from 46.8% in 2022).

INFLATION TRENDS

Tight monetary policies in Advanced Economies, along with declining energy prices, are leading to lower inflation rates globally. Global inflation is expected to decrease from 8.7% in 2022 to 6.9% in 2023, and further to 5.8% in 2024. IsDB member countries are experiencing higher inflation, estimated at 17.7% in 2023 and decreasing slightly to 17.0% in 2024, driven by food and energy prices. Inflation in the ALAE region is the highest in 2023 which reached 21.6%, followed by the SSA region, which had an inflation rate of 16.4% and this is expected to ease to 14.3% in 2024. This is expected to ease to 14.3% in 2024. The IsDB group of low-income countries is the hardest hit by food and energy price hikes, as it faces an exceptionally high inflation rate of 42.8% in 2023 before easing slightly to 29.8% in 2024.

UNEMPLOYMENT CHALLENGES

Unemployment challenges are also expected, with the risk of low growth in many countries potentially leading to increased job losses. Many IsDB member countries have recovered unevenly from COVID-19-induced unemployment, with unemployment rates steadily decreasing from 6.9% in 2020 to 5.9% in 2022, and further down to 5.8% in 2023, but higher rates among women and youth at 6.9% and 12.8% in 2023 respectively. Addressing these unemployment issues requires maximizing the impact of development projects for better and inclusive economies.

1.2: OPERATIONAL HIGHLIGHTS

Despite the disruptions in recent years and the emergence of new challenges during 2023, IsDB has remained resolute in providing significant financial resources to member countries to boost recovery and food security, drive resilience and green growth, and build inclusive human capital for a more sustainable future. The total net approvals of the IsDB Group have continued to rise since 2020, with increased resources being made available to member countries to help them address a growing number of challenges. The Group’s cumulative net approvals increased to US\$182.1 billion in 2023 from US\$170.1 billion in 2022.

As the Bank concludes its short-term COVID-19 response program, it has refocused and escalated its operations to address recovery and food security in its member countries, drive resilience and green growth, and develop inclusive human capital for a sustainable future.

In 2023, the Group’s annual net approvals increased by 15.3% to US\$12 billion (ID9 billion) up from US\$10.4 billion (ID7.9 billion) in 2022 (Figure 1.1).

IsDB-OCR’s share of Group net approvals increased markedly from 28.4% in 2022 to 35.7% in 2023, while ITFC’s and ICD’s share of Group net approvals decreased from 5.0% and 65.2% in 2022 to 4.4% and 57.6% respectively in 2023 (Figure 1.2).

In response to an increase in demand from member countries, the Group’s entities continued scaling up their approvals. In 2023, as supply chains gradually returned to normal, ITFC boosted trade financing by US\$6.9 billion (ID5.2 billion) to support energy, agricultural trade, and food security. IsDB net approvals soared to US\$4.3 billion (ID3.2 billion), an increase of 45% compared to the previous year, to support recovery, poverty reduction, resilience building, and food security. Similarly, ICD has maintained a slightly higher net approval of US\$531.7 million (ID396.3 million) compared to US\$525.8 million (ID395.1 million) the previous year (Figure 1.3).

A rapid escalation in approvals is yet to be matched by disbursement flows, and repayments therefore exceeded disbursements in 2023. This is expected to be a temporary adjustment that will disappear as soon as the scaled-up approvals translate into new disbursements.

FIGURE 1.1: ISDB GROUP NET APPROVALS

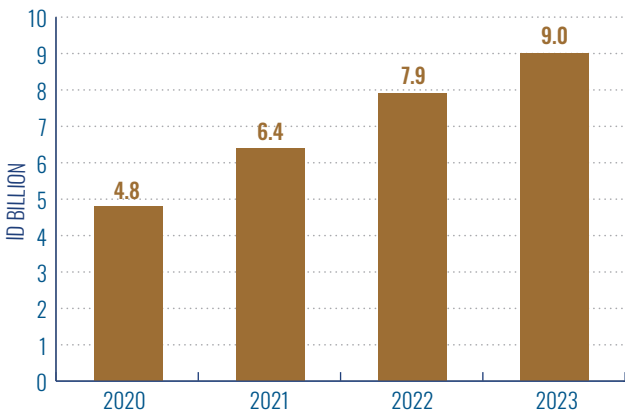


FIGURE 1.2: TRENDS IN SHARE OF ENTITIES IN TOTAL ISDB GROUP NET APPROVALS

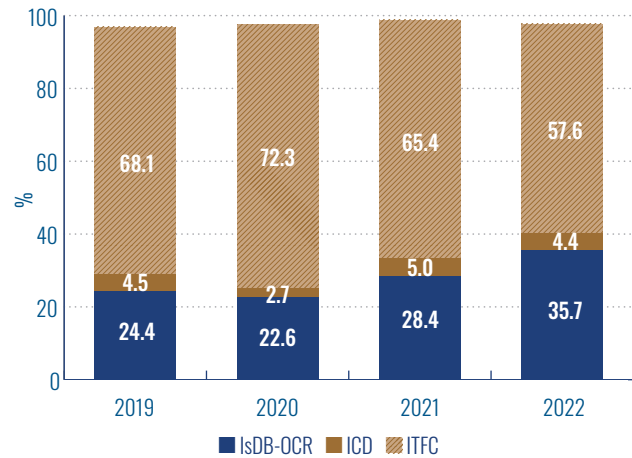


FIGURE 1.3: NET APPROVALS BY ENTITIES & FUNDS

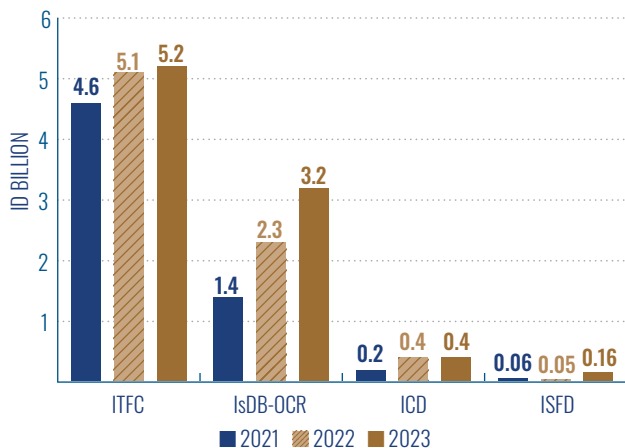
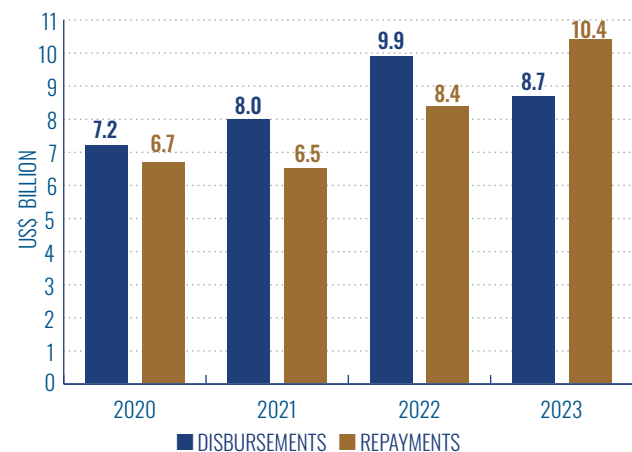


FIGURE 1.4: TRENDS IN ISDB GROUP DISBURSEMENTS AND REPAYMENTS



Disbursements decreased to US\$8.7 billion in 2023 from US\$9.9 billion in 2022, representing 72.5% of the Group net approvals. Though the post-COVID-19 recovery was spread unevenly and incompletely in some countries, the support for the IsDB Group from its member countries has been overwhelming. The level of repayments has continued to increase, reaching US\$10.4 billion in 2023 from US\$8.4 billion in 2022 (Figure 1.4).

As member countries started to emerge from the aftermath of the pandemic, only to confront a food crisis, IsDB has remained vigilant and supportive in helping those member countries face the new challenge. In the past two years, health and agriculture have featured prominently in our operations. Millions of people faced the prospect of hunger in 2022, and this was met with accelerated agricultural financing. This will not only meet immediate needs but will also help to build sustainable food security for future generations. Furthermore, green growth and inclusive human capital development are the two pillars of the Realigned Strategy, and they guide the development financing of the Bank.

As a result, the share of energy financing within IsDB's annual net approvals remains high at 9% in 2023 (Figure 1.5) slightly down from 11.7% in 2022. Transportation financing decreased to 28.5% in 2023 from 40.5% in 2022. Meanwhile, health has retained the dominant share, accounting for 32.8% of total IsDB approvals in 2023, up from 13.3% the previous year.

ICD's net approvals increased by 1.1% to reach US\$531.7 million in 2023, from US\$525.8 million in 2022 (Figure 1.6). This reflects the realigned approach to focus ICD's business model on credit financing for private sector development. Development in the financial sector accounts for 77.3% of ICD's financing, followed by industry and mining (13.2%) and energy (4.7%).

As supply chains started to return to some sort of normality, trade financing received increased support from ITFC, with approvals reaching US\$6.9 billion in 2023, up from US\$6.8 billion in 2022 (Figure 1.7). Disbursements changed by -18.2% to reach US\$6 billion in 2023, representing 87.3% of net approvals.

FIGURE 1.5: SECTORAL DISTRIBUTION OF IsDB-OCR NET APPROVALS 2022

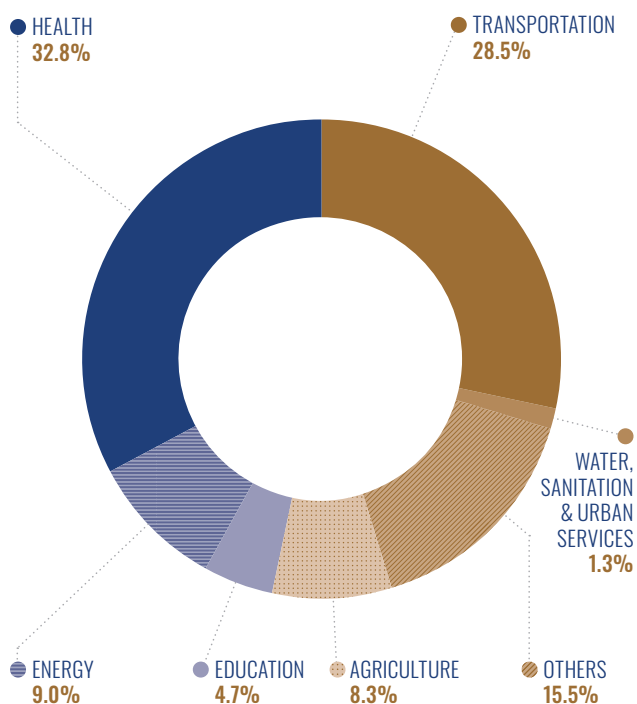
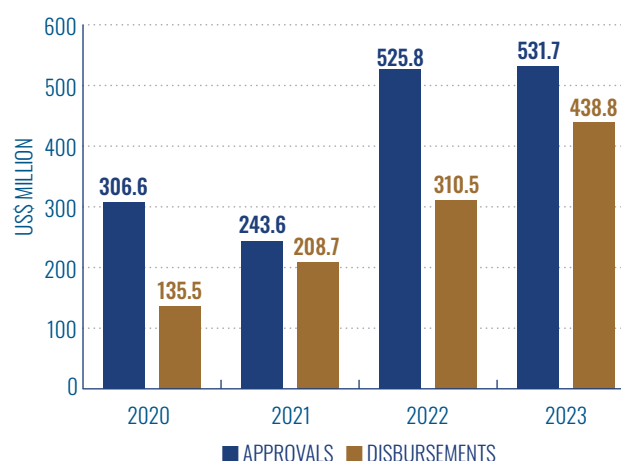


FIGURE 1.6: TRENDS IN ICD NET APPROVALS AND DISBURSEMENTS



As member countries started to emerge from the aftermath of the pandemic, only to confront a food crisis, IsDB has remained vigilant and supportive in helping those member countries face the new challenge.

FIGURE 1.7: TRENDS IN ITFC NET APPROVALS & DISBURSEMENTS

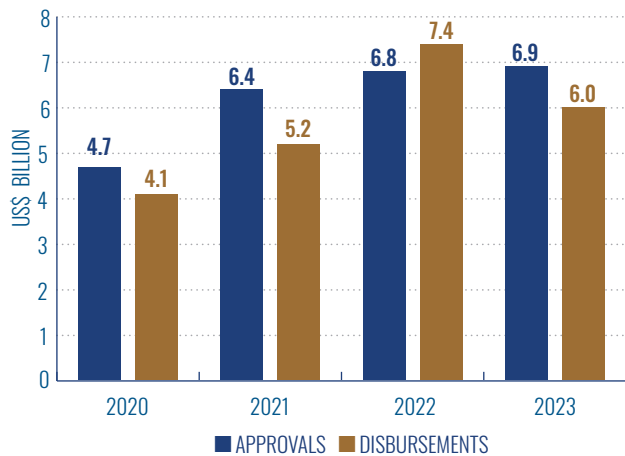


FIGURE 1.8: TRENDS IN ICIEC BUSINESS INSURED AND NEW COMMITMENTS

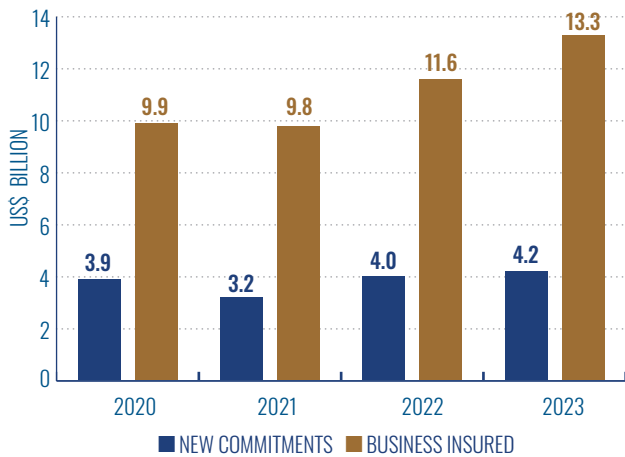
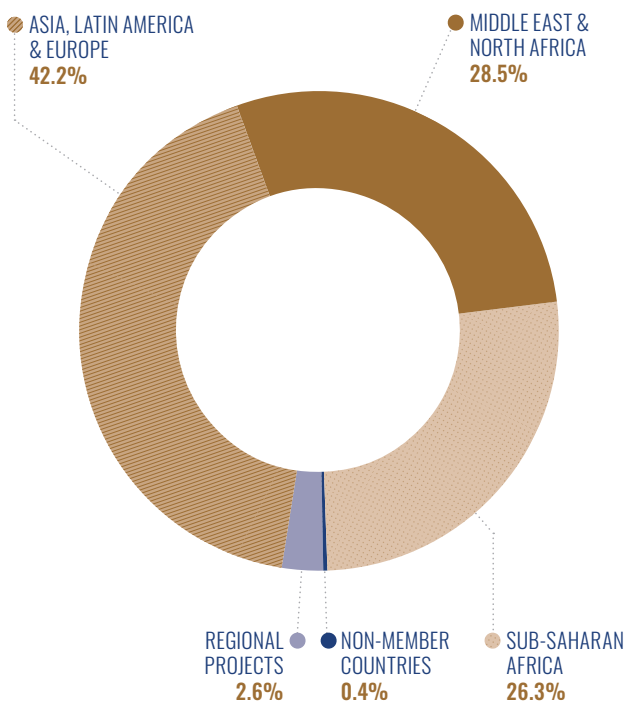


FIGURE 1.9: REGIONAL DISTRIBUTION OF ISDB GROUP NET APPROVALS IN 2023



In 2023, ICIEC provided a total of US\$13.3 billion in business insured, the majority of which was involved in short-term trade for various goods and services in almost all ICIEC member countries as well as many non-member countries (Figure 1.8). ICIEC provides insurance services that positively impact poverty reduction, food security, and climate initiatives. ICIEC approvals have increased by 4.6% compared to 2022.

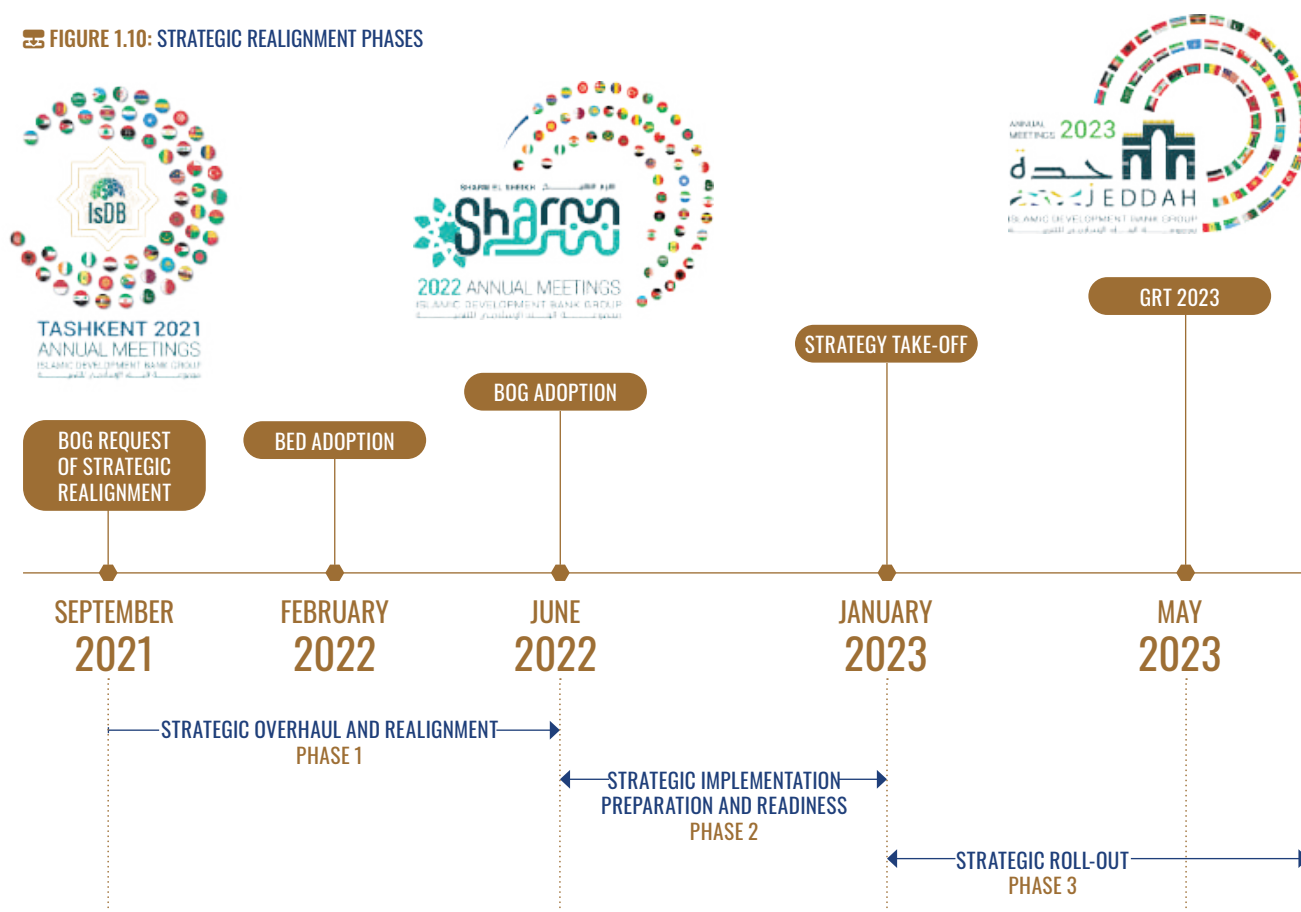
The share of the IsDB Group approvals allocated to Sub-Saharan Africa decreased to 26.3% in 2023 from 31.2% in 2022 (Figure 1.9). Meanwhile, the share allocated to the Asia region increased to 42.2% in 2023 from 37% in 2022.

1.3: IMPLEMENTATION PROGRESS OF ISDB REALIGNED STRATEGY (2023 – 2025): REINVIGORATING THRUST AND TRUST

ISDB’s Governors endorsed a Realigned Strategy for the Bank during its 47th Annual Meeting in Egypt in June 2022. Phase II of the strategic realignment process was conducted in 2022 to ensure institutional readiness in terms of organizational structure, human resources, culture, systems, and processes. Phase III was launched in 2023, and this encompassed the successful roll-out of the Realigned Strategy. Three main areas were tackled to support the roll-out process: internalizing the strategy into the Bank’s programming and project cycles; embedding the strategy in IsDB’s cultural model through improved internal communication; and leveraging the IsDB Group’s value proposition through new financing instruments. The three phases of the strategic realignment are shown in Figure 1.10.

A Results-Based Management Framework (RBMF) was developed to effectively monitor and report on the implementation progress of the Realigned Strategy. The RBMF measures and tracks the Bank’s progress in meeting strategic objectives and priorities in a transparent, quantifiable, and interconnected manner. Regular reporting on the performance of these indicators is published internally and externally on an annual basis in the Bank’s Annual Development Effectiveness Reports (ADER).

FIGURE 1.10: STRATEGIC REALIGNMENT PHASES



The strategic realignment process has reinvigorated the thrust of the Bank’s work, and trust with IsDB’s stakeholders. It has contributed to the revamping of the Member Country Partnership Strategy (MCPS) process, leading to the launch of seven MCPSs in 2022 and the preparation of six more in 2023. Reinvigorated trust was reflected in the Bank’s success in maintaining its AAA rating from major credit rating agencies, and in its successful adoption in May 2023 of a Special Capital Increase from the Republic of Indonesia, significantly raising the country’s share in the Bank’s capital. Reinvigorated trust was also evident in the remarkable progress achieved in revamping communication inside the Bank towards the adoption of a new cultural model.

IsDB continues to maintain dialogues with its member countries and major stakeholders to harness the momentum of the realigned strategy implementation. A Governors Round Table (GRT) was held during the 2023 IsDBG Annual Meetings in Jeddah, where IsDB Governors stressed the importance of leveraging South-South partnerships to fend off crises and urged IsDB to leverage its comparative advantages in South-South Cooperation (SSC) and Islamic finance (IF).

The strategic realignment process has reinvigorated the thrust of the Bank’s work, and trust with IsDB’s stakeholders.

IsDB continues to maintain dialogues with its member countries and major stakeholders to harness the momentum of the realigned strategy implementation.

1.4: FOOD SECURITY RESPONSE PROGRAM

The IsDB Group is continuing to deliver the Food Security Response Program (FSRP), approved in July 2022, to support member countries by complementing their national food security efforts in averting food crises and strengthening their resilience to future food security shocks. The amount allocated for the program is US\$10.54 billion, plus US\$500 million of credit and political risk insurance.

TABLE 1.1: FINANCING THE FOOD SECURITY RESPONSE PROGRAM

| SOURCE OF FINANCE | FINANCING AMOUNT |
|---------------------------------|--------------------------|
| Approvals | |
| IsDB (new financing) | US\$4.0 billion |
| ICD | US\$269 million |
| ITFC contribution: | US\$4.5 billion |
| ISFD contribution: | US\$75 million |
| Accelerated disbursements | |
| IsDB: Accelerated disbursements | US\$1.7 billion |
| Total | US\$10.54 billion |

The Bank adopted fit-for-purpose and value-for-money procurement procedures for each operation, prioritizing effective procurement and smooth implementation. For specific interventions related to the private sector, IsDB Group entities are allowed to follow their internal procedures, if acceptable to the Bank, and establish commercial practices that can ensure the fast-tracking of procurement processes.

At the end of 2023, the total amount of financing approved for the program stood at US\$4.0 billion, representing 46% of the pledged amount under approval (excluding ICIEC insurance approvals). Out of this amount, US\$906.3 million was approved by IsDB, US\$19.1 million was approved by ISFD, US\$3.0 billion by ITFC, and US\$100 million by ICD. A further US\$788.5 million worth of international trade and foreign investment insurance was approved by ICIEC. In addition, US\$581.9 million worth of accelerated disbursements have been made as part of IsDB financing from 85 active projects relevant to the FSRP.

1.5: EMERGENCY RESPONSE PROGRAM

IsDB provided substantial support to its member countries in 2023 through Emergency Response grants. Türkiye, Syria, Sudan, Libya, and Morocco collectively received US\$7.0 million in rapid financial assistance, demonstrating a dedicated effort to provide aid to member countries impacted by humanitarian crises. The Bank is collaborating closely with international organizations, NGOs, and local partners to maximize the impact of its humanitarian response.

SYRIA

The Bank worked in partnership with the Qatar Red Crescent Society (QRCS) to respond to the earthquake on 6 February 2023 in western Syria which caused 8,476 deaths. A US\$1.5 million project (US\$1 million from the Bank and US\$0.5 million from QRCS) was launched in response. The project registered 71,095 direct beneficiaries (of which 39,102 were women) and 162,000 indirect beneficiaries (of which 89,100 were women). Food baskets were distributed to 2,138 families, and a total of 2,564 families received non-food items. Tents were distributed to 399 families. In addition, 2,250 dialysis kits were distributed, 12 dialysis machines were installed, and eight trauma kits were distributed.

TÜRKIYE

The Bank worked in partnership with Kızılay (the Turkish Red Crescent) to respond to the impact in Türkiye of the 6 February 2023 earthquake, and played a crucial role in delivering aid to the affected communities. Over the course of six months, more than 372,000 food packages containing essential items such as rice, lentils, oil, and sugar were distributed to 128,000 families. In addition, 20,000 other food items were provided, including high-energy biscuits, fortified cereals, and other nutritious foods. In addition, 124,000 family hygiene kits were distributed.

SUDAN

The Bank worked in partnership with the International Committee of the Red Cross (ICRC) in 2023 to respond to the humanitarian crisis that followed the outbreak of violence in Sudan. The proposed relief project amounted to US\$1.5 million, providing life-saving support to approximately 125,000 people affected by the sudden outbreak of conflict in the country. The project included 15,000 food parcels, 20 interagency health kits, 50 first aid kits, and five water tanks with a 15 m³ capacity to support at least 15,000 people in the Khartoum and Darfur regions.



The Bank worked in partnership with Kızılay (the Turkish Red Crescent) to respond to the impact in Türkiye of the 6 February 2023 earthquake, and played a crucial role in delivering aid to the affected communities

LIBYA

The Bank worked in partnership with the International Federation of the Red Cross and Red Crescent Societies (IFRC) to respond to the humanitarian crisis in Eastern Libya following the floods that took place in September 2023. The key objective of the proposed emergency response was to provide immediate assistance to the affected population, with integrated and dignified shelter assistance, quality healthcare and medical services, and access to clean drinking water and sanitary facilities and materials. The emergency response contributed to enhancing the well-being of 100,000 men, women, and children who have been adversely affected by the storm and floods. The total cost of the emergency response package was estimated at US\$1.5 million, out of which IsDB and ISFD contributed US\$1.0 million and US\$0.5 million respectively.

MOROCCO

A devastating earthquake struck Morocco on 8 September 2023, causing widespread destruction in the Atlas Mountains and Marrakech. The earthquake resulted in 2,940 fatalities and 5,500 injuries, with hundreds more people left in a critical condition. The affected provinces included Al Haouz, Ouarzazate, Marrakech, Azilal, Chichaoua, and Taroudant. IsDB is providing grant financing of US\$1.5 million for emergency rehabilitation and the repair of damaged water, sanitation, and hygiene (WASH) infrastructure. The grant contributed to the High Atlas Mountains Development Agency, established by the Moroccan government through the Ministry of Finance.

1.6: ISDB GROUP ACCOMPLISHMENTS

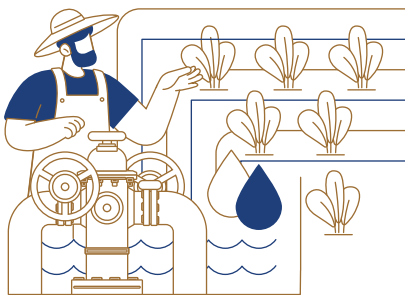
1.6.1: KEY DEVELOPMENT ACTIVITIES

IsDB-OCR approval has continued to increase markedly over the years. In 2023, IsDB-OCR approval rose to US\$4.3 billion from US\$3.0 billion in 2022 and exceeded the annual target by 7.5%. This year's approval covers 65 operations in 27 member countries, with the health and transportation sectors accounting for the largest shares (see Figure 1.5). This reflects the increased response of the IsDB-OCR to the development dynamics prevailing in the member countries. The new approvals are expected to bring promising developmental results to member countries and to Muslim communities around the world. Highlights of anticipated results, once the 2023 approved operations are completed, include:



POLIO VACCINATION FOR
41 MILLION
CHILDREN AGED UNDER 5 IN PAKISTAN.

13
GREEN EMERGENCY HOSPITALS FOR
THE POPULATION AFFECTED BY THE
EARTHQUAKE IN TÜRKIYE.



THE CREATION OF
1,017 HECTARES
OF HYDRO-AGRICULTURAL
DEVELOPMENT, THE PROTECTION OF
200 HECTARES
THROUGH SOIL CONSERVATION, AND
THE CONSTRUCTION OF
27
VILLAGE HYDRAULIC SYSTEMS IN MALI.

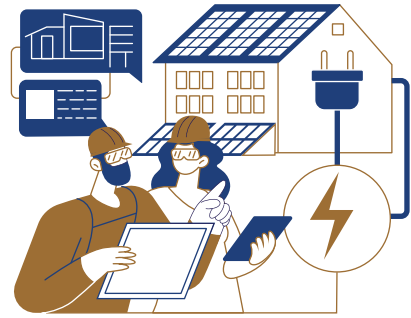
THE CONSTRUCTION AND EQUIPPING
OF
42 CLASSROOMS
IN MOZAMBIQUE.

AN INCREASE OF HIGHER EDUCATION
CAPACITY BY
720 STUDENTS
IN MAURITANIA.

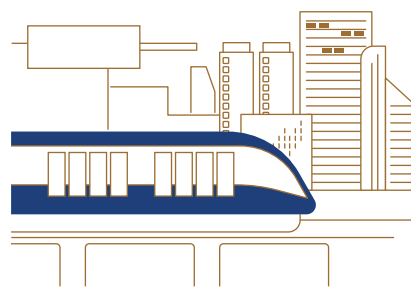


ACCESS TO EQUITABLE AND QUALITY
HIGHER EDUCATION FOR
40,000 STUDENTS
IN CHAD.

THE PROVISION OF ACCESS TO
DRINKING WATER AND SANITATION FOR
885,000 PEOPLE
IN GUINEA.



THE PROVISION OF
1,989
MULTI-STORIED HOUSING
DEVELOPMENTS FOR
70,632
LOWER AND MIDDLE-INCOME PEOPLE
IN BANGLADESH, ALONG WITH
55
CLIMATE-RESILIENT HOUSING
DEVELOPMENTS AND
39
ECO-FRIENDLY HOUSING
DEVELOPMENTS.



660km
OF GREEN CLIMATE-RESILIENT
ELECTRIC EXPRESS RAILWAY IN EGYPT.

117km
OF 2X2 HIGHWAY IN CÔTE D'IVOIRE.

1.6.2: REINFORCING PRIVATE SECTOR DEVELOPMENT

As the private sector arm of the IsDB Group, the Islamic Corporation for the Development of the Private Sector (ICD) is committed to fostering private sector growth, and the importance of tackling global issues such as energy access and infrastructure is reflected in its actions. In 2023, ICD's project approvals amounted to US\$531.7 million, achieved through extending financial support to partner institutions and investing in initiatives. This year's approvals were categorized into line of finance (LOF) (77.0%), term finance (22.7%), and equity (1.3%), aligning with ICD's strategic shift toward credit financing. With this, cumulative project approvals have now reached US\$6.9 billion since inception.

Sectorally, 77.3% of new project approvals were earmarked for the finance sector, followed by non-financial sector investments focusing on high-impact sectors such as industry and mining (13.2%), transportation (4.7%), and energy (4.7%).

1.6.3: SUPPORTING TRADE FINANCE AND DEVELOPMENT

A major accomplishment for ITFC in 2023 was its significant trade financing approvals, which were fueled by successful syndications and rising demand among member countries. Trade finance approvals amounted to US\$6.9 billion in total, covering 106 operations, and US\$6.0 billion was disbursed. These approvals encompassed crucial sectors such as energy, agriculture, and the private sector. There was notable progress in diversifying the trade finance portfolio, with approvals outside the oil and gas sector reaching US\$3.2 billion. This accounted for 46% of the total trade finance portfolio, an increase from 42% in 2022. Intra-OIC trade approvals amounted to US\$4.6 billion, representing 66.4% of total approvals.

IN 2023, TOTAL PRIVATE SECTOR APPROVALS INCREASED TO

US\$905 MILLION,
UP FROM US\$757 MILLION IN 2022. THESE FINANCINGS WERE EXTENDED TO 39 PARTNER BANKS AND FINANCIAL INSTITUTIONS (FIS), AND ONE CORPORATE CLIENT.

Financing extended to Least Developed Member Countries (LDMCs) showed growth, reaching US\$3.0 billion (US\$2.5 billion in 2022) accounting for 44.0% of total approvals. In 2023, total private sector approvals increased to US\$905 million, up from US\$757 million in 2022. These financings were extended to 39 partner banks and financial institutions (FIs), and one corporate client. ITFC continued the successful expansion of its LC (Letter of Credit) confirmation business, aimed at facilitating trade between OIC member countries and beyond, building on the achievements of 2022.

Also, ITFC began fast-tracking the IsDB's Food Security Response Program (FSRP) transactions and issued 10 LCs for a total of US\$184 million and disbursed US\$180 million. ITFC's FRSP approvals in 2023 reached US\$3 billion against a target of US\$1.7 billion, with disbursements standing at US\$2.3 billion.

ITFC will continue to meet the specific needs of member countries, for both the public and private sectors, through its Targeted Interventions.





BOX 1: COLLABORATION AND SYNERGY BETWEEN ISDB AND ITFC ON FOOD SECURITY

The IsDB Group's Food Security Response Program (FSRP) is a comprehensive package worth US\$10.54 billion with the primary objective of providing crucial support to IsDB member countries in combating the ongoing food crisis and fortifying their resilience against future food security shocks. The ITFC has committed US\$4.5 billion of that total US\$10.54 billion commitment over 3.5 years (July 2022-December 2025). ITFC has already approved almost US\$3 billion under the FSRP, and this has contributed significantly to the achievement of the Group-level targets.

Joining forces with ITFC enhances the solutions provided under the FSRP. ITFC, with its specialized Integrated Trade Solutions, is well positioned to provide complementary support to IsDB in trade finance-related operations. To ensure seamless implementation of this partnership, the Service Level Agreement (SLA) that was signed between IsDB and ITFC for implementing certain trade finance-related operations under the IsDB Group Strategic Preparedness and Response Program (SPRP) was extended to accommodate the implementation of the FSRP projects.

Through enhanced collaboration and synergy, the IsDB and ITFC are jointly making significant strides in ensuring sustainable and long-term food security for member countries.

The IsDB Emergency Food and Input Supply Project approved for Jordan, with an allocation of US\$200 million, marks the first implementation under the extended SLA. ITFC, as the executing agent for IsDB's emergency food and input supply project approved for Jordan, has played a pivotal role in supporting food security by facilitating wheat and barley imports into the country. To date, ITFC has successfully issued 10 Letters of Credit (LCs) totaling US\$184 million under the IsDB project for Jordan, with almost US\$180 million already disbursed. This translates to a total volume of 560,000 tons of wheat and barley supplied to Jordan.

This collaboration between IsDB and ITFC has proven to be highly effective and efficient in addressing Jordan's food security challenges. Through this enhanced collaboration and synergy, the IsDB and ITFC are jointly making significant strides in ensuring sustainable and long-term food security for member countries.

1.6.4: PROVIDING INSURANCE FOR CREDIT AND COUNTRY RISKS

In 2023, ICIEC supported a total of US\$13.3 billion in business insured, the majority of which (US\$10 billion) was in short-term trade involving various goods and services in almost all the member states of ICIEC as well as many non-member states. Investment projects worth close to US\$3 billion were insured in 2023.

In 2023, ICIEC continued providing support to member states that had been affected negatively by the food crisis. Between the inception of the Food Security Program (FRSP) in July 2022 through to December 2023, ICIEC's approvals for food-related transactions reached US\$788.5 million, exceeding the pledge of US\$500 million that had been committed until 31 December 2025.



BOX 2: BOOSTING AGRICULTURAL DEVELOPMENT IN THE WEST BANK, PALESTINE

On 11 May 2023, ICIEC, in a landmark transaction, issued a US\$7.6 million Risk Sharing of Foreign Investment Policy (RSFIP) in favor of Nakheel Palestine for Agricultural Investment (Nakheel) – the Corporation's first transaction in the Occupied Palestinian Territories. The transaction marks the first partnership between ICIEC and the Multilateral Investment Guarantee Agency of the World Bank Group (MIGA) for a project in the West Bank, Palestine.

MIGA is the administrator for the West Bank and Gaza Investment Trust Fund (WBGTF) on behalf of its sponsors, the Palestinian Authority, and the Government of Japan. This latest transaction covers foreign investments into a flagship Date Farm Project in the West Bank, Palestine.

The guarantees, enabled by the WBGTF, were issued to Palestine Development and Investment Company, Ltd. (PADICO) of Liberia (US\$10.38 million), Siraj Fund 1 (US\$4.05 million), and Siraj Fund Management Company (US\$2.18 million). ICIEC is providing risk participation (akin to reinsurance) for the guarantee that was issued to PADICO.

The Nakheel Project's main objective is to cultivate date palm trees and produce and sell high-quality dates to cover the demand in the local market while also expanding in the international markets. Since 2018, Nakheel has exported around 60% of its production annually to customers in ICIEC member states and in non-member countries.

1.6.5: DRIVING THOUGHT LEADERSHIP IN ISLAMIC ECONOMICS AND FINANCE

The Islamic Development Bank Institute (IsDBI) is a knowledge organization that aims to address economic challenges in member countries and other Muslim communities through innovative solutions within the Islamic economics and finance framework. Key activities include the Islamic Finance Sector Transformation program, which supports the transformation and development of the Islamic Financial Services Industry (IFSI) through the implementation of Islamic finance grant projects. In 2023, the Institute programmed and approved 14 new technical assistance projects in Nigeria, Kyrgyzstan, Morocco, Tunisia, Libya, Mauritania, and with partner international organizations.

The Islamic Finance Country Assessment Framework is an important tool for building the Islamic finance sector in member countries. In 2023, assessments were completed for Uzbekistan and Kazakhstan, and preliminary discussions were held with Nigeria, Morocco, and Türkiye for 2024 assessments. IsDBI provides market insights and practical analyses for addressing the development challenges of member countries through research and the publication of books, reports, and articles on diverse topics in Islamic finance and sustainable development.

Capacity building is another key area of focus for IsDBI. The Institute organized more than 10 Islamic finance capacity-building programs for several member countries in 2023, using traditional and modern technology-based learning methods. Key projects advanced in 2023 included Awqaf Free Zones, the OIC Smart Countertrade System, the Digital Postal Islamic Financial Services Project, the Smart Stabilization System, the Islamic Finance Artificial Intelligence Assistant (IFAA), and the Islamic Finance Pavilion Marketplace (IFPM). These projects aim to synergise the latest technologies with Islamic finance to develop innovative solutions addressing the socio-economic challenges of IsDB MCs.

Furthermore, the Indonesian Finance Ministry's "Cash Waqf Linked Sukuk" (CWLS) has been awarded the IsDB Prize for Impactful Achievement in Islamic Economics for 2023. CWLS is the first large-scale program to finance social projects using non-profit instruments, enhancing the diversity of Islamic capital markets, and promoting integration between commercial and social Islamic finance.

1.6.6: PARTNERING FOR POVERTY REDUCTION

The Global Multidimensional Poverty Index 2023 Report, published by the UNDP and OPHI, shows that approximately 1.1 billion people, accounting for just over 18% of the global population, live in acute multidimensional poverty. Sub-Saharan Africa is home to the highest number of poor people, and 452.1 million people living in IsDB member countries are poor, representing 41% of the global poor.

The Islamic Solidarity Fund for Development (ISFD) plays a crucial role in reducing poverty in IsDB member countries, particularly in the least developed ones. ISFD has committed around US\$1.23 billion in the form of concessional loans and grants, financing impactful projects and programs in vital sectors such as education, health, agriculture, community development, and microfinance.

Since its inception, ISFD has established a robust portfolio of over 20 flagship programs encompassing diverse areas such as bilingual education, vocational literacy, Ebola prevention and control, microfinance support, dry land development, and renewable energy. Recent program launches align with ISFD's vision for 2030, prioritizing initiatives that tackle critical challenges.

In 2023, ISFD demonstrated its unwavering commitment to reducing poverty in the member countries with an amount of US\$213.6 million approved for projects and programs. The largest portion of this funding, US\$150 million, was allocated to the Lives & Livelihoods Fund (LLF), with the aim of propelling the LLF into Phase 2, attracting additional donor support and expanding its impact on vulnerable communities.

ISFD actively supported key development areas in 2023, including economic empowerment and education. With approved loans totaling US\$50.5 million, ISFD has supported projects in Uzbekistan, Morocco, Nigeria, and Tajikistan. This funding includes US\$20 million for the Economic Empowerment Fund of Uzbekistan, US\$10 million for Morocco's project to strengthen vulnerable enterprises, US\$10.5 million for Nigeria's Out-of-School Children Program, and US\$10 million for Tajikistan's project to improve learning environments. Additionally, ISFD has provided US\$13 million in grants to finance 31 projects and two programs in health, NGO empowerment, food security, and scholarships, as well as two emergency response projects for the Sudanese conflict and Libyan floods.

US\$150 MILLION
WAS ALLOCATED TO THE
LIVES & LIVELIHOODS FUND (LLF),
WITH THE AIM OF PROPELLING THE LLF INTO PHASE
2, ATTRACTING ADDITIONAL DONOR SUPPORT AND
EXPANDING ITS IMPACT ON VULNERABLE COMMUNITIES.



1.6.7: LEVERAGING AWQAF FOR DEVELOPMENT

IsDB contributed to activating the developmental role of Awqaf through the establishment of the Awqaf Properties Investment Fund (APIF) in 2001.

The Fund, which supports Awqaf properties, designed to generate a return that supports an organization's social mandate, helps its beneficiaries achieve long-term financial sustainability, enabling them to take part in a larger framework of social and economic development.

APIF financing, characterized by its reasonable cost and high impact, has supported 45 real estate projects in 21 countries with a total value of US\$798 million. It has supported a variety of non-profit beneficiaries, ranging from governments to research centers and charitable organizations. These have helped people from a variety of backgrounds and a wide scope of projects, which have helped to increase the standards of public service in each location.

Several impactful projects in Saudi Arabia for example, supported by the APIF, showcase its transformative influence. One example is the construction of a hotel in Al-Madinah Al Munawara, which was completed in June 2023. This hotel is expected to start operations in February 2024 and generate an annual leasing income of US\$2.13 million, supporting the Albayan Foundation's educational initiatives. In addition, APIF supported the purchase of a hotel in Abha for the benefit of the Albir Society in Doga. This hotel began operations in June 2023 as a Best Western Plus, and the anticipated annual income is over US\$1.0 million, helping the Albir Society to provide assistance to needy families. A commercial tower in Makkah AlMukaramah was also completed in January 2023, and started operations in September 2023, generating an annual income of around US\$1.33 million to support the Zamzam Society for Voluntary Health Services.

Another example of the transformative capacity of the APIF is demonstrated in Uganda, where the financing of a mixed-use development complex in Kampala will soon contribute to providing financial sustainability to the Uganda Muslim Education Association (UMEA). Established in 1936 as a Muslim education secretariat, UMEA plays a pivotal role in overseeing more than 2,150 schools across the nation, thereby significantly contributing to the educational landscape of Uganda. This venture is yet another instance of the far-reaching and positive influence of APIF initiatives.

1.6.8: CHANNELING SOUTH-SOUTH DEVELOPMENT SOLUTIONS

REVERSE LINKAGE

In 2023, the IsDB continued to facilitate the transfer of development solutions to member countries and between countries in the global South through mechanisms such as the Technical Cooperation Programme (TCP) and the Reverse Linkage mechanism.

The TCP supports short-term capacity development interventions to foster socio-economic development in member countries. A total of 38 TCP operations were approved in 2023, amounting to US\$0.9 million. Priority was given to least developed member countries, and to interventions in agriculture, education, health, Islamic finance, and technology deployment.

Reverse Linkage connects member countries among themselves and with other countries in the global South to tackle common development challenges. A US\$2.93 million grant was allocated for Reverse Linkage in 2023, which mainstreamed four interventions in IsDB's ordinary operations, benefiting Chad, Djibouti, Mauritania, and Mozambique in areas such as education and rural and urban development.

Reverse Linkage continued to drive synergy and complementarities in other ways within the IsDB Group in 2023. For example, the Bank and ITFC worked together to support Comoros in developing its tourism sector while capitalizing on the knowledge and expertise of Morocco. IsDB also continued to tap into the know-how and expertise of its existing partners. For instance, Tunisia Post – building on its successful implementation of a Reverse Linkage project in Mauritania – made its services available to support Djibouti in developing a platform for mobile-based financial services.

The IsDB also supported telehealth through various instruments for capacity development, such as through the Reverse Linkage project between Somalia and Egypt on "Improving Health Services Through Tele-medicine". This project will enable the East Africa University Hospital in Puntland State, Somalia to establish a new Intensive Care Unit with the support of the Ain Shams University Virtual Hospital, Egypt. Upon completion of the project, critically ill patients in a region of 700,000 people will be able to benefit from an Intensive Care Unit operated effectively by Somalian medical staff in the East Africa University Hospital.

The Bank leveraged South-South cooperation as a way of scaling up its support to member countries in renewable energy through a regional program called the "Renewable Energy Cooperation Program in Africa". This program will be implemented based on regional cooperation and partnership approaches. The Reverse Linkage mechanism will be used to mobilize technical and financial partners.

Furthermore, as part of the Alliance to Fight Avoidable Blindness, the Bank formulated an eyecare program to empower 10 million children in Africa to fight avoidable blindness. The program aims to enhance the education and quality of life of children with visual impairment in 13 beneficiary countries. It will provide more than 320,000 corrective glasses for children, and 20,500 teachers, inspectors, and pedagogical counsellors will be equipped with the skills and tools to carry out preliminary detection of refractive errors in students.

Reverse Linkage connects member countries among themselves and with other countries in the global South to tackle common development challenges.

BOX 3: DRAWING ON YEMEN'S EXPERTISE TO ENHANCE SOMALIA'S PRIVATE SECTOR CAPACITY IN MICROFINANCE

Kaah International Microfinance Services (KIMS) is Somalia's leading privately owned microfinance company serving the entire Somali market. KIMS provides shariah-compliant credit and savings services to low-income but economically active Somalis, particularly to micro, small and medium-sized enterprises owned by women and youth. It has provided US\$32 million in financing to more than 34,000 micro and small enterprise clients. KIMS operates in a challenging business environment, as Somalia has been marred by more than 30 years of conflict. While the demand for microfinance is fast growing and is expected to grow further, KIMS faced significant human and institutional capacity development challenges.

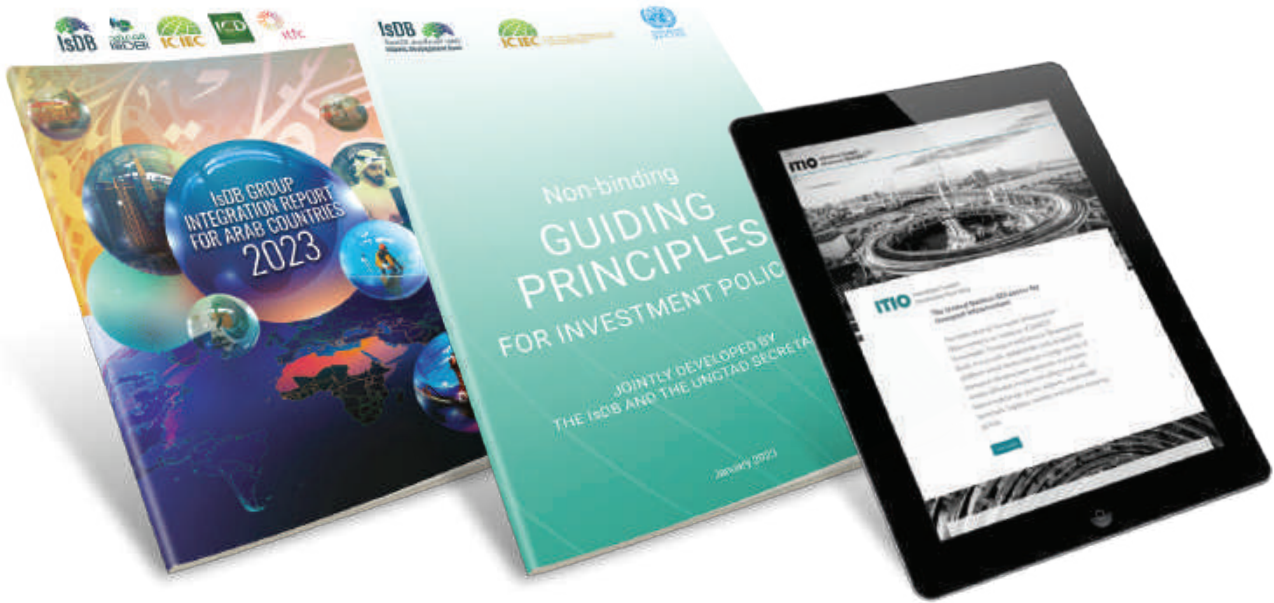
Accordingly, between 2020-2023, the IsDB facilitated a collaboration between KIMS in Somalia and Al Kuraimi Islamic Bank (KIMB) in Yemen. This collaboration, through the Reverse Linkage mechanism, is the first of its kind between two fragile IsDB member countries. It is also unique as two private sector companies

specializing in microfinance agreed to work together with a strong spirit of solidarity. This project is a testament to the significant wealth of knowledge and expertise available in all IsDB member countries, even those going through difficult internal challenges.

The objective of the project was to enhance the institutional and human capacity of KIMS in Somalia by expanding the range and scale of its financial products. At the end of the project, KIMS had established a new business plan, improved its guidelines and enhanced its Management Information System. In addition, more than 30 KIMS staff members developed their capacities in the areas of microfinance, market analysis, risk management, internal audit, information disclosure, client relations and financial reporting.

Based on the successful outcome of the project, in August 2023 the IsDB received a letter from the Minister of Finance, Somalia commending the Bank's efforts to enhance the capacity of KIMS and requesting the consideration of a second phase of the project to transform KIMS into a center of excellence for microfinance in the horn of Africa.





REGIONAL INTEGRATION

In a world of growing economic interconnectedness, regional cooperation and integration offer the IsDB's member countries an efficient pathway to enhance competitiveness and sustain long-term growth. IsDB is committed to addressing the emerging challenges of its member countries, and as part of those efforts it continues to promote regional integration as a tool for enhancing connectivity, boosting trade and investments, and improving livelihoods based on the principles of solidarity and mutual benefits.

During 2023, the Bank intensified its efforts to mainstream regional integration into its operations under the first and second pillars of its Realigned Strategy. The Bank's regional integration operations have also directly contributed to the cross-cutting area of capacity development. The Bank's regional integration operations were clustered under three pillars: (i) Promoting Regional Connectivity, (ii) Promoting Trade and Better Integration within the Global Market, and (iii) Investment Promotion.

To better structure its regional integration operations, the Bank launched two major regional initiatives: the Central Asia Connectivity Initiative, and the Sahel Initiative. The Bank also launched a new analytical report – the IsDB Group Integration Report for Arab Countries – to guide its operations and monitor progress toward more intra-regional trade and investment among Arab Countries. A total of 10 workshops and capacity development events covering various aspects of regional integration were organized by the Bank in collaboration with development partners in 2023.

IsDB is committed to addressing the emerging challenges of its member countries, and as part of those efforts it continues to promote regional integration as a tool for enhancing connectivity, boosting trade and investments, and improving livelihoods based on the principles of solidarity and mutual benefits.

The Bank allocated US\$0.96 million in 2023 to support regional integration and investment promotion in member countries, and implemented 21 operations within member countries in collaboration with regional and international partners. The Bank mobilized US\$2.15 million for its regional integration and investment promotion operations in 2023.



BOX 4: PARTNERING FOR TRANSPORT INFRASTRUCTURE EXPANSION IN MEMBER COUNTRIES

On 9 February 2023, the Islamic Development Bank (IsDB) and the United Nations Economic Commission for Europe (UNECE) launched the International Transport Infrastructure Observatory (ITIO), a web-based Geographic Information System (GIS) platform that hosts data on transport infrastructure networks, including road, rail, inland waterways, ports, airports, intermodal terminals, logistics centers, and border crossing points across Europe, Asia, the Middle East, the Western Mediterranean and North Africa.

ITIO is a joint product of the partnership between IsDB, UNECE, the United Nations Economic and Social Commission for Western Asia (ESCWA), the Economic Cooperation Organization (ECO) and the Centre for Transportation Studies for the Western Mediterranean (CETMO).

The observatory operates as a virtual marketplace for financing transport infrastructure by providing an electronic interface between four user groups: governments, multilateral development banks, regional cooperation organizations, and the wider public. It is an online portal where transportation partners can collaborate in a digital space, view transportation networks, explore maps showing climate change impacts, and plan resilient transportation infrastructure.

Government users can use ITIO to propose new projects, update existing transport networks, and apply for financing. Financial institutions can use ITIO to identify missing transportation links, generate investment opportunities, and evaluate project feasibility, using interactive GIS tools and reliable data.

There are plans to expand the geographical scope of the observatory, turning ITIO into a global tool for cross-border transport planning and investment.

Powered by global partnerships, ITIO supports the achievement of various Sustainable Development Goals, such as Goal 9 on industry, innovation, and infrastructure, Goal 13 on climate action, and Goal 17 on enhanced partnerships for the achievement of global goals.

There are plans to expand the geographical scope of the observatory, turning ITIO into a global tool for cross-border transport planning and investment.



CHAPTER 2

ADVANCING INCLUSIVE, GREEN, RESILIENT, AND SUSTAINABLE DEVELOPMENT



The IsDB is committed to ensuring that no one is left behind in the development journey of its member countries. Education, infrastructure, health, environment and gender equality are all essential components of sustainable development. In 2023, the Bank continued to address all of these aspects of development to ensure long-term, inclusive progress towards the SDGs.

2.1: CONTRIBUTING TO INCLUSIVE HUMAN DEVELOPMENT

2.1.1: EDUCATION

IsDB's investments in the education sector are anchored in its policy drive to shift from schooling to learning, in line with global efforts to transform education and address the learning crisis. IsDB approvals for the education sector in 2023 reached a new high of US\$420.59 million. The Bank leveraged US\$71.67 million in grants, including US\$65 million from the Global Partnership for Education (GPE), and US\$21.72 million in co-financing from Arab Coordination Group (ACG) partners.

The second phase of the IsDB-GPE operation in Tajikistan was approved to the value of US\$86 million, including a US\$25 million grant financing from GPE aimed at improving the learning environment and facilitating system strengthening for sustainable implementation of an inclusive competency-based education system to improve student learning outcomes. An additional US\$8 million was mobilized in co-financing from the Organization of the Petroleum Exporting Countries' (OPEC) Fund for International Development.

As part of the SmartEd initiative, an initial US\$220.25 million operation was approved for Uzbekistan to improve the quality and efficiency of education services. The project was derived from the Partnership Compact which focuses on transforming the education system through the introduction of competency-based learning to improve student learning outcomes.

The first pilot project under the human capital development initiative with WFP – “Investing in the Future of Learners” – was approved for Benin with blended financing amounting to US\$25.51 million, with grant resources from Education Above All (EAA) on top of the concessional financing from IsDB. The multisectoral approach and scope of the project includes constructing and operating 40 new school canteens, enhancing students' health and nutrition, boosting local food value chains, reintegration and retention of out-of-school children, and improving the capacities of government actors. Schools serve as a cost-effective platform for the delivery of an integrated package of health and nutrition services for children to enhance equitable opportunities to access education while improving learning outcomes.





BOX 5: TADAMON CROWDFUNDING ACADEMY

The Tadamon platform, funded by ISDB and ISFD, and implemented by UNDP, is in its fourth year of implementation, providing various initiatives and training programs to strengthen civil society communities within the Organization of Islamic Cooperation (OIC). One of those programs is the Tadamon Crowdfunding Academy.

The Tadamon Crowdfunding Academy is an interactive training program that strengthens and builds the skills and capacities of Civil Society organizations (CSOs) to prepare and run a successful crowdfunding campaign to mobilize funds for their projects. Twelve “Crowdfunding Champions” have emerged out of this, with their success stories published online. These stories showcase individuals and communities on the frontlines working to improve access to and the quality of education and healthcare, to provide economic opportunities, to advance equality, and much more. One stand-out champion is the Rumah Asuh organization in Indonesia.

Rumah Asuh was set up in East Nusa Tenggara, the southernmost province of Indonesia, where more than 500 islands dot the horizon. But beneath the serene beauty lies a challenge faced by the children of these

With the power of crowdfunding, the organization raised nearly US\$37,044 to acquire eight safe school boats. These vessels ensure that students and teachers sail to school safely, creating a brighter future for these island communities.

islands. Limited access to education forces them to embark on dangerous journeys every day. Families rent out fragile fishing boats as makeshift vessels to reach distant schools on other islands. These voyages are treacherous and unfit for children. The boats often capsize, do not provide shelter from the sun and rain, and are expensive for families. But hope shines through the efforts of organizations like Rumah Asuh, determined to bridge this educational gap. With the power of crowdfunding, the organization raised nearly US\$37,044 to acquire eight safe school boats. These vessels ensure that students and teachers sail to school safely, creating a brighter future for these island communities.

Schools serve as a cost-effective platform for the delivery of an integrated package of health and nutrition services for children to enhance equitable opportunities to access education while improving learning outcomes.

The Bank continues to engage with partners and participate in global aid architecture in the education sector. In addition to a representation on the GPE Board of Directors, the IsDB now serves on the Steering Committee of the Sustainable Financing Initiative as part of the Global Education Forum's efforts to deliver on the Transforming Education action tracks.

2.1.2: HEALTH

In 2023, IsDB approved US\$1.4 billion for health financing across 6 countries. This includes US\$120 million for post-earthquake reconstruction of hospitals in Türkiye, US\$49 million for strengthening health system in Guinea, and US\$39 million for Polio Eradication Phase IV in Pakistan. Also, in partnership with other multilateral development banks, this IsDB financing includes US\$846 million out of US\$4.2 billion allocated to health transformation in Indonesia. The work in Indonesia, with its primary care, hospital, and laboratory component, is an excellent example of how multilateral development banks have come together to scale up climate and health action at the country level. Of the combined portfolio of US\$4.2 billion, half is going to climate investments, and this includes investments from the Asian Infrastructure Investment Bank (AIIB), and the Asian Development Bank (ADB), as well as the IsDB.

Similarly, IsDB is a key player in the New Global Financing Pact to provide health and well-being for all through universal health coverage, access to safe medicines and vaccinations, and an end to communicable diseases such as Acquired immunodeficiency syndrome (AIDS) and Tuberculosis (TB). Regional partners, heads of government and policymakers, alongside the leaders of the world's multilateral banks have renewed their commitment through the pact and launched a new coordinated approach to financing health in low- and low-middle-income countries. To turn this commitment into action, the African Development Bank (AfDB), ADB, European Investment Bank IsDB, and Inter-American Development Bank have launched a new Health Impact Investment Platform with the World Health Organization. Through the Platform, the founding partners will be able to make available over €1.5 billion in financing through a combination of concessional loans and grants.

2.1.3: WOMEN AND YOUTH EMPOWERMENT

As part of its work on Women and Youth Empowerment (WYE), the IsDB has become a signatory of the Joint Statement of Support for implementing the Women Entrepreneurs Finance Code (WE Code). The IsDB has also received an additional grant award of US\$0.5 million to pilot a related project in Indonesia: the Khadijah Women Entrepreneurs (WE) Code: Catalyzing Women's Entrepreneurship in Islamic Finance. The IsDB will partner with the ADB to pilot the Code in Indonesia to stimulate an enabling environment for supporting women-led MSMEs within both conventional as well as Sharia banking. The IsDB has also received US\$55.6 million for the implementation of six programs that aim to support women-owned/led small and medium (WSMES) enterprises in nine countries.

The Bank also works in partnership with ITFC to support women entrepreneurs in Morocco and Egypt through the She Trades program, part of the Aid for Trade Initiative of the Arab States Program (AfTIAS). This partnership showcases true collaboration and synergies among the Bank's group entities. The Bank joined forces with ITFC in 2018 to implement She Trade projects in Morocco and Egypt, and in 2023, the division approved a US\$150,000 grant from its WYE grant program to support She Trades Egypt Phase 2, in addition to the US\$350,000 granted through AfTIAS.

The Bank has also reached out to partners to join the Coalition to Stop Obstetric Fistula (OF) and improve maternal health by addressing OF and contributing to its elimination by 2030. The program targets Afghanistan, The Gambia, Pakistan, Sierra Leone, and Somalia, countries with particularly high maternal mortality rates and a high prevalence of fistula. The Bank has approved the program's implementation in Afghanistan, jointly funded by the Afghanistan Humanitarian Trust Fund (AHTF), KS Relief and the Arab Gulf Program for Development (AGFUND).

In partnership with Microsoft, IsDB is supporting the efforts of Technology for Social Change and Development (Tech4Dev) by implementing a Women Techsters Fellowship Program that offers technical and advisory services to women across Africa to improve their access to decent technology job opportunities, as well as supporting them in building and running tech-enabled or deep tech businesses. The anticipated outcome of the Women Techsters Initiative is to empower five million women across all 54 African countries by 2030.





BOX 6: LIBYAN FASHION DESIGNER'S THIRST FOR KNOWLEDGE PAYS OFF

Zahra, a 35-year-old mother of two from Libya, has been sewing clothing ever since she was a child. Over the years, she expanded her knowledge and design skills by attending a variety of sewing training courses. She later purchased a small sewing machine to put what she learned into practice.

Born in Sebha, around 600km from the capital Tripoli, Zahra graduated with a degree from the Institute of Engineering in 2014. While she focused on her studies and family life, Zahra's passion for fashion design had to be pushed to the back burner. But in 2016, after much deliberation, Zahra decided to return to her beloved hobby.

"I began by designing and selling clothes to family and friends," says Zahra. "Gradually, the number of buyers grew outside of my close circle. I decided to develop it into a small business because the number of buyers was rapidly increasing."

LEARNING FROM THE SETBACKS

The decision to expand her project into an official start-up brought new challenges, mostly financial. The income was not generating sufficient funds to invest in business development while also supporting her family.

Zahra decided to enter a competition offered by SPARK and the BINA Business Incubator, part of the Tadamon program financed by the IsDB and ISFD. The competition featured training, coaching, and mentorship to support small and medium enterprises (SMEs).

"My ultimate goal was to gain knowledge," says Zahra, "because I believe knowledge is more valuable than money. Even if I had money, without the knowledge I'd lose it all."

Despite making it to the final of the competition, Zahra's business was not chosen for financial support. However, with great spirit, Zahra did not let this deter her. Instead, she started considering what her business lacked and launched herself into every available training she could find.

MARKET TRENDS

By focusing on market trends, Zahra was able to also expand her business throughout the country. She established what her customers were asking for and the types of clothing that were most popular. She was able to figure out that every region in Libya has its own style, whether in traditional clothing or modern clothing. She has now recruited representatives for her start-up in different regions across Libya.

Today, Zahra employs a team of 15 women and is planning to launch her own brand, called Libyan Lotus.

The Bank recently also entered into a partnership with the UNDP to design and approve the Youth Digitalization for Employability and Entrepreneurship Program (Y-DEEP) to support youth entrepreneurs with digital skilling, job-matching, and other types of vital capacity development to thrive in a rapidly changing labor market. Around 115 applications were received for the Second Challenge Call of the Youth Green Skills Accelerator, which aimed to identify skilling solutions for post-crisis situations to build back better and greener. Three winning teams received awards totaling US\$100,000 at COP28 in Dubai.

2.1.4: NGOs

Tadamon (meaning “Solidarity” in Arabic) is a partnership program sponsored by the IsDB and ISFD), managed by the Islamic Development Bank (IsDB) and implemented by United Nations Development program (UNDP) and other strategic partners. Its aim is to empower CSOs to improve the socio-economic well-being of hard-to-reach communities by supporting them in mobilizing resources and leveraging expertise to eradicating poverty.

Civil society organizations have played a crucial role in promoting quality at entry in the preparation of projects in IsDB member countries, such as the Cassava Value Chain program. This involvement has included regional stakeholder consultations, capacity development, and the implementation of renewable energy initiatives such as biogas at the community level. Tadamon aims to promote capacity building, support projects with innovative practices, encourage knowledge transfer among CSOs, co-finance projects targeting disadvantaged populations, and ensure long-term sustainability by working at the grassroots level.

In 2023, the Tadamon initiative launched the Tadamon Accelerator for Food Security Response to address food insecurity in 12 member countries affected by fragility and conflict. The program aims to enhance the intake and use of food in vulnerable communities, and expects to benefit 500,000 vulnerable people. It will provide livelihood development access to 50,000 households, offer seeds and agricultural support to 20,000 households, and provide capacity development to 300 CSOs and social enterprises.

The Tadamon program has also focused on building the capacity of CSOs, with numerous workshops and training programs conducted in IsDB member countries, such as the 21 crowdfunding academies that have been successfully concluded in 20 IsDB member countries with a total of 2,471 participants. Additionally, knowledge products such as mapping booklets have been developed to help NGOs, donors, philanthropists, and governments to know more about the CSOs that are active in member countries and get in touch with them to bridge the development gap and tackle poverty alleviation issues.

Overall, the Tadamon initiative has made significant strides in addressing food insecurity and empowering communities in fragile and conflict-affected contexts through various programs, partnerships, and capacity-building efforts.

Strategic dialogue and consultations have been instrumental in shaping the structure of Tadamon, with the Bank conducting food security consultations and high-level dialogues to address poverty through solidarity, alliances, and partnerships. Notable events include a high-level dialogue at the United Nations General Assembly and a Poverty Alleviation Forum at the 2023 IsDB Group Annual Meeting, where Tadamon showcased its achievements and awarded prizes to winners of the Tadamon Accelerator. The importance of empowering local communities and the not-for-profit sector was emphasized by key figures such as HRH Prince Turki Al Faisal.

Overall, the Tadamon initiative has made significant strides in addressing food insecurity and empowering communities in fragile and conflict-affected contexts through various programs, partnerships, and capacity-building efforts.

2.1.5: SCHOLARSHIPS

The IsDB Scholarship Program, established in 1983, is dedicated to enhancing human capital in the Bank’s member countries as well as in Muslim communities in non-member countries. The program plays a crucial role in human resource development and workforce mobility, facilitating capacity building and providing access to the innovation, knowledge, and technology needed to compete in a rapidly changing global community.

The IsDB offers four distinct sub-programs for scholarships: the Scholarship Program for Muslim communities in non-member countries (SPMC); the Merit Scholarship Program for High Technology (MSP) for member countries; the Master of Science (MSc) Scholarship Program for 20 LDMCs; and the IsDB-ISFD Scholarship Program for LDMCs. In 2023, the Bank awarded scholarships to 524 students from 57 countries, including 180 candidates from 27 Muslim communities in non-member countries, 64 candidates from 14 member countries for PhD study and post-doctoral research, 130 candidates from 18 LDMCs for the MSc Scholarship, and 150 candidates from 21 LDMCs for the IsDB-ISFD Scholarship.



As of December 2023, the Bank had offered scholarships to a total of 19,017 students and scholars from 56 member countries and 66 Muslim communities, with a male-to-female ratio of 70%-30%. The IsDB Scholarship Program is one of the few development-focused programs that provides mid-career professionals from member countries and students from Muslim communities in non-member countries with the enhanced knowledge, skills, international exposure, and confidence needed to serve their countries. As of December 2023, the scholarship program continues to support 1,804 students and scholars, with 1,321 from 98 countries studying in 68 countries and 483 students in the process of securing their admissions to start their study programs.

2.1.6: SPECIAL ASSISTANCE

Since its inception in 1981, the Communities Outreach Program has approved 1,869 projects totaling US\$908 million, with 1,096 being developmental projects and 773 being relief projects. These projects were delivered to 84 countries in eight geographical sub-regions of non-member countries (NMCs). In 2023, the program approved 12 projects totaling US\$2.638 million, supporting education, TVET, and capacity development. These projects are as follows:



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TOTALING

US\$908 MILLION,

WITH 1,096 BEING DEVELOPMENTAL PROJECTS
AND 773 BEING RELIEF PROJECTS.

- Expansion of the Averroès School in Lille, France, to the value of US\$0.23 million.
- Expansion of the Kwigira TVET center through the construction of an STI Training Complex in Rwamagana City, Rwanda, to the value of US\$0.265 million.
- Development of the Maalimin Integrated Vocational Training Center in Garissa County, Kenya to the value of US\$0.26 million.
- Construction of a female student hostel and the development of a Higher Education Enterprise Resource Planning System at Lakeside University College, Ghana, to the value of US\$0.26 million.
- Improved access to quality education through the expansion of Jiggiga Community School (Omer Bin Khatab School), Ethiopia, to the value of US\$0.235 million.
- Enhancing the quality of education in Islamic Schools in the USA through the Council of Islamic Schools in North America, USA, to the value of US\$0.207 million.
- Completion of the renovation of Gazi Husrev-bey Madrasa (building for female students) in Sarajevo, Bosnia to the value of US\$0.265 million.
- Regional capacity-building project for NGOs dealing with Muslim communities in Rwanda, to the value of US\$0.265 million.
- Reverse Linkage project between Fiji (Recipient) and Malaysia (Provider) to the value of US\$0.140 million.
- Expansion of the Maulana Azad Secondary School in Dhad Village, Buldhana District, Maharashtra State, India to the value of US\$0.265 million.
- Enhancing access to secondary education for girls in West Bengal, India to the value of US\$0.260 million.

During the same year, a total of 38 projects were completed across Africa (19), Europe (2), Asia (12), and America (5).

The program also developed a partnership with the Al Rajhi Family to contribute US\$1.15 million for the construction of two villages in Kenya and Rwanda. This partnership has been one of the outcomes of an initiative to build relationships with donors to further enhance the Bank's contribution to the inclusive and sustainable development of Muslim minority communities in non-member countries.



BOX 7: TRANSFORMING LIVES: THE SUCCESS OF THE ISLAMIC DEVELOPMENT BANK GROUP'S SPECIAL ASSISTANCE OPERATIONS IN RWANDA

A transformation is taking place in the heart of Rwanda, where the IsDB's Special Assistance Program has worked to improve the well-being of Rwanda's Muslim communities, who have historically faced discrimination and marginalization. The program's primary focus has been on enhancing access to quality primary, secondary, and vocational education for school-aged Muslim children and unemployed youth. The program has significantly improved the well-being and living conditions of Muslim communities in Rwanda by constructing and renovating schools and vocational colleges, providing essential educational materials, and establishing health centers.

The impact of the program has been nothing short of transformative. Approximately 5,000 students now attend schools supported by the Islamic Development Bank, with girls making up nearly half of the student population. The success rates in national exams range from 90% to 95%, and acceptance rates into public universities vary between 60% and 95%. The health centers have improved access to primary health services for the Muslim community, especially women, and provided them with a culturally appropriate setting. Since the construction of the health centers, more

APPROXIMATELY
5,000 STUDENTS
NOW ATTEND SCHOOLS SUPPORTED BY THE
ISLAMIC DEVELOPMENT BANK, WITH
GIRLS MAKING UP NEARLY HALF
OF THE STUDENT POPULATION.

than 100,000 people, of whom a remarkable 80% are female, have received outpatient care at the health centers supported by IsDB.

Technical and vocational centers have offered customized IT training to 1,500 unemployed youth in addition to training 2,500 students and 260 teachers. Of the unemployed youth, about 1,000 have secured stable jobs with an average monthly income of US\$800, while 300 trainees have initiated their own businesses. Additionally, solar and water projects have enhanced living conditions in rural areas, providing electricity to nearly 200 households and potable water to 2,000 households.

The Special Assistance Program has left a lasting positive impact on the lives of Rwanda's Muslim community, providing access to quality education, and significantly improving the prospects of thousands of students.



BOX 8: ENHANCING THE QUALITY OF EDUCATION IN ISLAMIC SCHOOLS IN THE USA THROUGH THE COUNCIL OF ISLAMIC SCHOOLS IN NORTH AMERICA (CISNA)

This innovative project's primary objective is two-pronged: firstly, it aims to enhance the quality of education in Islamic schools by facilitating the accreditation process and providing comprehensive training on school governance. This approach ensures an improved educational experience, enhanced governance structures, and successful attainment of accreditation for Islamic schools. Secondly, it seeks to strengthen cooperation and to share best practices among Islamic schools in non-member countries through CISNA, thereby contributing to the overall improvement in their educational offerings and projecting a more positive image of Islam worldwide.

The project is anticipating significant outcomes. By the end of 2024, it aims to increase the number of CISNA-accredited schools by 25%, up from the current 38 accredited Islamic schools. This will be facilitated by the development and implementation of training modules for accreditation team members, with a target of having 12 team members complete the training.

Furthermore, training modules will be developed for schools, with the aim of at least 15 schools completing the training by the end of 2024. By the close of 2025, four training courses on best practices in school governance will have been delivered, reaching an estimated 250-300 beneficiaries in the USA, including board members and school leaders. However, the project's impact is not limited to the USA. By the end of 2025, it aims to have shared knowledge and expertise on school governance and management with 40 Islamic schools in South Africa, 7 schools in Japan, 30 schools in Canada, and 10 schools in Thailand.

This project is more than just an initiative: it is a testament to the IsDB's commitment to enhancing the global educational standards of Islamic schools and fostering a positive perception of Islam worldwide. It is yet another step towards our ongoing mission of driving development and empowering communities through education.

THE PROJECT IS ANTICIPATING SIGNIFICANT OUTCOMES. BY THE END OF 2024, IT AIMS TO INCREASE THE NUMBER OF CISNA-ACCREDITED SCHOOLS BY

25%
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38 ACCREDITED ISLAMIC SCHOOLS.





2.1.7: ADAHI

The government of the Kingdom of Saudi Arabia has entrusted the IsDB to implement the Kingdom of Saudi Arabia Project for the Utilization of Hady and Adahi.

The project aims to make it easier for pilgrims, and Muslims in general, to purchase and perform the rituals of Hady, Udhiya, Fidyah, and Sadaqa, and to distribute the meat to eligible beneficiaries throughout the Muslim world. Having operated continuously over the past 40 years since its inception, the project came to serve more than 50% of the pilgrims during the Hajj season of 1444H. A total of 802,925 sheep were slaughtered during that season, with all the resulting meat distributed to the target groups in the Kingdom of Saudi Arabia and beyond. The partnership between the project and more than 300 charitable associations accredited by the Ministry of Human Resources and Social Development facilitated distribution within the Kingdom. Externally, the project also distributed meat in more than 27 countries, in coordination with the Saudi embassies.

Meanwhile, the project also runs the program for Sadaqa and Aqiqa throughout the year, slaughtering weekly in response to requests received through the website and authorized outlets. The sheep slaughtered under this category in 1444H numbered 50,000, and the meat was distributed to the target groups throughout the year.

The project aims to make it easier for pilgrims, and Muslims in general, to purchase and perform the rituals of Hady, Udhiya, Fidyah, and Sadaqa, and to distribute the meat to eligible beneficiaries throughout the Muslim world.

GELATIN AND CAPSULES

The Saudi Gelatin and Capsules Company was established to make use of hide and offal, which were causing great harm to the environment and pilgrims at the Holy sites, and to localize a vital industry. The company produces food gelatin and gelatin capsules. The actual sale of gelatin began in the second quarter of 2021.

All production lines have been tested and sample capsules have been produced and sent to many companies inside and outside the Kingdom. The sample results were excellent for most companies in terms of laboratory and microbiological analysis and in terms of testing on filling machines. Commercial-scale sales have been made to major pharmaceutical factories inside and outside the Kingdom of Saudi Arabia including Egypt, Iraq, Jordan, and Yemen.

2.2: DRIVING GREEN, SUSTAINABLE, AND RESILIENT GROWTH

2.2.1: FRAGILITY AND RESILIENCE

In 2023, the IsDB demonstrated a comprehensive effort to support member countries facing challenges from natural disasters and conflicts. A substantial commitment of US\$7 million was approved to address the urgent needs of nations such as Türkiye, Syria, Morocco, Afghanistan, Sudan, and Libya, which have been affected by earthquakes, floods, conflict, and fragility. This financial support aimed to facilitate emergency responses and recovery efforts, benefiting over 2.6 million affected people.

The Bank also approved the Tadamon Accelerator for Food Security Response, providing grant resources to address immediate and long-term food security challenges in 10 member countries experiencing extreme fragility and protracted crises. The program aimed to reduce food insecurity for over 500,000 vulnerable people, with a total cost estimated at US\$50 million. Key partners such as the International Committee of the Red Cross, The International Institute of Tropical Agriculture (IITA), and Spark contributed to the program.

Additionally, the Bank mobilized over US\$54 million to support vulnerable communities affected by natural disasters. It also integrated conflict sensitivity and fragility perspectives into its operations across member countries, with a particular focus on eight diverse countries. This approach aimed to foster resilience and sustainable growth in regions facing socio-political fragility and environmental vulnerabilities.

The Bank further demonstrated its commitment to supporting marginalized communities by approving Tadamon grant projects to a value of more than US\$1.2 million for poverty alleviation in countries such as Lebanon, Morocco, Indonesia, Kazakhstan, and Tunisia. Moreover, it mainstreamed 50% of the 2023 Tadamon grant into cassava value chain projects for Côte d'Ivoire and Benin.

To raise awareness and enhance knowledge, the Bank orchestrated national capacity development workshops, fortifying the institutional capacity of civil society organizations and NGOs in more than eight member countries. It also conducted mapping, screening, and categorization of national CSOs across 10 member countries and compiled the outcomes into insightful booklets.

Furthermore, the Bank actively engaged in COP28, pledging US\$1 billion for climate adaptation financing for fragile member countries, marking a significant milestone in its efforts.



THE BANK ACTIVELY ENGAGED IN COP28, PLEDGING **US\$1 BILLION** FOR CLIMATE ADAPTATION FINANCING FOR FRAGILE MEMBER COUNTRIES, MARKING A SIGNIFICANT MILESTONE IN ITS EFFORTS.

Overall, the Bank's initiatives in 2023 focused on providing comprehensive support to member countries grappling with various challenges, including natural disasters, conflict, and fragility, showcasing a commitment to being a reliable partner during critical times and fostering impactful contributions to address complex global challenges.

2.2.2: SUSTAINABLE FINANCE

The IsDB Sustainable Finance Framework (SFF) enables the Bank to issue green and sustainability Sukuk, thereby mobilizing resources from the global capital markets to finance or refinance projects that are green, social, and based on sustainability and resilience. The SFF was created in line with globally accepted standards as set out by the International Capital Market Association (ICMA). To date, under the umbrella of the SFF, the Bank has pioneered both green and sustainable Sukuk to mobilize more than US\$5 billion for climate-friendly and social development projects in its member countries. The SFF will be updated in 2024.

In addition, IsDB has entered an industry collaboration with ICMA and the London Stock Exchange Group (LSEG) to develop a practitioners' guide on the issuance of Sukuk in line with the Green Bond Principles and Sustainability Bond Guidelines as published by ICMA. This will support the growth of green and sustainable finance within the global markets for Sukuk by providing issuers and other market participants with guidance on how Sukuk may be labelled as 'Green' or 'Sustainable' in line with the principles, using examples, case studies and best practice. The guidance will also help to improve investors' awareness of Sukuk as an asset class in the global fixed income markets. The guidance is planned to be launched at IsDB's 2024 Annual Meetings.

THE PROJECT EXCEEDED ITS EXPECTATIONS,
BUILDING
14,779 HOUSES
IN THE SIX REGIONS, WHICH WAS MUCH MORE
THAN THE INITIAL GOAL OF 6,404 HOUSES.



**BOX 9: REVOLUTIONIZING RURAL LIVING:
THE TRANSFORMATIONAL IMPACT OF THE
CONSTRUCTION OF MODERN RURAL HOUSING
PROJECT IN UZBEKISTAN**

Until recently, about 63% of people in Uzbekistan's rural areas lived in old houses that lacked basic facilities and communication services and housed many family members. A lack of income opportunities in rural areas was also driving high levels of migration of young families to urban areas.

To address this issue, in 2009 the Government of Uzbekistan launched its Housing for Integrated Rural Development program, which lasted until 2016, followed by the Construction of Affordable Housing on Renewed Model program, which went on from 2017 to 2021.

The IsDB approved its Construction of Modern Rural Housing Project in 2017 to support the existing Construction of Affordable Housing on Renewed Model program in rural Uzbekistan. The project's goals were to give rural families new, modern, and affordable housing, improve infrastructure networks and facilities, and strengthen services by creating social and market amenities in six regions of Uzbekistan: Andijan, Bukhara, Jizzakh, Namangan, Navoiy, and Syrdarya.

The project exceeded its expectations, building 14,779 houses in the six regions, which was much more than the initial goal of 6,404 houses. Also, the project helped create a 255.19 km water supply system, 149.48 km of access and internal roads, 166.33 km of gas supply networks, 162.08 km of power supply lines, and 58 units of social and market infrastructure. Moreover, it helped construct 62 units of local wastewater treatment plants and 57.88 km of sewerage networks. The project provided better and cheaper housing to 73,895 people, greatly going beyond the original target of 25,000 residents.

The project has enabled the beneficiaries to live in rural housing complexes that have urban-level amenities, better living conditions, and improved roads that connect them to vital services and nearby places. It has established a new standard for living spaces in rural communities across Uzbekistan. Moreover, the project created positive spillover effects, such as boosting the local construction sector, generating jobs, developing land areas, building schools, nurseries, clinics, and police stations, and promoting green mortgages and energy-efficient technologies.



2.2.3: CLIMATE FINANCING

In 2023, IsDB developed a greenhouse gas (GHG) accounting system and accompanying staff guidance to identify, measure, and report on operational and organizational GHG emissions, aligning with the Paris Agreement targets and the Sustainable Development Goals (SDGs). This system also aids in risk management by preventing carbon lock-in and stranded assets.

In support of the principles of a Just Transition, IsDB has developed a Conceptual Framework and Action Plan 2023-2025 to facilitate a fair shift to low-emission and climate-resilient development paths for its 57 member countries as well as to support IsDB internal procedures in this regard.

IsDB has prioritized climate mainstreaming by incorporating climate change and green growth elements into Member Country Partnership Strategies and screening all approved projects and investments against physical climate risks. The Bank has also played a leading role in coordinating multilateral development bank (MDB) initiatives and engaging in global and regional climate events, such as the Africa Climate Week in Nairobi and the MENA Climate Week in Riyadh. IsDB was notably active in the United Nations Climate Change Conference (COP28) in Dubai, with a pavilion, numerous side events, and support for the UAE Presidency's flagship events.

In terms of climate finance, IsDB has exceeded its target of a 35% climate finance share of total financial commitments by 2025, with 37% already achieved. Efforts to mobilize climate finance include partnerships with organizations such as the Green Climate Fund, Global Green Growth Institute, and International Climate Initiative. Additionally, IsDB is exploring climate finance opportunities in Islamic finance, collaborating with the UN Environment Program Finance Initiative and the General Council for Islamic Banks and Financial Institutions to develop a comprehensive climate change guide for Islamic banks in the Middle East and North Africa.

The completion of the recruitment of dedicated staff and full operationalization of the Environmental and Social Safeguards (ESS), coupled with the development of the Bank's ESS guideline documents, will also enable the full integration of ESS into each step of IsDB's project cycle from programming to post-completion.

Overall, IsDB's climate action in 2023 demonstrates a comprehensive approach encompassing GHG accounting, a Just Transition, ESS integration, climate mainstreaming, and climate finance mobilization, positioning the Bank as a proactive leader in addressing climate change and promoting sustainable development.

2.2.4: INFRASTRUCTURE DEVELOPMENT

AGRICULTURE

Despite the significant efforts deployed over the past decade, the number of food-insecure people continues to rise, particularly in Africa. Recurrent droughts and other climatic extremes are contributing to low agricultural output, thereby making even more people vulnerable to food insecurity. In 2023, IsDB approved projects worth US\$365.72 million in agriculture, water resources, and rural development. IsDB has approved several specific projects and funding allocations aimed at improving food security in various member countries. These include:

THE REGIONAL CASSAVA VALUE CHAIN PROGRAM (RCVCP) FOR AFRICA, WITH US\$215 MILLION ALLOCATED TO PHASE 1 IN BENIN, BURKINA FASO, CÔTE D'IVOIRE, AND NIGER.

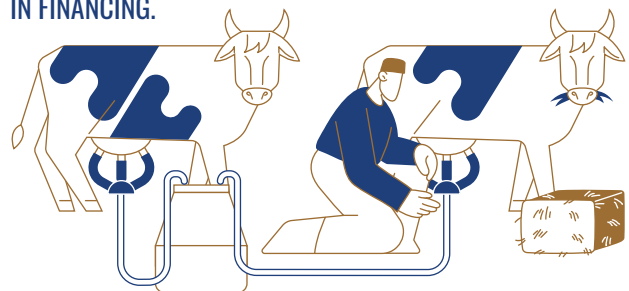


THE ENHANCING THE CONTRIBUTION OF MSEs TO FOOD SECURITY PROJECT IN EGYPT, WITH US\$15 MILLION IN FUNDING.

THE AGRICULTURAL TRANSFORMATION PROJECT (AGROPOLE CENTRE) IN SENEGAL, WITH US\$60.58 MILLION IN FUNDING.



PHASE 2 OF THE OUAGADOUGOU PERI-URBAN DAIRY SECTOR DEVELOPMENT PROJECT IN BURKINA FASO, WITH US\$24.24 MILLION IN FINANCING.

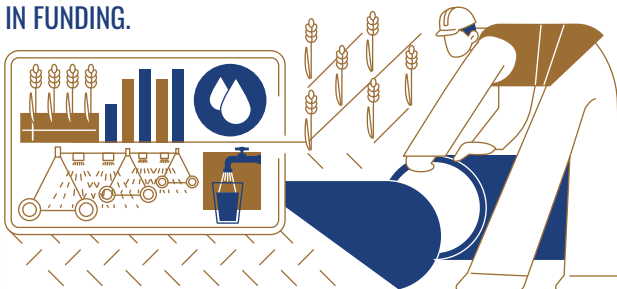


Power Tiller distribution in the Gambia under the IsDB Funded Regional Rice Value Chain Project.



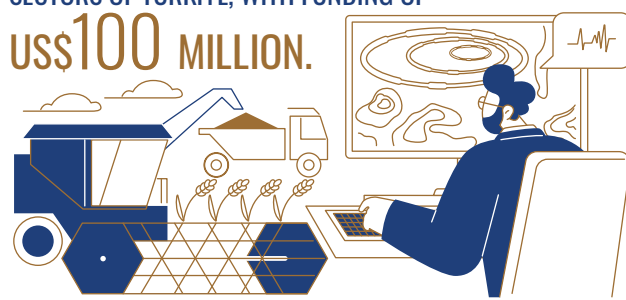
THE AGRICULTURAL AND ROAD INFRASTRUCTURE DEVELOPMENT PROJECT IN LOWER AND UPPER OUEMÉ VALLEY, BENIN, WITH FUNDING OF US\$108 MILLION.

A PROJECT TO BUILD RESILIENCE TO FOOD INSECURITY THROUGH COMMUNITY-BASED IRRIGATION IN THE KAARTA/SEFETO, KITA REGION OF MALI, WITH US\$19.9 MILLION IN FUNDING.



THE RURAL WATER SUPPLY AND SANITATION PROJECT IN THE MIDDLE AND UPPER REGIONS OF GUINEA, WITH US\$40 MILLION IN FUNDING.

SUPPORT FOR THE ECONOMIC RESILIENCE, RECOVERY, AND PRODUCTIVITY ENHANCEMENT OF EARTHQUAKE-AFFECTED FIRMS IN THE AGRICULTURE AND AGRIFOOD SECTORS OF TÜRKIYE, WITH FUNDING OF



The Bank is collaborating with external organizations such as the International Center for Biosaline Agriculture (ICBA), the Islamic Organization for Food Security (IOFS), and the United Nations Development Programme (UNDP) to address food security and agricultural development in Africa. Specifically, the Bank collaborated with ICBA to build capacity in land, water, and crop management to achieve food security in Sub-Saharan Africa. Additionally, the Bank, in collaboration with the IOFS and UNDP, has launched the Cassava Capacity Building Program to reshape cassava production and processing.

Furthermore, the Bank has embarked on a new initiative with the Food and Agriculture Organization (FAO) to map national irrigation needs and potential, with the aim of guiding irrigation planning and development in member countries. This collaboration introduces a multi-criteria framework to assess and reconcile the needs and potential of irrigation, contributing to sustainable and long-term food security. These collaborations demonstrate the Bank's commitment to leveraging partnerships with external organizations to address food security and agricultural development in Africa.

These collaborations demonstrate the Bank's commitment to leveraging partnerships with external organizations to address food security and agricultural development in Africa.

ENERGY

IsDB continues to contribute to energy development, which it sees as one of the main development sectors. The Bank's intervention in 2023 was based on the four main pillars of IsDB Energy Sector Policy, namely: increasing the energy access rate in member countries, increasing the share of renewable energy in the energy mix of member countries, contributing to energy efficiency programs, and knowledge sharing among member countries.

The Bank has developed several joint activities with partners such as the International Renewable Energy Agency (IRENA), USAID, and UN ESCWA, and these activities include capacity building for member countries. The Bank has launched a Renewable Energy Cooperation Program for Africa, which will address energy access in Africa as well as promoting renewables and attracting foreign investments.

The Bank has also cooperated with UN ESCWA on the development of a capacity-building program for the Regional Initiative to Promote Small-Scale Renewable Energy Applications in Rural Areas in Mauritania. In 2023, the Bank approved US\$387.9 million for energy development, including US\$200 million for the establishment of a new 400kV Jasra subsystem in Kingdom of Bahrain . This project is aligned with the country's sector strategies, IsDB sector priorities, and SDG targets.

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FROM THE TIME OF ITS INCEPTION THROUGH TO 2023, THE ISDB GROUP HAS IMPLEMENTED A TOTAL OF 90 STI SECTOR OPERATIONS WORTH OVER

US\$936 MILLION.

SCIENCE, TECHNOLOGY, AND INNOVATION (STI)

From the time of its inception through to 2023, the IsDB has implemented a total of 90 STI sector operations worth over US\$936 million. Excluding trade financing projects, these include 47 national projects and 36 small regional projects, amounting to approximately US\$721 million. Of these, 26 have been telecommunication infrastructure projects, accounting for 97% of the total engagements. Only 21 national STI projects have been dedicated to non-infrastructure STIs, accounting for a total of US\$13.98 million.

In 2023, the Bank embarked on a journey to reduce the digital divide in its 57 member countries. The Bank took the initiative to form the IsDB Digital Inclusion Technical Working Group (IDITWG) to help develop IsDB's Digital Inclusion Operational Strategy in a consultative and collaborative manner with stakeholders. The proposed Digital Inclusion Operational Strategy (DIOS) intends to operationalize IsDB's "STI for Inclusive Development" policy approved in 2019. This policy establishes the overall direction of the Bank's future interventions in its member countries in the STI sector and other sectors that include STI adoption and strategic use components.

The Bank launched the Digital Inclusion Strategic Partnership Program (DISPP) at the Digital Transformation Summit 2023 in Jakarta, co-organized by the Ministry of Communications and Informatics of the Republic of Indonesia, along with other government entities and Indonesia's private sector. The objective was to support and expedite the execution of the Digital Inclusion Operational Strategy for selected countries, including pilot programs with international organizations, the enablement and enhancement of digital skills, and support for the preparation of bankable projects/programs.



BOX 10: TECHNOLOGY DEPLOYMENT COOPERATION PROGRAM

The launch by IsDB of a Technology Deployment Cooperation Program (TDCP) is expected to facilitate the transfer and deployment of cost-effective technologies to address development challenges in member countries. The program is designed to be demand-driven, offering expertise exchange, capacity development, and concessional financing. IsDB has secured US\$95 million in grant resources to provide financial support for technology deployment. The program focuses on national and international collaboration to empower member countries and enhance their technological capabilities.

The TDCP emphasizes the importance of aligning identified technologies with the recipient countries' development priorities and promoting inclusive economic development. It also aims to create triple-win partnerships for the member country, technology provider, and IsDB. The ownership of the requested technology by the member country is crucial for successful adoption and adaptation. Furthermore, the identified technologies must be practical and cost-effective in addressing developmental challenges.

The program's practical experiences so far include two demonstration workshops on aquaculture and road construction, which generated significant interest from member countries. The soil stabilization technology

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workshop in Senegal highlighted the benefits of practical and affordable technologies for rural road construction, with participation from the national road agencies of eight countries. Another workshop at the King Abdullah University of Science and Technology focused on aquaculture technologies and was attended by delegates from Burkina Faso, Egypt, Mali, and Morocco. These events aimed to raise awareness and provide insights into deploying technologies to enhance productivity and competitiveness.

IsDB plans to continue supporting similar awareness and capacity-building sessions to reduce deployment risks. The program will conduct comprehensive technology evaluations to match member countries' needs with appropriate technologies. Overall, the TDCP seeks to accelerate the transfer and deployment of technologies that are essential for sustainable development and economic growth in IsDB member countries.





CWIS and FSM Capacity development training for Central and West Africa MCs.

TRANSPORT

Sustainable transport for inclusion and prosperity is one of IsDB's areas of focus, and the work done in this regard aims to enhance connectivity within and between member countries for sustainable economic growth and regional integration. In 2023, IsDB approved 13 transport projects with a total value of US\$1.2 billion, designed to develop sustainable, reliable, cost-effective, and resilient transportation systems to accelerate socioeconomic activities, growth, and poverty reduction in IsDB member countries. These projects include road/highway, railway, coastal erosion control, and airport projects, which will improve access to social amenities, safe transport infrastructure, connectivity, market access, and employment generation.

IsDB's Transport Practice has contributed to the preparation, processing, and approval of various Member Country Partnerships Strategies, Country Portfolio Performance Reports, Country Engagement Frameworks, and project completion reports. The Bank has also established a Transport Regional Network with Regional Hubs to promote sector collaborations, consultations, knowledge sharing, and problem solving. International workshops and webinars were conducted on topics such as soil stabilization technology, the operationalization of GIS on transport networks, evidence-based interventions for road safety, pragmatic investment for e-mobility, and road technologies for economic transformation and rural development.

The approved projects and soft interventions are expected to contribute to achieving several UN Sustainable Development Goals, including: poverty reduction; zero hunger; good health and well-being; decent work and economic growth; industry, innovation, and infrastructure; sustainable cities and communities; climate action, and partnerships. IsDB aims to support the development of sustainable transport for inclusion and prosperity by focusing on innovative transport solutions that contribute to human inclusion among the neediest populations and improving the performance and efficiency of transport solutions.

WATER, URBANIZATION AND SANITATION

IsDB endeavors to promote livable cities and contribute to sustainable and inclusive urbanization within its member countries. In 2023 a total of US\$392.3 million was approved for urban development projects.

For example, IsDB approved financing of US\$298 million for a project on peri-urban and rural housing finance in Bangladesh. The project aims to expand access to affordable finance for constructing sustainable, eco-friendly and high-quality multi-storied housings with the necessary basic facilities for lower and middle-income people living in rural and peri-urban areas of the country. This, in turn, will ensure the optimum use of land and will save land that can be used for cultivation. This project also aims to address climate change by introducing climate-resilient housing for climatically vulnerable areas, and eco-friendly housing to reduce greenhouse gas (GHG) emissions. It will directly benefit 72,960 Bangladeshis.

In Djibouti, the Bank extended financing for phase two of the Slums Upgrading and Integrated Urban Development in Boulas project. A total of US\$15.3 million was approved, comprising US\$15 million as a loan and US\$0.3 million for technical assistance. The project aims to improve human development and economic empowerment by enhancing access to urban services for poor households in the target slum neighborhoods of Djebel and Djaga-Boudhouq, Djibouti. This second phase will further (i) improve the accessibility of the neighborhood by developing climate resilient basic and economic infrastructure, (ii) strengthen the capacity of public institutions in charge of implementing of the Zero Slum program, and (iii) build the capacity of CBOs and CSOs to enhance their engagement in the project.

IsDB has also approved US\$79 million for the Kyrgyz Republic Affordable Housing Finance project, which will improve access to affordable, resilient, and energy-efficient housing for underserved populations while also supporting Shariah mortgage development in the Kyrgyz Republic. The project will construct approximately 1,153 apartment units for a total of 4,372 beneficiaries. In parallel, a Line of Financing for a Shariah mortgage facility will be provided for US\$30,000 per loan, which can cover at least 333 target beneficiaries.

A capacity development program in Citywide Inclusive Sanitation (CWIS) and Fecal Sludge Management (FSM), jointly initiated by the IsDB and BMGF, was also provided in 2023 for 10 national sanitation executing agencies in central and west Africa to help member countries achieve their SDG 6 targets.

BOX 11: AZERBAIJAN'S NATIONAL WATER SUPPLY AND SANITATION PROGRAM: A SUCCESS STORY

There was a time when access to clean water was a luxury in the rural regions of Azerbaijan. Families would wake up early to collect water during the limited six-hour supply window, often having to ration their usage to make it last. Waterborne diseases were rampant, and the sewerage system covered only a relatively small area. But all of that changed with the implementation of Azerbaijan's National Water Supply and Sanitation Program.

The program, a collaborative effort between the Government of Azerbaijan and the Islamic Development Bank, aimed to tackle water supply and sanitation challenges in six regions, benefiting over 200,000 people. The initiative included the construction of new water supply systems, wastewater treatment plants, and sewerage collection systems.

The impact of the program has been transformative. The continuity of water supply increased from six hours a day to 24 hours a day, and average water supplies per capita per day skyrocketed from 10 liters to an impressive 180 liters/person per day. The rate of connection to clean and safe drinking water surged

from 10% to 100%, and about 142,400 individuals gained access to the sewage system. These advancements directly enhanced public health, reducing waterborne diseases, and elevating overall living conditions. The project also brought water supply and sewerage services to 77 vital community centers, from schools to hospitals, leaving a legacy of rejuvenation.

The program's impact extended beyond improving access to clean water and sanitation. It contributed to local economic development as well, creating 153 jobs across the five project sites, and fostering employment opportunities.

For the families in the rural regions of Azerbaijan, the program has been life changing. They no longer have to worry about rationing water or facing waterborne diseases. Instead, they can now enjoy reliable access to clean water and basic sanitation, and a much higher overall quality of life.

For the families in the rural regions of Azerbaijan, the program has been life changing.





CHAPTER 3 REINFORCING INSTITUTIONAL EFFECTIVENESS

The IsDB's impact and effectiveness as an organization is built on a foundation of sound internal structures and processes, including corporate governance, risk management, auditing, compliance and IT. In 2023 we continued to be meticulous in ensuring the integrity and effectiveness of all of these institutional systems.

3.1: BOARD OF GOVERNORS

The Board of Governors (BoG) comprises the highest-level (mostly ministerial) representatives of the 57 IsDB member countries. The BoG normally meets once a year in an IsDB member country, provided that the meeting is held in the IsDB headquarters host country every three years, pursuant to a previous BoG resolution. Each member country is represented by a Governor on the BoG and has 500 basic votes, plus one vote per subscribed share. Generally, BoG resolutions are taken based on a majority of the voting power represented at the respective meeting.

In its annual meetings, the BoG reviews the performance of IsDB over the previous year and deliberates on future strategies and policies, in addition to electing a chairperson and two vice-chairpersons for the following year until the next BoG meeting.

As the highest governing body of IsDB, the BOG delegates to the Board of Executive Directors (BED) certain powers and authorities relevant to the general operations of IsDB. However, these never include matters relating to membership, changes in IsDB's authorized capital, admission or suspension of member countries, variation of the authorized capital stock, election of the president and the executive directors and determining their terms of service, approving audited financial statements and external auditors' reports, and determining the reserve or distribution of net income. Pursuant to IsDB's Articles of Agreement, the BOG may also adopt such rules and regulations and establish such subsidiary institutions as may be necessary to conduct the business of IsDB.

IsDB GROUP ANNUAL MEETINGS AND GENERAL ASSEMBLIES

Chaired by the Group General Secretariat, the 2023 Annual Meeting Organizing Committee led the organization of the 2023 Annual Meetings and General Assemblies of the members affiliated to the IsDB Group. In total, eight webinars and 48 statutory meetings, knowledge-sharing events and other gatherings were held. Simultaneous interpretation in English, French, Arabic, and where necessary, Russian was provided for 38 in-person meetings and three webinars.

The 48th Annual Meeting of the BoG was held on 12 and 13 May 2023 in the city of Jeddah, Saudi Arabia, under the high patronage of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and under the theme "Partnerships to Fend Off Crises". The agenda adopted at the meeting comprised several items, including consideration of the 48th IsDB Annual Report, approval of IsDB's financial statements and affiliated funds, and the election of the BOG chairperson and two vice-chairpersons for the year 2024.

Additionally, the BoG appointed the external auditors for IsDB, the Waqf Fund, the Awqaf Properties Investment Fund, the World Waqf Foundation, and the IsDB Fund for Science, Technology and Innovation for the financial year 2024, and for the Economic Empowerment Fund for the Palestinian People for financial years 2023 and 2024.

The knowledge-sharing events held on the margins of the Annual Meeting represented an opportunity for participants to touch upon various topics of relevance to IsDB member countries, such as exploring ways of bolstering economic relations among member countries in the context of continuous and rapid changes in the international arena.

The Governors Roundtable Meeting took place on 13 May 2023, with a particular focus on the topic of "Leveraging South-South Partnerships to Fend Off Crises". The insights and perspectives provided by the governors during the Roundtable have been assimilated by IsDB as vital strategic imperatives that will be pursued by the various IsDB departments over the coming years.



3.2: BOARD OF EXECUTIVE DIRECTORS

The BED is composed of 18 members: nine appointed members, representing each of the nine major shareholders, and nine elected members, each representing a group of four to seven countries. The BED, which is currently serving its 16th term, usually holds five meetings a year.

The BED is responsible for the overall direction of IsDB operations and exercises all powers delegated to it by the BoG, such as preparing the work of the BoG, taking decisions about the business and operations of IsDB, approving the budget and submitting the accounts of each financial year for the approval of the BoG at the respective annual meeting.

The Executive Directors also serve on five BED committees:

- Audit
- Ethics
- Finance and Risk Management
- Governance and Administrative
- Operations and Development Effectiveness

The Group General Secretariat (GGS) provided necessary arrangements for conducting five BED meetings and 16 BED standing committee meetings in 2023. To facilitate smooth proceedings and drive sound decision-making, the GGS provided the BED with specialist support, governance-related advisory services, and working materials and simultaneous interpretation in English, French and Arabic.

The table below outlines data on resolutions adopted in the BED meetings held during the year under review regarding projects, financing, policy, and administrative matters.

3.3: SHARI'AH GOVERNANCE

IsDB's unwavering commitment to Shari'ah Governance serves as a cornerstone of ethical finance in the realm of multilateral development. The Bank stands committed to upholding the principles of Shari'ah across every facet of its operations.

In the transformative year of 2023, IsDB undertook significant initiatives to strengthen its institutional Shari'ah Governance, including the appointment of new members to the IsDB Group Shari'ah Board and the endorsement of the International Islamic Financial Market (IIFM) Standard and Islamic Hedging Financial Instruments (Tahawwut). These actions aimed to enhance the mitigation of profit rate and currency risks in developmental operations, reflecting IsDB's dedication to upholding Shari'ah principles across its activities. Additionally, the annual Shari'ah Audit expanded to include oversight of the Afghanistan Humanitarian Trust Fund, showcasing IsDB's commitment to transparency, accountability, and meeting humanitarian needs.

Furthermore, the IsDB demonstrated its proactive approach to Shari'ah compliance by revitalizing its commitment to adhering to the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) International Standard on Shariah Screening of Equity Investments. The Shari'ah Affairs Division also played a crucial role in organizing workshops to educate IsDB staff, Member Countries, and Development Partners on sound Shari'ah Governance, empowering them to minimize Shari'ah non-compliance risks in developmental projects. Additionally, the Shari'ah division contributed to developing ICIEC's Takaful Operating Framework (TOF) to enhance Shari'ah Governance over ICIEC's Islamic Insurance (Takaful) Operations.

Ultimately, the IsDB views Shari'ah Governance as more than a protocol, but a promise to uphold the highest standards of ethical finance, ensuring just and sustainable development for all stakeholders and communities. As IsDB navigates the intricate landscape of development

TABLE 3.1: BED MEETINGS IN 2023 (1444H-1445H)

| DATE OF MEETING | MEETING | PROJECTS & TAS* | SPECIAL ASSISTANCE | STRATEGIC & POLICY | OTHER | APPROVED BY THE PRESIDENT AND SUBMITTED FOR INFORMATION** | AGENDA ITEMS, TOTAL | RESOLUTIONS ADOPTED |
|---|----------|-----------------|--------------------|--------------------|------------|---|---------------------|---------------------|
| 4 February 2023 | 349 | 1 | - | - | 23 | 2 | 26 | 11 |
| 1 April 2023 | 350 | 4 | - | 1 | 28 | 3 | 36 | 21 |
| 10 May 2023 (along with 48 th Annual Meeting) | 351 | 8 | - | 1 | 5 | 1 | 15 | 10 |
| 9 September 2023 | 352 | 11 | - | 3 | 30 | 2 | 46 | 25 |
| 10 December 2023 | 353 | 16 | - | 2 | 26 | 1 | 45 | 28 |
| Total | 5 | 40 | - | 7 | 112 | 9 | 168 | 95 |

* Projects and technical assistance.

** Including technical assistance projects approved by the President.

finance, it recognizes the pivotal role of sound Shari'ah Governance in safeguarding our mission. It is not merely a routine imperative but a moral compass guiding our every endeavor, ensuring that we remain steadfast in our commitment to just and sustainable development.

3.4: RISK MANAGEMENT

The very nature of financing activities to fulfil the development mandate exposes IsDB to various kinds of financial and non-financial risks. To mitigate such risks, the Bank uses various risk management approaches and maintains a strong risk management architecture that includes capital adequacy, an exposure limit management framework, an asset and liability management framework, an operational risk management framework, and an end-to-end credit process for conducting its business operations. Risk oversight is performed by the Board of Executive Directors and its Finance and Risk Management Committee (RMC) which approves the risk strategy, policies, and guidelines. The IsDB Management, supported by the RMC and Asset and Liability Management Committee (ALCO), ensures the execution of the activities per an approved risk governance framework.

The Bank's risk function is advancing over time by adopting a holistic approach towards managing various financial and non-financial risks, including credit, market, liquidity, and operational risks. In this context, in 2023, the implementation of a Bank-wide Enterprise Risk Management Project with advanced risk and finance analytics, including an integrated DataMart, reached an advanced stage. Reporting started from the first quarter of 2023 (on a quarterly basis) on the comprehensive set of risk metrics and tolerances under the Risk Appetite Framework in defining the Institution's capacity and willingness to bear risk exposures for ensuring the Bank's long-term sustainability.

Among other initiatives, the Bank has implemented the LIBOR transition project to ensure a smooth transition to alternate benchmark rates. The Bank is in the completion stage of a review and calibration of its internal rating models, consisting of Sovereign, Financial Institutions, Project Finance, and Corporate Finance. The implementation of an Operational Risk System for automating operational risk measurement, monitoring, management, the operationalization of Risk Control and Self-Assessment (RCSA), loss data, and Key Risk is in advanced stage. Furthermore, the Bank initiated a review and update of the Exposure Management Framework and Asset Liability Management Framework in 2023 to be implemented in 2024 with a view to further strengthening risk management governance and infrastructure.

3.5: AUDIT ACTIVITIES

The Internal Audit Department (IAD) reports functionally to the Board of Executive Directors via the Audit Committee. The IAD plays an important role within the IsDB's risk management framework by providing the Board of Executive Directors and management with objective, independent assurance, as well as advice on the effectiveness and efficiency of corporate governance, risk management, and internal control processes and systems.

In 2023, the IAD completed planned audit assignments, and other requested ad-hoc assignments while continuing to build the core competencies of its human capital. IAD staff attended relevant training courses and conferences and continued to invest more in the process mining technology tool. IAD also upgraded its internal auditing software to keep up with the other latest tools on the market. The new software improved filters with insight reporting, improved dashboards, and other enhancements. In addition, IAD rigorously followed up on the implementation of the Management Action Plans (MAPs).

As part of building partnerships and collaborating internationally, the IAD participated in the Annual Meeting of the Group of Representatives of Internal Audit Services of the Multilateral Financial Institutions Chief Audit Executive Group (MFI-CAEG), where valuable experiences and best practices in internal auditing were shared among the participants. IAD also met internal audit or evaluation functions of numerous international institutions at IsDB Headquarters (HQ) to build relationships, knowledge sharing, and capacity building.

3.6: COMPLIANCE

The IsDB Compliance Division looks at IsDB's day-to-day business to ensure that IsDB operations, investments, and activities comply with the organization's AML/CFT/KYC systems, regulations, and processes. During 2023, the Compliance Division endeavoured to translate its policy into action by entrenching compliance culture internally through training and awareness. This year, training has expanded to include over 200 trainees at different levels. Furthermore, IsDB Compliance helped business units navigate sanctions and other regulatory risks by educating them through advisory reports and notes on developments related to regulatory issues and sanctions. Externally, IsDB Compliance enhanced cooperation with partners to update them on IsDB's due diligence processes and procedures and to share information on beneficial ownership, financial crimes, and other compliance risks.



IsDB Compliance has been actively involved in several ad-hoc activities and committees addressing compliance matters. Several working sessions were held with business units to address compliance issues related to processing payments, customer background verification, and customer identification in liaison with several correspondent banks, with a view to enhancing cooperation and harmony and building trust.

In 2023, IsDB Compliance responded to 1,231 requests from 26 departments, entities, and external partners. In addition, 915 Onboarding requests were reviewed, 185 internal Advisory Opinions were given, 43 external Advisory Opinions were provided, and 53 sanctions, payments, and tax advice cases were dealt with.

Compliance staff worked with regional money laundering bodies that cover IsDB member countries, such as the Asia Pacific Group on Combating Money Laundering and Financing of Terrorism (APG), the Inter-Governmental Action Group against Money Laundering in Central Africa (GABAC), the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) and the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism ("MONEYVAL"), to assist in building the capacity of member countries in combating financial crimes. Furthermore, compliance staff participated in Financial Action Task Force (FATF) assessment activities in relation to IsDB member countries.

3.7: CORPORATE GOVERNANCE

Corporate Governance is crucial for the proper functioning of the Islamic Development Bank (IsDB). It is a key element to improving efficiency and growth, and crucial to enhancing the confidence of stakeholders in the Bank. The IsDB recognizes that good governance is essential for achieving sustainable development. Principles of good governance are embedded in the Bank's core values. IsDB's corporate governance framework ensures accountability and a clear allocation of responsibilities. It fosters transparency and facilitates the assessment of the quality of the Bank's organization and business. In 2023, major achievements in Corporate Governance were as follows:

Corporate Governance is crucial for the proper functioning of the Islamic Development Bank (IsDB). It is a key element to improving efficiency and growth, and crucial to enhancing the confidence of stakeholders in the Bank.

- The IsDBG Administrative Tribunal became fully operational, with regular in-person hearings held at IsDB HQ in Jeddah. The Administrative Tribunal is the highest body in the internal justice system of the Bank. The decisions of the Tribunal are final and binding.
- The IsDBG Staff Appeals Committee has been reconstituted and is conducting its regular activities.
- The President of IsDB approved the 2023 version of the IsDB Authorized Signatory Book for Banking and Treasury Operations, Investment Operations, ADAHI Operations, Regional Hubs, and Center of Excellence Operations.
- The Bank's governance documents, and approved policies have been made available to all employees on the IsDB Corporate Governance and Policy Portal
- The Board of Executive Directors (BED) and IsDB Management approved all important Policies, Rules, Regulations, and Guidelines in 2023. The Corporate Governance Division provided necessary support to the business units in the review and approval process for policy instruments.
- An Annual Review process of Delegation of Authorities (DoA), Management Committees' Charters, and Organizational Manual has been established.
- The Corporate Governance JIRA Service Desk was launched.

3.8: CREDIT RATING

IsDB's AAA ratings have been affirmed with a stable outlook in 2023 by four rating agencies, namely, Fitch Ratings (19 May), Moody's Investors' Service (22 September), Malaysian Rating Corporation (10 August) and Standard & Poor's Global (22 December). The excellent ratings are underpinned by the Bank's extremely strong capitalization, low leverage, very robust liquidity profile and buffers, strong access to market funding, conservative risk management supported by strong risk management policies, low solvency risks and strong member support. With the completion of the 2023 review cycle, IsDB has now been rated "AAA" with a stable outlook for the 21st consecutive year by Standard & Poor's, 17th consecutive year by Moody's Investors Service, and 16th consecutive year by Fitch Ratings.

This is a strong manifestation of the solidarity spirit and cooperation for development in the Muslim world and this support is expected to continue in the coming years to achieve the sustainable development mandate of the Bank.

3.9: SHAREHOLDER SUPPORT

Since its inception, IsDB's member countries have provided sustained shareholder support with multiple equity injections in the form of both General Capital Increases (GCIs) and Special Capital Increases (SCIs). This is a strong manifestation of the solidarity spirit and cooperation for development in the Muslim world and this support is expected to continue in the coming years to achieve the sustainable development mandate of the Bank.

At the 2023 Annual Meeting, IsDB's capital base was bolstered once again when the Honourable Board of Governors approved an SCI for the Republic of Indonesia which – in a strong vote of confidence in the Bank's mission and against the backdrop of a highly challenging global economic environment – unilaterally requested to increase its shareholding in IsDB from 2.25% to 8.43% of the Capital Stock. The SCI by Indonesia, a G20 member country, would result in an additional cash injection of ID881.7 million (US\$1.2 billion) (payable over 14 years) on IsDB's balance sheet, enabling the Bank to further scale up sustainable development interventions for its member countries. This will be critical for alleviating poverty, tackling the impact of climate change, and building food security, green economic growth, and resilience.

High capitalization levels through subsequent GCIs with very high subscription rates, along with SCIs from member countries, all strengthen the financial sustainability of the Bank and reinforce its ability to withstand financial crises. They are also viewed very positively by the global rating agencies who have repeatedly stressed 'strong shareholder support' as one of the main factors underpinning IsDB's top-tier AAA-rating, which the agencies have reaffirmed for more than two decades now.

IsDB is able to leverage its AAA-rating to mobilize resources from the global capital market, mainly through Sukuk issuances at optimal costs for member countries. This allows for an expanded annual operations envelope – complementing the share capital base – to cater to the growing financing needs of member countries.

3.10: MEMBER COUNTRY STRATEGY AND ENGAGEMENT

In 2023, led by the DG-CP Directorate, the IsDB Group witnessed substantial progress in revitalizing the Member Country Partnership Strategy (MCPS) alongside the introduction of the Country Engagement Framework (CEF). This marked an advancement from the groundwork established in 2022, focusing on refining, revitalizing, and expanding these frameworks to better cater to member countries' diverse needs.

The central pivot in 2023 revolved around infusing practicality into the MCPS framework. This shift aimed to make a transition from an academic inclination to a more pragmatic, implementation-focused approach. The finalized MCPS templates, business processes, and guidelines were instrumental in guiding this shift, aligning strategies more closely with on-the-ground realities. Additionally, there was an increased emphasis on expanding IsDB Group synergy beyond MCPS formulation to encompass programming and implementation phases.

Strategic expansion and specialized engagements were the focus, aiming to align more effectively with various member country scenarios. The introduction of a tailored instrument, the Country Engagement Framework (CEF), ensured the alignment and active involvement of the IsDBG in special case member countries, such as those that are non-borrowing, have high-exposure and/or low headroom, or are re-engaging with IsDBG after a hiatus. This inclusive approach facilitated swift pipeline generation through close collaboration with ministries, development partners, and stakeholders.

Building on the successful initiatives of 2022, which saw the completion of seven MCPSs (surpassing the historical average of two), 2023 focused on driving continual improvement. The emphasis shifted towards evolution and the avoidance of stagnation. The achievements in 2023 were remarkable, with the completion of four MCPSs for Bangladesh, the Kyrgyz Republic, Benin, and Qatar, alongside five CEFs for Guyana, Pakistan, Tajikistan, The Gambia, and Azerbaijan. This surpassed the target of seven country strategies, culminating in a total of nine robust strategies.

Looking ahead to 2024, the DG-CP Directorate aims to formulate an additional eight MCPSs and CEFs, with a focus on refining processes, templates, and guidelines. The goal is to transform these strategies into practical implementation guides, empowering member countries and fostering impactful development outcomes. Notably, IsDBG entities have been integrated into the MCPS/CEF work planning process, enabling them to nominate countries to lead MCPSs or CEFs in partnership with Regional Hubs.



As the year concludes, the MCPS and CEF emerge as robust, pragmatic, and adaptable instruments ready to catalyze meaningful development partnerships and outcomes in the years ahead.

In conclusion, the IsDB Group's unwavering commitment to adapt, evolve, and better serve member countries was evident in the 2023 MCPS revitalization journey. As the year concludes, the MCPS and CEF emerge as robust, pragmatic, and adaptable instruments ready to catalyze meaningful development partnerships and outcomes in the years ahead.

3.11: OPERATIONS EVALUATION

The Independent Evaluation Department (IEvD) evaluates how well IsDB interventions contribute to development outcomes. In 2023, IEvD completed 11 project evaluations across 10 member countries and one Special Assistance Project evaluation in India. These include two ongoing projects: Enhancing Value Addition in the Groundnut Sector in The Gambia, and Enhancing National Food Security through Increased Rice Production in Uganda.

IEvD initiated five evaluations in 2023 under the Corporate, Country, and Thematic umbrellas, which included a Country Engagement Evaluation for Egypt, a Sector Evaluation for Agriculture, Water, and Rural Development, a Thematic Evaluation of Regional Cooperation and Integration Policy and Strategy, and a Corporate Evaluation of the Islamic Solidarity Fund for Development. Responding to specific requests from Management, IEvD also initiated a special evaluation of the Impact of Organizational Restructuring on Business Stability.

IEvD also finalized eight Corporate, Country, and Thematic evaluations initiated in the previous year, namely, a Corporate Evaluation of IsDB's Off-Balance Sheet and Resource Mobilization Initiatives, a Country Assistance Evaluation for Côte d'Ivoire, a Thematic Evaluation of IsDB Partnerships, a Corporate Evaluation of the Operational Efficiency of IsDB Projects at Entry, a Thematic Evaluation of Projects Financed through Line of Finance, a Special Review of the Counterpart Funding at the IsDB, and validations of two MCPS Completion Reviews of Bangladesh and Kuwait. In addition, IEvD submitted the evaluation of the IsDB's Response to the 2009 Food Crisis (called Jeddah Declaration Program) to H.E. the President.

In terms of Evaluation, Learning and Outreach, 2023 also witnessed significant achievements. IEvD expanded its internal and external interactions with key stakeholders and clients. Activities ranged from orchestrating eight knowledge-sharing sessions to producing and disseminating 34 knowledge products tailored to a diverse audience. These products, including K-Series, Executive Development Notes, Videos, Articles, and Newsletters aimed to augment staff competencies and to refine evaluation guidelines and toolkits. The IEvD also organized the International Program on Development Evaluation Training at IsDB HQ, underscoring its commitment to the capacity building of IsDB's staff in Evaluation. IEvD continued building on partnerships with entities such as the Global Evaluation Initiative, the Al-Athar Impact Centre, the Saudi Fund for Development, and the Saudi Ministry of Economy to better align the IsDB's evaluation agenda with common goals and best practices among development partners.

Overall, in 2023 IEvD's combined efforts showcased IsDB's dedication to a strong evaluation culture, and the use of evaluation findings to deliver ongoing improvement of the Bank's interventions for sustainable development.

3.12: DEVELOPMENT EFFECTIVENESS

Monitoring and reporting on the development effectiveness of the Bank is a top priority, and is performed through the Annual Development Effectiveness Report (ADER), which is one of the flagship reports of the Islamic Development Bank. The report takes stock of the development effectiveness of the Bank's interventions and reports at the four levels of the Results-Based Management Framework (RBMF): goals, developmental results, and operational and organizational effectiveness, as per the best industry practices. It covers the Bank's interventions in sovereign financing, public-private partnerships, trusts and other funds, Islamic Finance investments, and grant programs.

The Bank has published the ADER since 2017 and in doing so it follows in the tradition of other multilateral development banks, most of whom publish similar Development Effectiveness Reports annually across the tiers of their results frameworks.

In addition, the Bank has developed various other relevant tools, such as: (i) the mapping of project results against the Sustainable Development Goals (SDGs) in order to deepen our understanding of development effectiveness; (ii) the implementation of the RBMF (Results-Based Management Framework) for effective monitoring and reporting to deliver developmental results that are inclusive, sustainable, and strategically aligned; and (iii) the development of online dashboards to improve the monitoring of project lifecycles for efficient delivery.

3.13: BUSINESS ENABLEMENT THROUGH TECHNOLOGY

The Information Technology (IT) landscape is an evolving environment and requires ongoing maintenance to stay fit for purpose within the context of any organization.

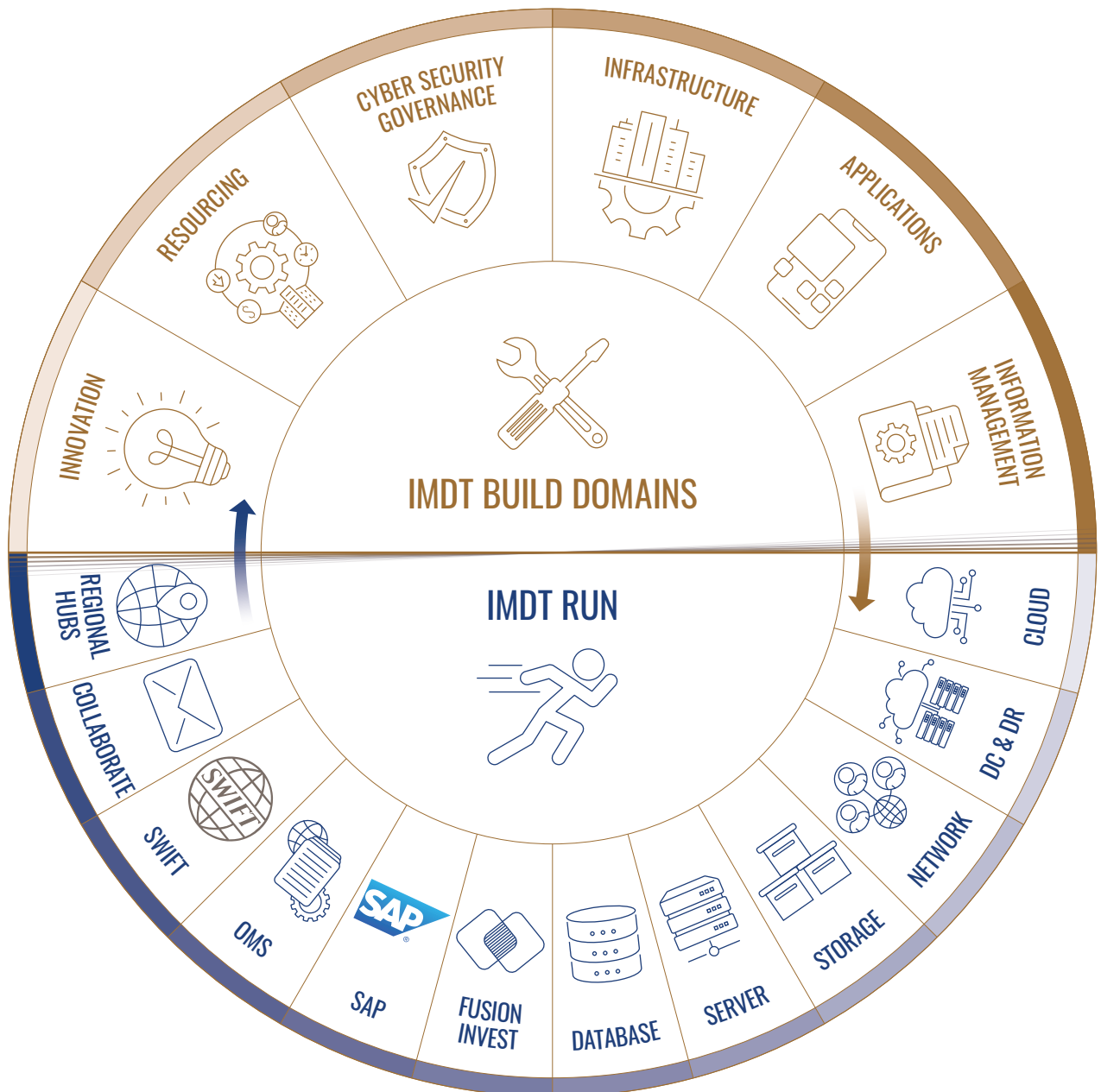
The work of the Information Management and Disruptive Technologies (IMDT) department is generally segregated into “Build” and “Run”. “Build” is any development work, while “Run” is mainly keeping the lights on. This work cuts across multiple domains, as depicted in Figure 3.1.

Key objectives and highlights of 2023 across these domains in strengthening IsDB’s digital experience, achieving required outcomes and maintenance in

The Information Technology (IT) landscape is an evolving environment and requires ongoing maintenance to stay fit for purpose within the context of any organization.

support of operations are seamless user experience, secure operation, and data, and flexible, decentralized agile IT infrastructure. The IT infrastructure is designed to be adaptable, scalable, and responsive to changing business needs of the Bank.

FIGURE 3.1: “BUILD” AND “RUN” DOMAINS





3.14: HUMAN RESOURCES MANAGEMENT

In 2023, IsDB achieved significant milestones in its recruitment and workforce development, announcing 319 requisitions – a 38% increase on the previous year. This expansion was paralleled by a significant increase in global applications, reaching 45,427 from 166 countries, underscoring our appeal as a global employer. Our commitment to diversity was evident, particularly in attracting skilled professionals for C-suite roles, enhancing female, and improving geographical representation. Notably, applications from female candidates rose to 31,269 in 2022, with 14,909 received by mid-2023, and 12% of the new hires in 2023 were women, a figure that the IsDB is committed to increasing.

Internal career development was also a focus, with 75 promotions, including six to managerial positions, highlighting our dedication to talent cultivation. The implementation of a new salary scale for the Supplemental Workforce and streamlined job titles were key steps towards optimized workforce management. Anticipating a revamp of our Talent Acquisition strategy and guidelines in 2024, these efforts align with our mission to foster a diverse and dynamic workforce.

APPLICATIONS FROM FEMALE CANDIDATES
ROSE TO 31,269 IN 2022, WITH 14,909
RECEIVED BY MID-2023, AND

12%
**OF THE NEW HIRES IN
2023 WERE WOMEN,**
A FIGURE THAT THE ISDB IS COMMITTED
TO INCREASING.

The Young Professional Program, which attracted 6,032 applicants and concluded in the selection of 19 exceptional candidates from top universities, showcased HRMD’s commitment to talent acquisition and emphasized our focus on academic excellence.

Meanwhile, the new Career Management Policy provides a comprehensive framework for career progression, combining best practices and inclusive input, and supporting enhanced career development, engagement, and retention.

The IsDB harmonized policies for both male and female employees, encompassing various benefits such as education grants, dependency allowances, air tickets, and medical treatment allowances. It revokes previous restrictions on dependency benefits for female staff members, ensuring they are now entitled to the same benefits as their male counterparts, regardless of marital status or their spouse's employment.

Significant advancements in benefits for IsDB's female staff were made, including equal access to educational grants, dependency allowances, and medical benefits, along with 14 weeks of maternity leave, a daily 'Nursing Hour' for two years, and 'Iddah Leave' for 60 days from the date of husband's death, reinforcing our support for female staff.

The "Power Hour" sessions, initiated by HRMD with Business Leaders, marked a significant shift in HR's strategic role, aligning HR objectives with business goals and improving HR's impact on business outcomes.

The IsDB harmonized policies for both male and female employees, encompassing various benefits such as education grants, dependency allowances, air tickets, and medical treatment allowances. It revokes previous restrictions on dependency benefits for female staff members, ensuring they are now entitled to the same benefits as their male counterparts, regardless of marital status or their spouse's employment. The decision also introduces a maternity leave policy of 14 weeks for eligible female staff members, with additional leave in the event of multiple births, and a "Nursing Hour" for those with newborns. Furthermore, it establishes "Iddah Leave" for female staff members who experience the loss of their husband, providing full pay for a period of 60 days from the date of the husband's death.

Finally, the ESS Mobile Website, a collaborative effort by HRMD and IMDT, revolutionized employee accessibility, offering real-time, secure access to HR services, significantly enhancing staff convenience and efficiency.

3.15: OTHER ADMINISTRATIVE ACTIVITIES

The IsDB through the Health Service Center Division (HSCD) has conducted various activities in line with its mission to maintain the health of IsDB Group staff and their dependents. These activities include reducing medical insurance costs, expanding the medical providers' network list, managing in-house clinics, offering welfare and medical preventive services, and conducting field health services at Regional Hubs and other locations. The HSCD also organized CPR and first aid training sessions, health campaigns, medical webinars, and social activities, demonstrating its comprehensive approach to health and wellness initiatives.

Furthermore, the Administration and Services Department (ASD) has implemented a comprehensive set of green initiatives aimed at enhancing sustainability and reducing the environmental footprint of IsDB. Efforts include pursuing LEED certification to cut energy consumption, increasing greywater volume, reducing paper usage, transitioning a portion of the car fleet to electric vehicles, and undertaking infrastructure improvements to provide a better environment for staff and visitors. These initiatives underscore IsDB's commitment to environmental sustainability and corporate responsibility.

The Administration and Services Department (ASD) has implemented a comprehensive set of green initiatives aimed at enhancing sustainability and reducing the environmental footprint of IsDB.





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ANNEX 1: SHARI'AH AUDIT REPORT

ISDB GROUP SHARIA BOARD ANNUAL SHARIA REPORT FOR 1444H/1445H

**All praise is due to Allah, the Lord of the universe.
May Allah blessings and peace be upon Prophet Muhammad
and upon his household and companions**

H.E. Chairman of the Board of Governors,
Honorable Members of the Board of Governors,

Assalamu alaikum warahmatullahi wabarakatuh

According to the regulations of the Shari'ah Board of the Islamic Development Bank Group (IsDB Group), we are required to submit an annual Shari'ah Audit Report to the honorable Board of Governors on the extent to which the transactions and activities conducted by the IsDB Group comply with Shari'ah, in light of the fatwas and decisions issued by the Shari'ah Board and its sub-committee. We have reviewed the activities of the Group for the year 1444/1445 through the sub-committee – in accordance with the approach practiced by the Board - which has carried out an overall audit of the applied principles as well as the contracts pertaining to the transactions and applications that have been presented to us. This includes the IsDB Group (Ordinary Capital Resources), the Special Account Resources Waqf Fund (Waqf Fund), the Islamic Corporation for the Insurance of Investment and Export Credit, the Islamic Corporation for the Development of the Private Sector, the International Islamic Trade Finance Corporation, the Islamic Solidarity Fund for Development, the Awqaf Properties Investment Fund, the World Waqf Foundation, and all funds managed by IsDB during the year ending on 31 December 2023G (18 Jumada Al-akhirah 1445H).

We have undertaken the audit required with the help of Shari'ah Affairs Division to give an opinion on whether the IsDB Group has complied with the rules and principles of the Shari'ah as well as the specific Fatwas, decisions, rulings, and guidelines that we have issued.

The responsibility of ensuring the IsDB Group's compliance with the Shari'ah rules and principles lies with the management of the IsDB Group, while our responsibility is limited to expressing an independent Shari'ah opinion based on our audit of the IsDB Group's operations.

We planned and carried out our audit 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.

IN OUR OPINION

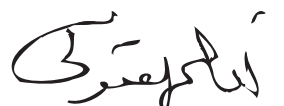
1. The IsDB Group has followed the procedures required to comply with the contracts that we have prepared and audited.
2. The dividends paid and the losses incurred on the investment accounts are in conformity with the basis that we adopted in line with the rules and principles of the Shari'ah.
3. All gains achieved from transactions or methods prohibited by Shari'ah have been set aside in accordance with the decisions issued by us in preparation for spending them for charitable purposes with our clearance.
4. The IsDB Group is not obligated to pay *Zakat* because the sources of its assets are either from public or *Waqf* funds. As for the funds of other institutions, IsDB Group does not pay *Zakat* on behalf of their owners without their authorization. Accordingly, the payment of *Zakat* of these funds is the sole responsibility of their 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 wabarakatuh



His Eminence Dr. Mohamed Ali Elgari
Chairman of the Shari'ah Board



His Eminence Dr. Nizam Yaqoobi
Deputy Chairman of the Shari'ah Board



His Eminence Dr. Aznan Hasan
Member of the Shari'ah Board



His Eminence Dr. Sa'id Adekunle Mikail
Member of the Shari'ah Board



His Eminence Dr. Mufti Muhammad Hassaan Kaleem
Member of the Shari'ah Board



Dr. Abdallahi Mohamed
Acting Manager of the Sharia Affairs Division

Jeddah, 19 Shaaban 1445H (29 Feb 2024)

ANNEX 2A: COSO MANAGEMENT REPORT

MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Management of the Islamic Development Bank – Ordinary Capital Resources (“the Bank” or “IsDB”) is responsible for establishing and maintaining adequate internal controls over financial reporting (“ICFR”). The Bank’s internal controls over financial reporting assessment, is a process designed to provide reasonable assurance regarding the reliability of financial reporting; and the preparation of the Bank’s financial statements for external reporting purposes, in accordance with the financial reporting framework. ICFR also includes our disclosure controls and procedures designed to prevent misstatements.

Those Charged with Governance i.e. the Board of Executive Directors (“BED”) are responsible for overseeing the process of implementing and maintaining effective internal control over financial reporting.

- The Bank has conducted an evaluation of the design, implementation and operating effectiveness of the internal controls over financial reporting as of December 31, 2023, based on the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

The Bank’s auditor, Deloitte and Touche & Co. - Chartered Accountants, an independent accounting firm, is issuing a reasonable assurance report on our assessment of ICFR.

RISKS IN FINANCIAL REPORTING

The main risks in financial reporting are that either the financial statements are not presented fairly due to inadvertent or intentional errors or the publication of financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users’ make on the basis of the financial statements.

To respond to those risks of financial reporting, the Bank has established ICFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Bank’s ICFR based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluation of the adequacy of a system of internal control. As a result, in establishing ICFR, the Management has responded to the following financial statement assertions:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded, account balances are included in the financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact of reasonable resources, and the benefits of controls must be considered relative to their costs.

ORGANIZATION OF THE BANK'S INTERNAL CONTROL SYSTEM

Functions involved in the System of Internal Control over Financial Reporting:

The BED of the Bank has 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 which comprised of selected members of the BED, assist the BED in fulfilling its oversight responsibilities regarding the financial statements and reporting process at IsDB OCR, 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 the Audit committee of the BED to discuss the adequacy of the internal controls over financial reporting and any other matter that may require Audit Committee of the BED's attention.

Controls within the system of ICFR are performed by all business and support functions with an in-volvement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of ICFR involves staff based in various functions across the organization.

Controls to minimize the Risks of Financial Reporting Misstatement:

The system of ICFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process;
- are preventative or detective in nature;
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.



ANNEX 2A: COSO MANAGEMENT REPORT (CONTINUED)

MEASURING DESIGN, IMPLEMENTATION AND OPERATING EFFECTIVENESS OF INTERNAL CONTROL

For the financial year 2023, the Bank has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICFR considering:

- The risk of misstatement of the financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that the management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICFR is effective. The evidence itself is generated from pro-cedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of the Management or may corroborate findings.

CONCLUSION

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including, Treasury assets, Project assets, Investments and related incomes as well as Liabilities including Treasury liabilities and related financing costs, operating expenses and payroll and related employee benefits. The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General and Application Controls, and Disclosure Controls. As a result of the assessment of the design, implementation, and operating effectiveness of ICFR, the management did not identify any material weaknesses, and concluded that ICFR is appropriately designed, implemented, and operated effectively as of December 31, 2023.



H.E. Dr. Muhammad Sulaiman Al Jasser
President, Islamic Development Bank (IsDB) Group



Dr. Zamir Iqbal
Vice President Finance & CFO

ANNEX 2B: COSO AUDITORS REPORT

INDEPENDENT REASONABLE ASSURANCE REPORT ON THE MANAGEMENT'S REPORT ON THE DESIGN, IMPLEMENTATION AND OPERATING EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING.

Your Excellencies the Chairman and the Members of the Board of Governors
Islamic Development Bank – Ordinary Capital Resources
Jeddah
Kingdom of Saudi Arabia

SCOPE

We have been engaged by the Islamic Development Bank – Ordinary Capital Resources (“the Bank” or “IsDB”) to conduct a reasonable assurance engagement over The Management’s Report on the evaluation of Design, Implementation and Operating Effectiveness of internal control over financial reporting (the ‘Management’s’ ICFR Report’ or the ‘Report’) as of December 31, 2023.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

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

Those Charged with Governance i.e., the Board of Executive Directors are responsible for overseeing the process of implementing and maintaining effective internal control over financial reporting.

The Bank has assessed the design, implementation, and operating effectiveness of its internal control system as of December 31, 2023, based on the criteria established in the Internal Control - Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the “COSO Framework”).

The Bank’s assessment of its internal control system as presented by Management to the Board of Executive Directors and Board of Governors in the form of the Management’s ICFR Report, which includes:

- A description of the controls in place within the Components of Internal Control as defined by the COSO Framework;
- A description of the scope covering material business processes in the assessment of Internal Control over Financial Reporting;
- A description of control objectives;
- Identification of the risks that threaten the achievement of the control objectives;
- An assessment of the design, implementation, and operating effectiveness of Internal Control over Financial Reporting; and
- An assessment of the severity of design, implementation, and operating effectiveness of control deficiencies, if any noted, and not remediated as of December 31, 2023.



ANNEX 2B: COSO AUDITORS REPORT (CONTINUED)

OUR RESPONSIBILITIES

Our responsibility is to express a reasonable assurance opinion on the fairness of the presentation of the “Management’s ICFR Report” presented in **Annex 2a** of the Annual Report, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation, and operating effectiveness of Internal Control over Financial Reporting as of December 31, 2023.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other Than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board (‘IAASB’). This standard requires that we plan and perform our procedures to obtain reasonable assurance on management’s assessment of the design, implementation and operating effectiveness of internal control over financial reporting as of December 31, 2023 as contained in the Management’s ICFR Report.

A reasonable assurance engagement includes obtaining an understanding of internal control over financial reporting, identifying and 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 and performing such other procedures as considered necessary in the circumstances.

Our procedures over the Management’s ICFR Report included:

- Obtaining an understanding of the Bank’s components of internal control as defined by the COSO Framework and comparing this to the Report;
- Obtaining an understanding of the Bank’s scoping of significant processes, and comparing this to the Report;
- Performing a risk assessment for all material Account Balances, Classes of Transactions and Disclosures within the Bank for significant processes and material entities and comparing this to the Report;
- Obtaining management’s testing of the design, implementation, and operating effectiveness of internal control over financial reporting and evaluating the sufficiency of the test procedures performed by management and the accuracy of management’s conclusions reached for each internal control tested;
- Independently testing the design, implementation and operating effectiveness of internal controls that address significant risks of material misstatement and reperforming a proportion of management’s testing for normal risks of material misstatement;
- Assessing of the severity of deficiencies in internal control which are not remediated as of December 31, 2023, and comparing this to the assessment included in the Report, as applicable.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: Entity level controls, Treasury assets, Project assets, Investments and related incomes as well as liabilities including external sources of funding and related financing costs, impairment and credit losses, Operating expenses and Payroll and related employee benefits, financial reporting and disclosures and Information Technology General and Application Controls.

The procedures to test the design, implementation and operating effectiveness of internal control depend on our judgement including the assessment of the risks of material misstatement identified and involve a combination of inquiry, observation, reperformance and inspection of evidence.

We have obtained sufficient and appropriate evidence to provide a basis for our conclusion on management’s assessment of the design, implementation, and operating effectiveness of internal control over financial reporting (‘ICFR’) of IsDB (the “Bank”) as of December 31, 2023.

ANNEX 3: ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

INDEPENDENT AUDITOR’S REPORT

Your Excellencies the Chairman and Members of the Board of Governors
Islamic Development Bank – Ordinary Capital Resources
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 2023, 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 2023, 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 (“FAS”) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”).

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

BASIS FOR OPINION

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions (“ASIFIs”) 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 2023. 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 the 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>EXPECTED CREDIT LOSS ALLOWANCE AGAINST PROJECT ASSETS</p> <p>As at 31 December 2023, the Bank's project assets amounted to ID 17.34 billion (2022: ID 17.02 billion) representing 59.25% of total assets. The Expected Credit Loss ("ECL") allowance was ID 553 million (2022: ID 446 million) as of this date.</p> <p>The audit of impairment allowances for project assets is a key area of focus because of its size and due to the significance of the estimates and judgments used in classifying project assets into various stages, determining related allowance requirements, and the complexity of the judgements, assumptions and estimates used in the ECL models.</p> <p>The Bank recognizes allowances for ECL at an amount equal to 12-month ECL (stage 1) or full lifetime ECL (stage 2). A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.</p> <p>ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective profit rate. The Bank employs statistical models for ECL calculations and the key variables used in these calculations are probability of default (PD), loss given default (LGD); and exposure at default (EAD), which are defined in note 3 to the financial statements.</p> <p>The material portion of the project assets is assessed individually for the significant increase in credit risk (SICR) and measurement of ECL. This requires management to capture all qualitative and quantitative reasonable and supportable forward-looking information while assessing SICR, or while assessing credit-impaired criteria for the exposure. Management judgement may also be involved in manual staging override as per the Bank's policies, if required.</p> | <ol style="list-style-type: none"> 1. We obtained an understanding of the project assets business process, the credit risk management process, the policy for impairment and credit losses and the estimation process of determining impairment allowances for project assets and the ECL methodology. 2. We assessed and evaluated the design and implementation of automated and / or manual controls over: <ul style="list-style-type: none"> ● approval, accuracy and completeness of impairment allowances and governance controls over the monitoring of the model, through key management and committee meetings that form part of the approval process for project assets impairment allowances. ● model outputs; and ● the recognition and measurement of impairment allowances 3. On a sample basis, we selected project assets and assessed and evaluated: <ul style="list-style-type: none"> ● the Banks's identification of SICR (stage 2), the assessment of credit-impaired classification (stage 3) and whether relevant impairment events had been identified in a timely manner and classification of project assets into various stages and the determination of defaults / individually impaired exposures. ● the forward-looking information incorporated into the impairment calculations by involving our specialists to challenge the multiple economic scenarios chosen and related weightings applied. ● the calculation methodology and its alignment with the requirement of FAS 30. ● the post model adjustments and management overlays (if any) in order to assess the reasonableness of these adjustments and assessed the qualitative factors which were considered by the Bank to recognize 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. |



ANNEX 3: ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

(CONTINUED)

| KEY AUDIT MATTER | HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER |
|---|--|
| <p>The measurement of ECL amounts for project assets classified as Stage 1 and Stage 2 are carried out by the ECL models with limited manual intervention, however, it is important that models (PD, LGD, EAD and macroeconomic adjustments) are valid throughout the reporting period and are subject to a review process by an independent third party expert. For the impaired project assets, the Bank measures the ECL as the product of LGD and EAD of each instrument.</p> <p>This was considered as a key audit matter and the audit was focused on this matter due to the materiality of the project assets and the complexity of the judgements, assumptions and estimates used in the ECL models.</p> <p>Refer to note 3 to the financial statements for the accounting policy for the impairment of financial assets, note 14 for the disclosure of impairment and note 30 for credit risk disclosure and the key assumptions and factors considered in determination of ECL.</p> | <ol style="list-style-type: none"> 4. We tested models and the IT applications, wherever used in the credit impairment process and verified the integrity of data used as input to the impairment models. 5. The Bank performed an external validation of the ECL model and LGD models including macro-economic model during prior period. We considered the process of this external validation of the models and its impact on the results of the impairment estimate. Finally, we updated our assessment of the methodology and framework designed and implemented by the Bank as to whether the impairment models outcomes and stage allocations appear reasonable and reflective of the forecasts used by the Bank to determine future economic conditions at the reporting date. 6. Where relevant, we involved our specialists to assist us in reviewing model calculations, evaluating related 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) as mentioned above. 7. We assessed the adequacy of disclosures in the financial statements against the requirements of the Financial Accounting Standards issued by AAOIFI. |

OTHER INFORMATION INCLUDED IN THE BANK'S 2023 ANNUAL REPORT

Other information consists of the information included in the Bank's 2023 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2023 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 Islamic 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 FAS 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.



ANNEX 3: ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

(CONTINUED)

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 ASIFIs, 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.

As part of an audit in accordance with ASIFIs, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank’s audit. We remain solely responsible for our audit opinion.

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 those 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.

Deloitte.

Deloitte and Touche & Co.

Certified Public Accountants



Waleed Bin Moha'd. Sobahi

Certified Public Accountant

License No. 378

8 Ramadan, 1445 AH

March 18, 2024



ANNEX 3: ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

| | NOTES | 31 DECEMBER 2023 | 31 DECEMBER 2022 |
|--|-------|-------------------|-------------------|
| Cash and cash equivalents | 4 | 1,159,129 | 1,603,817 |
| Commodity murabaha placements | 5 | 5,476,570 | 3,980,955 |
| Sukuk investments | 6 | 3,316,708 | 2,638,856 |
| Murabaha financing | 7 | 361,091 | 318,938 |
| Treasury assets | | 10,313,498 | 8,542,566 |
| Istisna'a assets | 9 | 8,613,135 | 8,738,938 |
| Restricted mudaraba | 10 | 477,037 | 580,101 |
| Instalment sale | 11 | 3,785,564 | 3,058,916 |
| Ijarah assets | 12 | 2,755,290 | 2,881,205 |
| Loans (Qard) | 13 | 1,713,051 | 1,757,086 |
| Project assets | | 17,344,077 | 17,016,246 |
| Equity investments | 15 | 566,945 | 479,356 |
| Investment in associates | 16 | 834,366 | 795,322 |
| Other investments | | 92,963 | 84,437 |
| Investment assets | | 1,494,274 | 1,359,115 |
| Property, equipment and intangibles | | 63,401 | 60,416 |
| Other assets | 17 | 56,864 | 79,258 |
| Total Assets | | 29,272,114 | 27,057,601 |
| Liabilities | | | |
| Sukuk issued | 18 | 17,119,289 | 16,362,665 |
| Commodity murabaha liabilities | 19 | 1,054,753 | 392,105 |
| Other liabilities | 20 | 251,241 | 230,301 |
| Total Liabilities | | 18,425,283 | 16,985,071 |
| Members' Equity | | | |
| Paid-up capital | 22 | 6,800,473 | 6,411,996 |
| Reserves | 23 | 3,729,625 | 3,487,426 |
| Net income for the year | | 316,733 | 173,108 |
| Total Members' Equity | | 10,846,831 | 10,072,530 |
| Total Liabilities and Members' Equity | | 29,272,114 | 27,057,601 |
| Restricted Investment Accounts | 28 | 83,153 | 82,576 |
| Contingencies and Commitments | 25 | | |

Notes 1 to 33 form an integral part of these financial statements.
Please, see the 2023 Financial Statements for full detail of the notes.

ANNEX 3: ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

| | NOTES | FOR THE YEAR ENDED 31 DEC 2023 | FOR THE YEAR ENDED 31 DEC 2022 |
|--|---------|-----------------------------------|-----------------------------------|
| Income/(loss) from: | | | |
| Commodity Murabaha placements | | 258,422 | 95,847 |
| Sukuk investments | 6 | 91,907 | 56,675 |
| Murabaha financing | | 22,085 | 9,865 |
| Treasury assets | | 372,414 | 162,387 |
| Istisna'a assets | | 287,155 | 251,099 |
| Restricted Mudaraba | | 27,287 | 21,016 |
| Instalment sale | | 121,819 | 87,931 |
| Ijarah assets, net of depreciation of assets under Ijarah | 12.4 | 122,609 | 90,324 |
| Loans (Qard) | | 8,834 | 8,836 |
| Project assets | | 567,704 | 459,206 |
| Equity investments | | 32,656 | 26,624 |
| Share of income from investment in associates | 16 | 35,796 | 27,811 |
| Other investments | | 3,607 | 2,358 |
| Investment assets | | 72,059 | 56,793 |
| Foreign exchange gains | | (7,431) | 11,161 |
| Swap hedging losses | 17(a) | (538) | (2,165) |
| Other | | 3,300 | 6,539 |
| Other income | | (4,669) | 15,535 |
| Total Income | | 1,007,508 | 693,921 |
| Financing costs | 18 & 19 | (398,865) | (289,906) |
| Impairment charge | 14 | (114,623) | (66,676) |
| Net income before operating expenses | | 494,020 | 337,339 |
| Administrative expenses | 24 | (172,317) | (159,236) |
| Depreciation / amortization on property, equipment and intangibles | | (4,970) | (4,995) |
| Total operating expenses | | (177,287) | (164,231) |
| Net income for the year | | 316,733 | 173,108 |

Notes 1 to 33 form an integral part of these financial statements.
Please, see the 2023 Financial Statements for full detail of the notes.



ANNEX 3: ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES STATEMENT OF CHANGES IN MEMBERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(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 | | | |
| Balance at 1 January 2022 | | 6,177,086 | 3,074,580 | 382,341 | (160,348) | (36,138) | 3,260,435 | 106,933 | 9,544,454 |
| Increase in paid-up capital | 22 | 234,910 | - | - | - | - | - | - | 234,910 |
| Net changes in fair value of investments | | - | - | (53,861) | - | - | (53,861) | - | (53,861) |
| Actuarial losses relating to retirement pension and medical plans | 21 | - | - | - | 143,737 | - | 143,737 | - | 143,737 |
| Hedge accounting reserve | 17 | - | - | - | - | 13,326 | 13,326 | - | 13,326 |
| Share in associates' reserve movement | 16 | - | - | - | - | 30,409 | 30,409 | - | 30,409 |
| Net income for the year | | - | - | - | - | - | - | 173,108 | 173,108 |
| Transfer to general reserve | 23 | - | 106,933 | - | - | - | 106,933 | (106,933) | - |
| Allocation for grants | 23 | - | (13,553) | - | - | - | (13,553) | - | (13,553) |
| Balance at 31 December 2022 | | 6,411,996 | 3,167,960 | 328,480 | (16,611) | 7,597 | 3,487,426 | 173,108 | 10,072,530 |
| Increase in paid-up capital | 22 | 388,477 | - | - | - | - | - | - | 388,477 |
| Net changes in fair value of investments | | - | - | 95,877 | - | - | 95,877 | - | 95,877 |
| Actuarial gain relating to retirement pension and medical plans | 21 | - | - | - | (471) | - | (471) | - | (471) |
| Hedge accounting reserve | 17 | - | - | - | - | (11,202) | (11,202) | - | (11,202) |
| Share in associates' reserve movements | 16 | - | - | - | - | 5,705 | 5,705 | - | 5,705 |
| Net income for the year | | - | - | - | - | - | - | 316,733 | 316,733 |
| Transfer to general reserve | 23 | - | 173,108 | - | - | - | 173,108 | (173,108) | - |
| Allocation for grants | 23 | - | (20,818) | - | - | - | (20,818) | - | (20,818) |
| Balance at 31 December 2023 | | 6,800,473 | 3,320,250 | 424,357 | (17,082) | 2,100 | 3,729,625 | 316,733 | 10,846,831 |

Notes 1 to 33 form an integral part of these financial statements.
Please, see the 2023 Financial Statements for full detail of the notes.

ANNEX 3: ISLAMIC DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

| | NOTES | FOR THE YEAR ENDED 31 DEC 2023 | FOR THE YEAR ENDED 31 DEC 2022 |
|--|----------|-----------------------------------|-----------------------------------|
| Cash flows from operations | | | |
| Net income for the year | | 316,733 | 173,108 |
| Adjustments for non-cash items: | | | |
| Depreciation / amortization | | 4,970 | 4,995 |
| Depreciation on ijarah assets | 12 | 241,867 | 237,650 |
| Gain from investment in associates | | (35,796) | (27,811) |
| Allowance for credit losses against financial assets | 14 | 114,623 | 66,676 |
| Accrued income – Sukuk investments | 6 | (3,983) | (2,994) |
| Unrealized fair value losses on sukuk | 6 | 729 | 8,937 |
| Gain on disposal of sukuk investments | 6 | (1,739) | - |
| Amortization of other income | | (566) | (566) |
| Foreign exchange gains | | 7,431 | (11,161) |
| Gain on disposal of investment in equity capital | | (4,766) | (4,170) |
| Operating income before changes in operating assets and liabilities | | 639,503 | 444,664 |
| Changes in operating assets and liabilities: | | | |
| Istisna'a assets | | 117,989 | (182,170) |
| Restricted mudaraba | | 100,403 | 108,703 |
| Instalment sale | | (714,188) | (547,573) |
| Ijarah assets | | (131,887) | (37,394) |
| Loans (Qard) | | 6,121 | 42,393 |
| Other assets | | 21,863 | 10,221 |
| Other liabilities | | 25,955 | (292,550) |
| Commodity murabaha placements | | (1,569,332) | 1,662,646 |
| Murabaha financing | | (41,290) | (58,221) |
| Net cash from/(used in) operating activities | | (1,544,863) | 1,150,719 |
| Cash flows from investing activities | | | |
| Acquisition of sukuk investments | 6 | (930,866) | (726,726) |
| Proceeds from disposal/redemption of sukuk investments | 6 | 234,661 | 411,115 |
| Acquisition of equity investments | 15 | - | (4,469) |
| Proceeds from disposal of equity and other investments | 15 | 7,749 | 16,140 |
| Acquisition of other investments | | (11,565) | (6,908) |
| Acquisition/increase in share of associate | 16 | (1,721) | (2,117) |
| Dividends from associates | 16 | 3,957 | 1,854 |
| Proceeds from capital repayment/disposal of investment in associates | 16 | 221 | 6,016 |
| Additions to property, equipment and intangibles | | (7,955) | (8,329) |
| Net cash (used in) investing activities | | (705,519) | (313,424) |
| Increase in paid-up capital | | 388,477 | 234,910 |
| Allocation for grants | 23 | (20,818) | (13,553) |
| Proceeds from issuance of sukuk | | 3,821,838 | 2,089,621 |
| Redemption of sukuk | | (3,026,185) | (1,895,874) |
| Commodity murabaha liabilities | | 641,336 | 114,165 |
| Net cash from financing activities | | 1,804,648 | 529,269 |
| Net change in cash and cash equivalents | | (445,734) | 1,366,564 |
| Exchange difference on cash and cash equivalents | | 1,046 | 670 |
| Cash and cash equivalents at the beginning of the year | | 1,603,817 | 236,583 |
| Cash and cash equivalents at the end of the year | 4 | 1,159,129 | 1,603,817 |

Notes 1 to 33 form an integral part of these financial statements.
Please, see the 2023 Financial Statements for full detail of the notes.

ANNEX 4: ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT

Your Excellencies the Chairman and Members of the Board of Governors
Islamic Development Bank – Ordinary Capital Resources
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 – Special Account Resources Waqf Fund (the "Fund") which comprise the statement of financial position as of December 31, 2023, and the related statement of financial activities, statement of changes in waqf equity, statement of cash flows and statement of ghallah 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 Fund as of December 31, 2023, and the results of its activities and its cash flows for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI").

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

BASIS FOR OPINION

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI. 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 Fund in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions ("AAOIFI Code"), and we have fulfilled our other ethical responsibilities in accordance with the AAOIFI Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION INCLUDED IN THE FUND'S 2023 FINANCIAL STATEMENTS

Other information consists of the statement of service performance appended to the Fund's financial statements for the year ended December 31, 2023, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Accounting Standards issued by AAOIFI and for such internal control as the 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, the management is responsible for assessing the Fund'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 the management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 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.

As part of an audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI, 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



ANNEX 4: ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

(CONTINUED)

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS - CONTINUED

- Conclude on the appropriateness of management’s 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 Fund’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 Fund 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Article 4 of the Regulation of the Special Account Resources Waqf Fund requires maintaining the Principal Amount i.e., waqf corpus in perpetuity. As of December 31, 2023, and 2022, the Fund has accumulated deficit in respect of which required measures are being taken as disclosed in note 33 of the Fund’s financial statements.

Deloitte.

Deloitte and Touche & Co.

Certified Public Accountants



Waleed Bin Moha’d. Sobahi
Certified Public Accountant
License No. 378
8 Ramadan, 1445 AH
March 18, 2024



ANNEX 4: ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(ALL AMOUNTS IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

| | NOTES | 2023 | 2022 |
|--|-------|----------------|----------------|
| Assets | | | |
| Cash and cash equivalents | 5 | 93,600 | 90,763 |
| Commodity murabaha placements | 6 | 169,124 | 29,186 |
| Sukuk investments | 7 | 59,591 | 82,236 |
| Treasury assets | | 322,315 | 202,185 |
| Installment sale investment | 9 | 3,430 | 3,430 |
| Istisna'a investment | 10 | 4,930 | 2,932 |
| Equity investments | 11 | 9,365 | 11,649 |
| Investments in funds | 12 | 50,476 | 55,637 |
| Investments in associates | 13 | 189,631 | 175,702 |
| Wakala investments | 14 | 207,518 | 182,187 |
| Investment assets | | 465,350 | 431,537 |
| Loans (Qard) | 15 | 136,091 | 147,536 |
| Other assets | 16 | 9,136 | 9,622 |
| Fixed assets | | 19,767 | 21,267 |
| Total assets | | 952,659 | 812,147 |
| Liabilities | | | |
| Accruals and other liabilities | 17 | 25,173 | 22,174 |
| Restricted funds | 18 | 23,553 | 24,338 |
| Total liabilities | | 48,726 | 46,512 |
| Waqf equity | | | |
| Waqf corpus | | 1,069,852 | 1,069,852 |
| Accumulated deficit | | (153,867) | (282,289) |
| Reserves | | (12,052) | (21,928) |
| Total Waqf equity | | 903,933 | 765,635 |
| Total liabilities and Waqf equity | | 952,659 | 812,147 |

Notes 1 to 34 form an integral part of these financial statements.
Please, see the 2023 Financial Statements for full detail of the notes.



ANNEX 4: ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

| | NOTES | 31 DECEMBER 2023 | 31 DECEMBER 2022 |
|--|-------|------------------|------------------|
| Treasury assets | | | |
| Commodity murabaha placements | | 8,458 | 1,814 |
| Sukuk investments | 7 | 2,679 | 3,172 |
| Investment assets | | | |
| Istisna'a investment | 10 | 1,201 | - |
| Equity investments | | 1 | (2,211) |
| Investments in funds | | 1,698 | 950 |
| Investments in associates | 13 | 14,274 | 5,877 |
| Wakala investments | | 25,169 | (30,217) |
| Other | | 2,152 | 539 |
| Total income/ loss | | 55,632 | (20,076) |
| Foreign exchange gains/ (losses) | | 357 | (1,270) |
| Total income/ (loss) before program expenses | | 55,989 | (21,346) |
| Program expenses | 23 | (20,066) | (21,126) |
| Income/ (loss) before impairment charge | | 35,923 | (42,472) |
| Impairment charge for the year | 20 | (20,920) | (4,975) |
| Attributable net income/ (loss) | | 15,003 | (47,447) |
| Donation transferred | | - | (1,541) |
| Contributions from IDB-OCR for Technical Assistance Grants and Scholarship Program | 21 | 28,000 | 18,304 |
| Non-Shari'ah income transferred from IsDB- OCR | | 207 | 190 |
| Net surplus/ (deficit) for the year | | 43,210 | (30,494) |

Notes 1 to 34 form an integral part of these financial statements.
Please, see the 2023 Financial Statements for full detail of the notes.

ANNEX 4: ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF CHANGES IN WAQF EQUITY YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

| | NOTES | WAQF CORPUS | RESERVES | | | | TOTAL RESERVES | TOTAL |
|---------------------------------------|-------|------------------|------------------------|-----------------------|--------------------------|-------------------|-------------------|----------------|
| | | | ACCUMULATED DEFICIT | FAIR VALUE RESERVE | PENSION FUND RESERVES | OTHER RESERVES | | |
| Balance at 1 January 2022 | | 1,069,852 | (235,786) | (12,556) | (41,513) | (7,560) | (61,629) | 772,437 |
| Net deficit for the year | | - | (30,494) | - | - | - | - | (30,494) |
| Change in fair value reserve – net | 12a | - | - | 2,982 | - | - | 2,982 | 2,982 |
| Retirement pension plan liability | 19 | - | - | - | 40,400 | - | 40,400 | 40,400 |
| Share in associates' reserve movement | | - | - | - | - | 4,410 | 4,410 | 4,410 |
| Movement in other reserves | | - | - | - | - | (8,091) | (8,091) | (8,091) |
| Ghallah distribution | 23 | - | (16,009) | - | - | - | - | (16,009) |
| Balance at 31 December 2022 | | 1,069,852 | (282,289) | (9,574) | (1,113) | (11,241) | (21,928) | 765,635 |
| Net surplus for the year | | - | 43,210 | - | - | - | - | 43,210 |
| Change in fair value reserve – net | 12a | - | - | 7,946 | - | - | 7,946 | 7,946 |
| Retirement pension plan liability | 19 | - | - | - | (938) | - | (938) | (938) |
| Proceeds from STI Fund | 22 | - | 105,925 | - | - | - | - | 105,925 |
| Share in associates' reserve movement | | - | - | - | - | 1,637 | 1,637 | 1,637 |
| Movement in other reserves | | - | - | - | - | 1,231 | 1,231 | 1,231 |
| Ghallah distribution | 23 | - | (20,713) | - | - | - | - | (20,713) |
| Balance at 31 December 2023 | | 1,069,852 | (153,867) | (1,628) | (2,051) | (8,373) | (12,052) | 903,933 |

Notes 1 to 34 form an integral part of these financial statements.
Please, see the 2023 Financial Statements for full detail of the notes.



ANNEX 4: ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

| | NOTES | 31 DECEMBER 2023 | 31 DECEMBER 2022 |
|--|-------|------------------|------------------|
| Cash flows from operations | | | |
| Net surplus /(deficit) for the year | | 43,210 | (30,494) |
| Adjustment for non-cash items: | | | |
| Depreciation | | 1,507 | 1,501 |
| Impairment for the year | | 20,920 | 4,975 |
| Realized/ unrealized fair value (gains)/ loss on sukuk investments | 7 | (5) | 2 |
| Accrued coupon income on sukuk investments | 7 | 168 | 61 |
| Amortisation of sukuk at premium, net | 7 | 39 | 60 |
| Accrued income of istisna'a investment | 10 | (1,201) | - |
| Loss on disposal of equity investments | | - | 2,211 |
| Share of profit in investments in associates, net | 13 | (13,823) | (5,978) |
| (Gain)/ loss on deemed disposal of associates | 13 | (451) | 101 |
| Share of (profit)/ loss on wakala investments | 14 | (25,331) | 29,925 |
| Loss on disposal of wakala investments | 14 | 18 | - |
| Service cost on pension and medical obligation | 19 | 2,631 | 3,439 |
| Foreign exchange | | 1,231 | (8,091) |
| Change in operating assets and liabilities | | | |
| Restricted funds | | (785) | (1,967) |
| Loans (Qard) | | 4,674 | 19,299 |
| Other assets | | 486 | 4,489 |
| Accruals and other liabilities | | 701 | 615 |
| Cash generated from operations | | | |
| Pension and medical obligation paid | 19 | (1,791) | (1,972) |
| Ghallah distribution | 23 | (20,713) | (16,009) |
| Net cash generated from operations | | 11,485 | 2,167 |
| Cash flows from investing activities | | | |
| Net movement in commodity murabaha placements | | (139,940) | 168,663 |
| Redemption of sukuk investments | 7 | 22,500 | 6,006 |
| Additions to istisna'a investment | 10 | (788) | - |
| Disposal of equity investments | | - | 1,638 |
| Additions to investments in funds | 12 | (384) | (200) |
| Disposal of investments in funds | 12 | 1,562 | 698 |
| Additions to investments in associates | 13 | (5) | - |
| Disposal of investments in associates | 13 | 543 | - |
| Dividends from investments in associates | 13 | 1,444 | 467 |
| Additions to wakala investments | 14 | - | (146,131) |
| Disposal of wakala investments | 14 | 590 | - |
| Addition to fixed assets | | (8) | - |
| Net cash from/ (utilized in) investing activities | | (114,486) | 31,141 |
| Cash flows from financing activities | | | |
| Proceeds from STI Fund | 22 | 105,838 | - |
| Net cash from financing activities | | 105,838 | - |
| Net change in cash and cash equivalents | | 2,837 | 33,308 |
| Cash and cash equivalents at 1 January | | 90,763 | 57,455 |
| Cash and cash equivalents at 31 December | | 93,600 | 90,763 |
| Non-cash transactions | | | |
| Wakala investments transferred in | 22 | 608 | - |
| Grant commitments transferred in | 22 | (521) | - |

Notes 1 to 34 form an integral part of these financial statements.
Please, see the 2023 Financial Statements for full detail of the notes.

ANNEX 4: ISLAMIC DEVELOPMENT BANK – SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND) STATEMENT OF GHALLAH YEAR ENDED 31 DECEMBER 2023 (ALL AMOUNTS IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

| | NOTES | 31 DECEMBER 2023 | 31 DECEMBER 2022 |
|---|-------|------------------|------------------|
| Opening balance of over-appropriated ghallah | | (284,000) | (232,089) |
| Ghallah for the year | | | |
| Surplus /(deficit) for the year | | 43,210 | (30,494) |
| (Realised)/ unrealized fair value loss on sukuk investments | | (5) | 2 |
| Proceeds from termination of STI Fund | 22 | 105,925 | - |
| Share of profit from investments in associates | 13 | (14,274) | (5,877) |
| Dividends from investments in associates | 13 | 1,444 | 467 |
| Total ghallah for the year | | 136,300 | (35,902) |
| Ghallah available for distribution | | (147,700) | (267,991) |
| Ghallah distribution to beneficiaries | 23 | (20,713) | (16,009) |
| Closing balance of over-appropriated Ghallah | | (168,413) | (284,000) |

Notes 1 to 34 form an integral part of these financial statements.
Please, see the 2023 Financial Statements for full detail of the notes.

ANNEX 5: ISDB BED AND THEIR CONSTITUENCIES

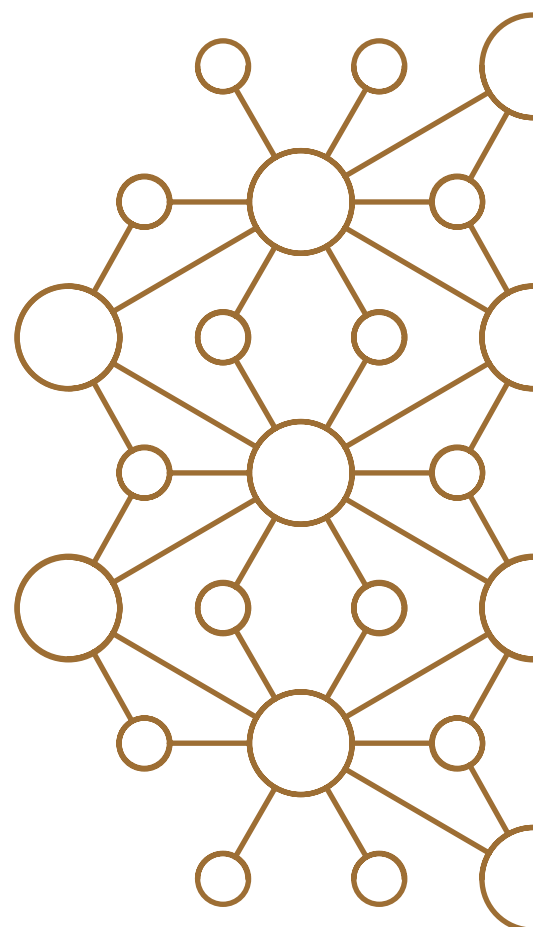
| NAME | COUNTRY OF NATIONALITY | COUNTRY(IES) REPRESENTED |
|-------------------------------------|------------------------|--|
| Hon. Hamed Arabi Elhouderi | Libya | Libya |
| Hon. Osman Çelik | Türkiye | Türkiye |
| Hon. Seyed Abbas Hosseini | Iran | Iran |
| Hon. Abdul Ghaffar Al Awadhi | Kuwait | Kuwait |
| H.E. Dr. Hamad Sulaiman Al Bazai | Saudi Arabia | Saudi Arabia |
| Hon. Dr. Nada Massoud | Egypt | Egypt |
| Hon. Saeed Rashed Al-Yateem | United Arab Emirates | United Arab Emirates |
| Hon. Hamad Madi Al-Hajri | Qatar | Qatar |
| Hon. Dr. Mahmoud Isa-Dutse | Nigeria | Nigeria |
| Hon. Eric Mbaihasra | Chad | Chad, Comoros, Djibouti, Gabon, Mozambique, Somalia, Uganda |
| Hon. Malick Ba | Senegal | Burkina Faso, Gambia, Mali, Niger, Senegal, Togo |
| Hon. Issa Jandi | Guinea Bissau | Benin, Cameroon, Côte d'Ivoire, Guinea, Guinea Bissau, Sierra Leone |
| Hon. Samir Saibi | Algeria | Algeria, Mauritania, Morocco, Tunisia |
| Hon. Dr. Ammar Hamad Khalaf Ibrahim | Iraq | Iraq, Jordan, Lebanon, Palestine, Syria |
| Hon. Hassan Gaffar Abdelrhman | Sudan | Bahrain, Oman, Sudan, Yemen |
| Hon. Dr. Kazim Niaz | Pakistan | Afghanistan, Bangladesh, Maldives, Pakistan |
| Hon. Mrs. Anuska Ramdhani | Suriname | Brunei Darussalam, Guyana, Indonesia, Malaysia, Suriname |
| Hon. Tamerlan Taghiyev | Azerbaijan | Albania, Azerbaijan, Kazakhstan, Kyrgyz Republic, Turkmenistan, Tajikistan, Uzbekistan |

ANNEX 6A: STATEMENT OF ISDB SHARE CAPITAL SUBSCRIPTION

| COUNTRY | CONSOLIDATED POSITION OF SUBSCRIBED CAPITAL (ALL AMOUNTS ARE IN MILLION ID) | | | | | | | | |
|----------------------|---|----------------------|-------------------|-------------------|----------------|---|-------------------|------------------|--|
| | NO. OF SHARES | AMOUNT IN MILLION ID | | | % OF TOTAL | BREAKDOWN OF CALLED-UP CAPITAL (AMOUNT IN MILLION ID) | | | |
| | | CALLED-UP | CALLABLE | TOTAL | | PAID-UP | OVERDUE/SHORTFALL | NOT YET DUE | |
| Saudi Arabia | 1,319,868 | 3,437.73 | 9,760.95 | 13,198.68 | 23.51% | 1,687.53 | 0.00 | 1,750.20 | |
| Libya | 529,382 | 1,378.82 | 3,915.00 | 5,293.82 | 9.43% | 462.58 | 214.27 | 701.97 | |
| Iran | 463,146 | 1,206.31 | 3,425.15 | 4,631.46 | 8.25% | 591.96 | 0.20 | 614.15 | |
| Nigeria | 429,851 | 1,119.58 | 3,178.93 | 4,298.51 | 7.66% | 325.62 | 128.21 | 665.75 | |
| Qatar | 402,985 | 1,050.53 | 2,979.32 | 4,029.85 | 7.18% | 502.21 | 0.17 | 548.16 | |
| Egypt | 397,137 | 1,033.63 | 2,937.74 | 3,971.37 | 7.07% | 492.34 | 0.00 | 541.29 | |
| Kuwait | 388,300 | 1,263.90 | 2,619.10 | 3,883.00 | 6.92% | 694.77 | 0.03 | 569.10 | |
| United Arab Emirates | 379,949 | 682.12 | 3,117.38 | 3,799.49 | 6.77% | 509.22 | 0.02 | 172.88 | |
| Türkiye | 362,100 | 942.44 | 2,678.56 | 3,621.00 | 6.45% | 448.91 | 0.00 | 493.53 | |
| Algeria | 142,627 | 371.21 | 1,055.06 | 1,426.27 | 2.54% | 176.80 | 0.02 | 194.39 | |
| Pakistan | 142,627 | 371.22 | 1,055.05 | 1,426.27 | 2.54% | 165.01 | 11.81 | 194.40 | |
| Indonesia | 126,248 | 328.69 | 933.79 | 1,262.48 | 2.25% | 165.11 | 0.00 | 163.58 | |
| Malaysia | 86,818 | 192.70 | 675.48 | 868.18 | 1.55% | 110.00 | 0.00 | 82.70 | |
| Bangladesh | 56,576 | 147.24 | 418.52 | 565.76 | 1.01% | 70.13 | 0.00 | 77.10 | |
| Morocco | 28,478 | 74.12 | 210.66 | 284.78 | 0.51% | 35.30 | 0.00 | 38.82 | |
| Yemen | 25,862 | 46.19 | 212.43 | 258.62 | 0.46% | 24.76 | 8.60 | 12.83 | |
| Sudan | 25,844 | 67.31 | 191.13 | 258.44 | 0.46% | 16.00 | 17.05 | 34.27 | |
| Jordan | 24,381 | 63.50 | 180.31 | 243.81 | 0.43% | 31.17 | 0.00 | 32.33 | |
| Senegal | 16,398 | 42.71 | 121.27 | 163.98 | 0.29% | 19.22 | 1.75 | 21.74 | |
| Oman | 15,815 | 41.16 | 116.99 | 158.15 | 0.28% | 19.61 | 0.00 | 21.55 | |
| Iraq | 14,983 | 38.99 | 110.84 | 149.83 | 0.27% | 18.57 | 0.00 | 20.42 | |
| Cameroon | 14,241 | 37.07 | 105.34 | 142.41 | 0.25% | 12.03 | 5.63 | 19.41 | |
| Brunei | 12,836 | 23.02 | 105.34 | 128.36 | 0.23% | 16.92 | 0.00 | 6.10 | |
| Burkina Faso | 10,004 | 32.89 | 67.15 | 100.04 | 0.18% | 18.01 | 0.00 | 14.88 | |
| Niger | 10,004 | 32.89 | 67.15 | 100.04 | 0.18% | 7.27 | 10.09 | 15.53 | |
| Uganda | 9,772 | 30.57 | 67.15 | 97.72 | 0.17% | 13.09 | 1.37 | 16.10 | |
| Bahrain | 8,038 | 20.92 | 59.46 | 80.38 | 0.14% | 9.96 | 0.00 | 10.96 | |
| Tunisia | 7,941 | 26.10 | 53.31 | 79.41 | 0.14% | 13.29 | 0.49 | 12.32 | |
| Benin | 6,460 | 16.82 | 47.78 | 64.60 | 0.12% | 8.26 | 0.00 | 8.56 | |
| Kazakhstan | 5,991 | 15.67 | 44.24 | 59.91 | 0.11% | 7.08 | 0.42 | 8.17 | |
| Azerbaijan | 5,649 | 14.70 | 41.79 | 56.49 | 0.10% | 7.31 | 0.00 | 7.39 | |
| Mali | 5,649 | 14.70 | 41.79 | 56.49 | 0.10% | 6.29 | 0.72 | 7.70 | |
| Gabon | 5,458 | 27.40 | 27.18 | 54.58 | 0.10% | 19.85 | 0.00 | 7.55 | |
| Guinea | 5,087 | 28.04 | 22.83 | 50.87 | 0.09% | 13.22 | 3.79 | 11.03 | |
| Lebanon | 3,577 | 9.13 | 26.64 | 35.77 | 0.06% | 6.18 | 0.42 | 2.53 | |
| Mauritania | 3,577 | 9.13 | 26.64 | 35.77 | 0.06% | 6.29 | 0.32 | 2.53 | |
| Kyrgyz | 2,867 | 7.46 | 21.21 | 28.67 | 0.05% | 3.48 | 0.08 | 3.91 | |
| Mozambique | 2,867 | 7.46 | 21.21 | 28.67 | 0.05% | 3.01 | 0.55 | 3.91 | |
| Maldives | 2,867 | 7.46 | 21.21 | 28.67 | 0.05% | 3.71 | 0.00 | 3.75 | |
| Gambia | 2,867 | 7.46 | 21.21 | 28.67 | 0.05% | 3.14 | 0.42 | 3.91 | |
| Tajikistan | 2,015 | 6.62 | 13.53 | 20.15 | 0.04% | 3.49 | 0.00 | 3.13 | |
| Togo | 2,015 | 6.62 | 13.53 | 20.15 | 0.04% | 3.18 | 0.32 | 3.13 | |
| Palestine | 1,955 | 9.85 | 9.70 | 19.55 | 0.03% | 5.72 | 4.13 | 0.00 | |
| Syria | 1,849 | 9.28 | 9.21 | 18.49 | 0.03% | 5.00 | 1.71 | 2.57 | |
| Sierra Leone | 1,816 | 4.64 | 13.52 | 18.16 | 0.03% | 2.56 | 0.80 | 1.28 | |
| Uzbekistan | 1,491 | 5.20 | 9.71 | 14.91 | 0.03% | 3.19 | 0.00 | 2.01 | |
| Cote D'Ivoire | 1,444 | 4.99 | 9.45 | 14.44 | 0.03% | 4.06 | 0.00 | 0.93 | |
| Comoros | 1,444 | 4.99 | 9.45 | 14.44 | 0.03% | 2.19 | 0.84 | 1.96 | |
| Afghanistan | 1,102 | 6.09 | 4.93 | 11.02 | 0.02% | 5.00 | 0.08 | 1.01 | |
| Chad | 1,084 | 5.99 | 4.85 | 10.84 | 0.02% | 4.67 | 0.33 | 0.99 | |
| Suriname | 923 | 4.63 | 4.60 | 9.23 | 0.02% | 2.98 | 0.37 | 1.28 | |
| Albania | 923 | 4.63 | 4.60 | 9.23 | 0.02% | 2.92 | 0.43 | 1.28 | |
| Somalia | 550 | 3.04 | 2.46 | 5.50 | 0.01% | 2.50 | 0.04 | 0.50 | |
| Turkmenistan | 550 | 3.04 | 2.46 | 5.50 | 0.01% | 2.54 | 0.00 | 0.50 | |
| Guinea-Bissau | 550 | 3.04 | 2.46 | 5.50 | 0.01% | 2.21 | 0.33 | 0.50 | |
| Djibouti | 550 | 3.04 | 2.46 | 5.50 | 0.01% | 2.07 | 0.47 | 0.50 | |
| Guyana | 277 | 2.77 | 0.00 | 2.77 | 0.005% | 1.00 | 0.02 | 1.75 | |
| Net Shortfall | * | * | * | * | * | (0.01) | 0.00 | 0.01 | |
| Sub total | 5,525,665 | 14,357,445 | 40,899,205 | 55,256,650 | 98.43% | 6,800,473 | 416,277 | 7,140,695 | |
| Uncommitted | 87,863 | 525.06 | 353.57 | 878,630 | 1.57% | * | * | * | |
| Grand Total | 5,613,528 | 14,882.51 | 41,252.78 | 56,135,280 | 100.00% | 6,800,473 | 416,277 | 7,140,695 | |

ANNEX 6B: STATEMENT OF ISDB VOTING POWER

| COUNTRY | VOTING POWER | |
|----------------------|------------------|----------------|
| | NO. OF VOTES | % VOTING |
| Saudi Arabia | 1,145,348 | 23.87% |
| Libya | 438,258 | 9.13% |
| Iran | 402,211 | 8.38% |
| United Arab Emirates | 363,159 | 7.57% |
| Nigeria | 350,955 | 7.31% |
| Qatar | 348,653 | 7.27% |
| Egypt | 343,508 | 7.16% |
| Kuwait | 331,887 | 6.92% |
| Türkiye | 313,247 | 6.53% |
| Algeria | 123,686 | 2.58% |
| Pakistan | 122,506 | 2.55% |
| Indonesia | 110,390 | 2.30% |
| Malaysia | 79,048 | 1.65% |
| Bangladesh | 49,365 | 1.03% |
| Morocco | 25,096 | 0.52% |
| Yemen | 24,219 | 0.50% |
| Jordan | 21,648 | 0.45% |
| Sudan | 21,213 | 0.44% |
| Senegal | 14,549 | 0.30% |
| Oman | 14,160 | 0.30% |
| Iraq | 13,441 | 0.28% |
| Brunei | 12,726 | 0.27% |
| Cameroon | 12,237 | 0.26% |
| Burkina Faso | 9,016 | 0.19% |
| Uganda | 8,524 | 0.18% |
| Niger | 7,942 | 0.17% |
| Bahrain | 7,442 | 0.16% |
| Tunisia | 7,160 | 0.15% |
| Benin | 6,104 | 0.13% |
| Kazakhstan | 5,632 | 0.12% |
| Azerbaijan | 5,410 | 0.11% |
| Mali | 5,308 | 0.11% |
| Gabon | 5,203 | 0.11% |
| Guinea | 4,105 | 0.09% |
| Mauritania | 3,793 | 0.08% |
| Lebanon | 3,782 | 0.08% |
| Maldives | 2,992 | 0.06% |
| Kyrgyz | 2,969 | 0.06% |
| Gambia | 2,935 | 0.06% |
| Mozambique | 2,922 | 0.06% |
| Tajikistan | 2,202 | 0.05% |
| Togo | 2,171 | 0.05% |
| Sierra Leone | 2,108 | 0.04% |
| Palestine | 2,042 | 0.04% |
| Syria | 1,921 | 0.04% |
| Cote D'Ivoire | 1,851 | 0.04% |
| Uzbekistan | 1,790 | 0.04% |
| Comoros | 1,664 | 0.03% |
| Afghanistan | 1,493 | 0.03% |
| Chad | 1,452 | 0.03% |
| Suriname | 1,258 | 0.03% |
| Albania | 1,252 | 0.03% |
| Turkmenistan | 1,000 | 0.02% |
| Somalia | 996 | 0.02% |
| Guinea-Bissau | 967 | 0.02% |
| Djibouti | 953 | 0.02% |
| Guyana | 600 | 0.01% |
| Net Shortfall | * | * |
| Sub total | 4,798,469 | 100.00% |
| Uncommitted | * | * |
| Grand Total | 4,798,469 | 100.00% |



ANNEX 7A: SECTORAL DISTRIBUTION OF ISDB-OCR NET APPROVALS BY COUNTRY (2023)¹ (US\$ MILLION)

| COUNTRY | AGRICULTURE | EDUCATION | ENERGY | HEALTH | INDUSTRY & MINING | INFORMATION & COMMUNICATIONS | TRANSPORTATION | WATER, SANITATION & URBAN SERVICES | OTHERS ² | 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 | 150.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 150.0 |
| Bangladesh | 0.0 | 0.0 | 0.0 | 274.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 274.3 |
| Benin | 107.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 107.4 |
| Brunei | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Burkina Faso | 24.2 | 0.0 | 42.9 | 0.0 | 0.0 | 0.0 | 146.2 | 0.0 | 0.0 | 213.3 |
| Cameroon | 0.0 | 0.0 | 124.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 124.0 |
| Chad | 0.0 | 69.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 69.6 |
| 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 | 200.2 | 0.0 | 0.0 | 200.2 |
| Djibouti | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 16.6 | 0.0 | 16.6 |
| Egypt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 340.9 | 0.0 | 15.0 | 355.9 |
| 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 | 15.3 | 0.0 | 0.0 | 15.3 |
| Guinea | 0.0 | 0.0 | 0.0 | 54.1 | 0.0 | 0.0 | 0.0 | 40.0 | 0.4 | 94.5 |
| Guinea-Bissau | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 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 | 845.6 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 945.6 |
| 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 | 0.0 | 0.0 |
| 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 | 13.0 | 46.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 59.0 |
| 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 40.0 | 40.0 |
| Mali | 19.9 | 0.0 | 58.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 78.0 |
| Mauritania | 0.0 | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 50.0 |
| Morocco | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 202.2 | 0.0 | 0.0 | 202.2 |
| Mozambique | 0.0 | 19.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 19.5 |
| 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 | 66.2 | 66.2 |
| Oman | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pakistan | 202.6 | 0.0 | 0.0 | 65.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 267.6 |
| 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 | 160.0 | 0.0 | 0.0 | 0.0 | 0.0 | 160.0 |
| Saudi Arabia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 21.3 | 21.3 |
| Senegal | 0.0 | 0.0 | 0.0 | 0.0 | 60.6 | 0.0 | 43.1 | 0.0 | 0.0 | 103.6 |
| Sierra Leone | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 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 | 35.0 | 0.0 | 0.0 | 0.0 | 0.0 | 27.0 | 0.0 | 0.0 | 62.0 |
| Togo | 0.0 | 27.2 | 0.0 | 0.0 | 0.0 | 0.0 | 140.5 | 0.0 | 0.0 | 167.7 |
| Tunisia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Türkiye | 0.0 | 0.0 | 0.0 | 120.0 | 100.0 | 0.0 | 0.0 | 0.0 | 100.0 | 320.0 |
| Turkmenistan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 106.0 | 0.0 | 0.0 | 106.0 |
| Uzbekistan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Yemen | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| ISDB-57 | 354.2 | 201.3 | 387.9 | 1,405.0 | 320.6 | 0.0 | 1,221.4 | 56.6 | 342.9 | 4,289.8 |

¹ Cut-off date for data reported in this table was 31 December 2023.

² Others include Finance, Public Administration, Real Estate and Trade related activities.

SOURCE: ISDB Group Chief Economist.

ANNEX 7B: SECTORAL DISTRIBUTION OF ISDB-OCR NET APPROVALS BY COUNTRY (1975-2023)¹ (US\$ MILLION)

| COUNTRY | AGRICULTURE | EDUCATION | ENERGY | HEALTH | INDUSTRY & MINING | INFORMATION & COMMUNICATIONS | TRANSPORTATION | WATER, SANITATION & URBAN SERVICES | OTHERS ² | TOTAL |
|-----------------|----------------|----------------|-----------------|----------------|-------------------|------------------------------|-----------------|------------------------------------|---------------------|-----------------|
| Afghanistan | 10.0 | 0.0 | 17.7 | 0.0 | 0.0 | 0.0 | 114.2 | 0.0 | 0.0 | 142.0 |
| Albania | 37.9 | 0.0 | 0.0 | 17.3 | 0.0 | 0.0 | 534.2 | 26.9 | 22.1 | 638.5 |
| Algeria | 50.5 | 0.0 | 153.9 | 0.0 | 64.2 | 0.0 | 31.4 | 156.1 | 5.4 | 461.5 |
| 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 | 695.5 | 0.0 | 24.7 | 0.0 | 144.7 | 540.7 | 97.8 | 1,503.3 |
| Bangladesh | 152.9 | 91.9 | 806.8 | 406.6 | 74.6 | 107.5 | 105.3 | 160.8 | 7.2 | 1,913.6 |
| Benin | 167.7 | 65.3 | 153.4 | 134.4 | 0.0 | 26.5 | 306.8 | 122.0 | 5.0 | 980.9 |
| Brunei | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.2 | 6.2 |
| Burkina Faso | 280.3 | 86.4 | 190.2 | 44.1 | 5.2 | 0.0 | 454.2 | 67.6 | 1.7 | 1,129.9 |
| Cameroon | 390.2 | 80.8 | 176.2 | 112.0 | 0.0 | 0.0 | 480.6 | 54.4 | 7.5 | 1,301.6 |
| Chad | 123.4 | 121.0 | 47.9 | 72.1 | 3.8 | 0.0 | 528.6 | 50.8 | 16.4 | 964.0 |
| Comoros | 1.0 | 0.0 | 0.0 | 20.0 | 1.8 | 0.0 | 7.6 | 0.0 | 0.0 | 30.4 |
| Côte d'Ivoire | 132.6 | 385.6 | 0.0 | 94.2 | 0.0 | 0.0 | 945.9 | 496.8 | 0.0 | 2,055.0 |
| Djibouti | 7.3 | 15.1 | 19.3 | 126.0 | 0.0 | 55.7 | 54.9 | 16.6 | 0.7 | 295.6 |
| Egypt | 48.8 | 25.0 | 1,777.5 | 43.8 | 94.1 | 0.0 | 366.5 | 50.7 | 94.5 | 2,500.8 |
| Gabon | 0.0 | 18.2 | 0.0 | 4.5 | 0.0 | 60.0 | 332.8 | 57.8 | 0.0 | 473.4 |
| Gambia | 73.2 | 34.5 | 48.6 | 11.5 | 28.0 | 27.3 | 84.7 | 9.8 | 1.9 | 319.5 |
| Guinea | 139.1 | 66.1 | 353.6 | 167.4 | 3.5 | 0.0 | 489.4 | 151.4 | 9.1 | 1,379.7 |
| Guinea-Bissau | 0.3 | 17.0 | 0.0 | 12.0 | 0.4 | 0.0 | 17.3 | 0.0 | 0.0 | 47.0 |
| Guyana | 0.0 | 0.0 | 34.6 | 0.0 | 0.0 | 0.0 | 200.0 | 0.0 | 0.0 | 234.6 |
| Indonesia | 1,019.3 | 1,039.1 | 374.6 | 1,455.4 | 40.7 | 11.3 | 597.1 | 100.0 | 304.4 | 4,941.7 |
| Iran | 558.0 | 55.6 | 606.9 | 166.7 | 319.4 | 0.0 | 110.3 | 1,095.7 | 26.7 | 2,939.3 |
| Iraq | 22.0 | 17.0 | 0.0 | 20.5 | 5.5 | 0.0 | 0.0 | 0.0 | 0.0 | 65.0 |
| Jordan | 205.4 | 66.2 | 214.5 | 192.8 | 187.1 | 23.8 | 172.8 | 7.8 | 28.5 | 1,098.9 |
| Kazakhstan | 143.0 | 0.0 | 0.0 | 11.5 | 0.0 | 9.0 | 299.6 | 9.5 | 140.0 | 612.5 |
| 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 | 108.2 | 50.9 | 8.0 | 0.0 | 181.6 | 15.0 | 0.0 | 399.9 |
| Lebanon | 0.0 | 241.5 | 30.0 | 160.2 | 0.0 | 12.5 | 269.1 | 564.9 | 0.0 | 1,278.1 |
| Libya | 22.3 | 0.0 | 94.9 | 0.0 | 118.4 | 22.0 | 66.2 | 0.0 | 0.0 | 323.7 |
| Malaysia | 6.2 | 196.9 | 0.0 | 101.7 | 2.0 | 0.0 | 175.4 | 0.0 | 45.0 | 527.2 |
| Maldives | 8.8 | 0.0 | 0.0 | 39.2 | 0.0 | 0.0 | 62.3 | 37.1 | 53.7 | 200.9 |
| Mali | 335.1 | 17.4 | 381.1 | 32.9 | 38.7 | 0.0 | 193.5 | 114.3 | 0.0 | 1,113.1 |
| Mauritania | 119.3 | 107.5 | 202.5 | 40.0 | 84.2 | 0.0 | 198.7 | 175.3 | 3.8 | 931.4 |
| Morocco | 255.5 | 5.1 | 1,026.6 | 43.2 | 32.8 | 16.0 | 1,011.5 | 430.0 | 30.9 | 2,851.6 |
| Mozambique | 37.6 | 45.1 | 309.5 | 39.4 | 0.0 | 0.0 | 30.7 | 0.0 | 0.0 | 462.2 |
| Niger | 132.2 | 76.3 | 146.9 | 56.7 | 7.8 | 8.0 | 171.0 | 19.4 | 6.3 | 624.7 |
| Nigeria | 246.8 | 114.3 | 30.9 | 115.2 | 0.0 | 50.0 | 166.6 | 146.0 | 74.0 | 943.7 |
| Oman | 9.1 | 134.0 | 252.9 | 10.5 | 142.4 | 0.0 | 371.4 | 938.9 | 0.0 | 1,859.2 |
| Pakistan | 234.6 | 88.5 | 1,148.9 | 737.7 | 177.3 | 0.0 | 482.5 | 4.9 | 100.7 | 2,975.2 |
| Palestine | 0.0 | 26.1 | 1.4 | 23.7 | 1.2 | 0.0 | 5.0 | 0.0 | 1.5 | 58.9 |
| Qatar | 0.0 | 4.5 | 0.0 | 49.1 | 189.3 | 0.0 | 0.0 | 215.8 | 0.0 | 458.7 |
| Saudi Arabia | 0.0 | 1.7 | 233.5 | 6.0 | 716.0 | 0.0 | 105.0 | 42.5 | 199.9 | 1,304.6 |
| Senegal | 399.2 | 66.2 | 410.0 | 107.5 | 83.5 | 0.0 | 1,302.2 | 546.6 | 109.3 | 3,024.4 |
| Sierra Leone | 95.9 | 11.2 | 10.4 | 40.5 | 9.1 | 29.5 | 29.6 | 14.1 | 0.0 | 240.3 |
| Somalia | 0.0 | 2.0 | 0.5 | 0.0 | 0.0 | 0.0 | 7.5 | 3.0 | 5.2 | 18.2 |
| Sudan | 334.3 | 67.0 | 152.0 | 73.1 | 82.7 | 0.0 | 60.1 | 101.6 | 41.6 | 912.3 |
| Suriname | 0.0 | 41.1 | 0.0 | 43.5 | 0.0 | 0.0 | 26.0 | 0.0 | 0.0 | 110.6 |
| Syria | 26.7 | 0.0 | 280.7 | 25.0 | 15.0 | 0.0 | 0.0 | 51.3 | 9.1 | 407.8 |
| Tajikistan | 50.7 | 123.5 | 117.6 | 33.0 | 0.0 | 0.0 | 118.6 | 11.3 | 1.0 | 455.6 |
| Togo | 29.4 | 84.7 | 46.2 | 44.9 | 0.0 | 0.0 | 275.9 | 59.6 | 0.0 | 540.6 |
| Tunisia | 183.3 | 84.9 | 1,251.7 | 63.7 | 146.2 | 0.0 | 9.0 | 226.5 | 27.9 | 1,993.1 |
| Türkiye | 17.5 | 208.0 | 751.0 | 579.4 | 252.1 | 0.0 | 1,159.5 | 67.0 | 1,159.3 | 4,193.7 |
| Turkmenistan | 0.0 | 5.3 | 350.0 | 25.6 | 0.0 | 288.1 | 470.4 | 0.0 | 0.0 | 1,139.4 |
| U.A.E. | 0.0 | 0.0 | 110.0 | 54.2 | 105.2 | 0.9 | 60.0 | 0.0 | 20.0 | 350.2 |
| Uganda | 196.1 | 80.7 | 335.1 | 35.6 | 6.6 | 0.0 | 849.0 | 5.6 | 12.1 | 1,520.8 |
| Uzbekistan | 905.6 | 107.0 | 303.1 | 392.5 | 23.1 | 0.0 | 454.6 | 92.9 | 75.0 | 2,353.7 |
| Yemen | 81.4 | 56.4 | 53.2 | 10.2 | 0.7 | 0.0 | 46.7 | 29.9 | 18.5 | 296.9 |
| IsDB-57 | 7,439.7 | 4,181.7 | 14,310.5 | 6,166.9 | 3,095.4 | 748.2 | 14,784.0 | 7,353.5 | 2,834.7 | 60,914.4 |

¹ Cut-off date for data reported in this table was 31 December 2023.

² Others include Finance, Public Administration, Real Estate and Trade related activities.

SOURCE: IsDB Group Chief Economist.

ANNEX 8A: ISDB GROUP NET APPROVALS BY COUNTRY AND ENTITY¹ (ID MILLION)

| COUNTRY | 2023 APPROVALS BY ENTITY | | | | | SHARE IN NET APPROVALS SINCE INCEPTION (%) |
|----------------------|--------------------------|--------------|----------------|---------------------|----------------|--|
| | ISDB-OCR | ICD | ITFC | OTHERS ² | TOTAL | |
| Afghanistan | 0.0 | 0.0 | 0.0 | 14.6 | 14.6 | 0.1 |
| Albania | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Algeria | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.8 |
| Azerbaijan | 0.0 | 11.2 | 7.5 | 0.2 | 18.8 | 0.6 |
| Bahrain | 113.6 | 0.0 | 0.0 | 0.0 | 113.6 | 1.0 |
| Bangladesh | 211.0 | 97.2 | 1,017.4 | 0.0 | 1,325.6 | 14.1 |
| Benin | 71.9 | 22.4 | 0.0 | 0.0 | 94.2 | 0.7 |
| Brunei | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Burkina Faso | 159.3 | 0.0 | 182.5 | 0.1 | 341.9 | 2.3 |
| Cameroon | 87.7 | 0.0 | 60.5 | 0.0 | 148.1 | 1.6 |
| Chad | 52.3 | 0.0 | 0.0 | 0.4 | 52.7 | 0.6 |
| Comoros | 0.0 | 0.0 | 75.9 | 0.2 | 76.1 | 0.4 |
| Côte d'Ivoire | 149.0 | 11.9 | 27.9 | 0.1 | 188.9 | 1.5 |
| Djibouti | 11.4 | 0.0 | 234.8 | 0.4 | 246.7 | 1.1 |
| Egypt | 265.7 | 63.4 | 1,523.7 | 0.4 | 1,853.1 | 11.7 |
| Gabon | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Gambia | 11.5 | 0.0 | 82.0 | 0.0 | 93.5 | 0.6 |
| Guinea | 70.4 | 8.8 | 0.0 | 0.1 | 79.3 | 0.9 |
| Guinea-Bissau | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 |
| Guyana | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Indonesia | 722.0 | 0.0 | 14.9 | 0.1 | 737.0 | 4.0 |
| Iran | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.3 |
| Iraq | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Jordan | 0.0 | 0.0 | 7.5 | 0.0 | 7.5 | 1.7 |
| Kazakhstan | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.9 |
| Kuwait | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| Kyrgyz Republic | 44.1 | 0.0 | 0.0 | 0.1 | 44.2 | 0.3 |
| Lebanon | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.8 |
| Libya | 0.0 | 0.0 | 0.0 | 1.3 | 1.3 | 0.5 |
| Malaysia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| Maldives | 30.3 | 0.0 | 386.1 | 0.0 | 416.4 | 1.5 |
| Mali | 59.4 | 0.0 | 128.5 | 0.1 | 188.0 | 1.2 |
| Mauritania | 37.0 | 0.0 | 104.3 | 0.3 | 141.6 | 1.1 |
| Morocco | 152.8 | 0.0 | 0.0 | 7.8 | 160.6 | 3.8 |
| Mozambique | 15.0 | 0.0 | 0.0 | 0.3 | 15.3 | 0.3 |
| Niger | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.5 |
| Nigeria | 49.4 | 0.0 | 0.0 | 7.9 | 57.3 | 1.0 |
| Oman | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.1 |
| Pakistan | 200.4 | 0.0 | 149.1 | 0.0 | 349.4 | 8.5 |
| Palestine | 0.0 | 0.0 | 0.0 | 22.6 | 22.6 | 0.3 |
| Qatar | 121.2 | 0.0 | 0.0 | 0.0 | 121.2 | 0.3 |
| Saudi Arabia | 15.9 | 18.7 | 0.0 | 0.0 | 34.6 | 2.9 |
| Senegal | 85.7 | 0.0 | 389.1 | 0.2 | 475.0 | 3.1 |
| Sierra Leone | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Somalia | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | 0.1 |
| Sudan | 0.0 | 0.0 | 0.0 | 1.1 | 1.1 | 0.9 |
| Suriname | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Syria | 0.0 | 0.0 | 0.0 | 1.1 | 1.1 | 0.4 |
| Tajikistan | 46.7 | 0.0 | 0.0 | 7.4 | 54.2 | 0.4 |
| Togo | 125.8 | 16.4 | 78.1 | 0.2 | 220.5 | 0.6 |
| Tunisia | 0.0 | 0.0 | 97.1 | 0.1 | 97.2 | 3.1 |
| Türkiye | 240.4 | 70.8 | 273.5 | 1.1 | 585.9 | 7.2 |
| Turkmenistan | 0.0 | 7.5 | 0.0 | 0.1 | 7.5 | 0.7 |
| U.A.E. | 0.0 | 0.0 | 0.0 | 1.5 | 1.5 | 0.6 |
| Uganda | 79.3 | 0.0 | 0.0 | 0.2 | 79.5 | 1.0 |
| Uzbekistan | 0.0 | 48.7 | 190.1 | 14.9 | 253.7 | 2.1 |
| Yemen | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | 0.6 |
| Non-Member Countries | 0.0 | 0.0 | 29.8 | 2.1 | 31.9 | 0.5 |
| Regional Projects | 0.0 | 19.4 | 95.5 | 121.1 | 236.1 | 3.3 |
| Net Approvals | 3,229.2 | 396.3 | 5,155.7 | 209.2 | 8,990.4 | 100 |

¹ Cut-off date for data reported in this table was 31 December 2023.

² Comprised of APIF, ICD Funds, ISFD, Pre-ITFC trade (EFS, IBP, ITFO), SAO, STI, Trust Funds and WAQF.

SOURCE: ISDB Group Chief Economist

ANNEX 8B: IsDB GROUP NET APPROVALS BY COUNTRY AND ENTITY¹ (US\$ MILLION)

| COUNTRY | 2023 APPROVALS BY ENTITY | | | | | SHARE IN NET APPROVALS SINCE INCEPTION (%) |
|----------------------|--------------------------|--------------|----------------|---------------------|-----------------|--|
| | IsDB-OCR | ICD | ITFC | OTHERS ² | TOTAL | |
| Afghanistan | 0.0 | 0.0 | 0.0 | 19.6 | 19.6 | 0.1 |
| Albania | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 |
| Algeria | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.6 |
| Azerbaijan | 0.0 | 15.0 | 10.0 | 0.3 | 25.3 | 0.7 |
| Bahrain | 150.0 | 0.0 | 0.0 | 0.0 | 150.0 | 1.1 |
| Bangladesh | 274.3 | 130.4 | 1,365.0 | 0.0 | 1,769.7 | 14.3 |
| Benin | 107.4 | 30.0 | 0.0 | 0.0 | 137.4 | 0.7 |
| Brunei | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Burkina Faso | 213.3 | 0.0 | 244.8 | 0.1 | 458.2 | 2.3 |
| Cameroon | 124.0 | 0.0 | 81.1 | 0.0 | 205.1 | 1.6 |
| Chad | 69.6 | 0.0 | 0.0 | 0.5 | 70.1 | 0.6 |
| Comoros | 0.0 | 0.0 | 101.8 | 0.3 | 102.1 | 0.4 |
| Côte d'Ivoire | 200.2 | 16.0 | 37.4 | 0.1 | 253.8 | 1.5 |
| Djibouti | 16.6 | 0.0 | 315.0 | 0.6 | 332.2 | 1.1 |
| Egypt | 355.9 | 85.0 | 2,044.3 | 0.6 | 2,485.7 | 11.5 |
| Gabon | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Gambia | 15.3 | 0.0 | 110.0 | 0.0 | 125.3 | 0.7 |
| Guinea | 94.5 | 11.8 | 0.0 | 0.2 | 106.5 | 0.9 |
| Guinea-Bissau | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | 0.0 |
| Guyana | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Indonesia | 945.6 | 0.0 | 20.0 | 0.1 | 965.7 | 4.0 |
| Iran | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.4 |
| Iraq | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Jordan | 0.0 | 0.0 | 10.0 | 0.1 | 10.1 | 1.6 |
| Kazakhstan | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.9 |
| Kuwait | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| Kyrgyz Republic | 59.0 | 0.0 | 0.0 | 0.1 | 59.1 | 0.3 |
| Lebanon | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.9 |
| Libya | 0.0 | 0.0 | 0.0 | 1.7 | 1.7 | 0.4 |
| Malaysia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| Maldives | 40.0 | 0.0 | 518.0 | 0.0 | 558.0 | 1.4 |
| Mali | 78.0 | 0.0 | 172.4 | 0.1 | 250.5 | 1.2 |
| Mauritania | 50.0 | 0.0 | 140.0 | 0.4 | 190.3 | 1.2 |
| Morocco | 202.2 | 0.0 | 0.0 | 10.4 | 212.7 | 3.9 |
| Mozambique | 19.5 | 0.0 | 0.0 | 0.4 | 19.9 | 0.3 |
| Niger | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.5 |
| Nigeria | 66.2 | 0.0 | 0.0 | 10.5 | 76.7 | 1.1 |
| Oman | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 1.0 |
| Pakistan | 267.6 | 0.0 | 200.0 | 0.0 | 467.6 | 8.5 |
| Palestine | 0.0 | 0.0 | 0.0 | 30.3 | 30.3 | 0.3 |
| Qatar | 160.0 | 0.0 | 0.0 | 0.0 | 160.0 | 0.3 |
| Saudi Arabia | 21.3 | 25.1 | 0.0 | 0.0 | 46.4 | 3.1 |
| Senegal | 103.6 | 0.0 | 522.1 | 0.2 | 625.9 | 3.1 |
| Sierra Leone | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Somalia | 0.0 | 0.0 | 0.0 | 0.3 | 0.3 | 0.1 |
| Sudan | 0.0 | 0.0 | 0.0 | 1.5 | 1.5 | 0.9 |
| Suriname | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Syria | 0.0 | 0.0 | 0.0 | 1.5 | 1.5 | 0.3 |
| Tajikistan | 62.0 | 0.0 | 0.0 | 10.0 | 72.0 | 0.4 |
| Togo | 167.7 | 22.0 | 104.8 | 0.3 | 294.7 | 0.6 |
| Tunisia | 0.0 | 0.0 | 130.3 | 0.1 | 130.4 | 3.1 |
| Türkiye | 320.0 | 95.0 | 367.0 | 1.5 | 783.5 | 7.1 |
| Turkmenistan | 0.0 | 10.0 | 0.0 | 0.1 | 10.1 | 0.7 |
| U.A.E. | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | 0.6 |
| Uganda | 106.0 | 0.0 | 0.0 | 0.3 | 106.3 | 1.0 |
| Uzbekistan | 0.0 | 65.3 | 255.0 | 20.0 | 340.4 | 2.1 |
| Yemen | 0.0 | 0.0 | 0.0 | 0.3 | 0.3 | 0.5 |
| Non-Member Countries | 0.0 | 0.0 | 40.0 | 2.8 | 42.8 | 0.5 |
| Regional Projects | 0.0 | 26.0 | 128.2 | 162.8 | 317.0 | 3.3 |
| Net Approvals | 4,289.8 | 531.7 | 6,917.2 | 280.8 | 12,019.4 | 100 |

¹ Cut-off date for data reported in this table was 31 December 2023.² Comprised of APIF, ICD Funds, ISFD, Pre-ITFC trade (EFS, IBP, ITFO), SAO, STI, Trust Funds and WAQF.

SOURCE: IsDB Group Chief Economist

ANNEX 9: CUMULATIVE ISDB GROUP OPERATIONS BY MAJOR MODE OF FINANCING (1975-2023)¹

| COUNTRY | PROJECT FINANCING | | | TECHNICAL ASSISTANCE OPERATIONS | | | TRADE FINANCING | | | SPECIAL ASSISTANCE OPERATIONS | | | GRAND TOTAL ² | | |
|------------------------|-------------------|-----------------|-----------------|---------------------------------|----------------|----------------|-----------------|-----------------|------------------|-------------------------------|----------------|----------------|--------------------------|------------------|------------------|
| | NO. | ID M. | S M. | NO. | ID M. | S M. | NO. | ID M. | S M. | NO. | ID M. | S M. | NO. | ID M. | S M. |
| Afghanistan | 9 | 97.4 | 142.0 | 31 | 20.7 | 28.0 | 0 | 0.0 | 0.0 | 18 | 9.8 | 13.4 | 58 | 127.9 | 183.4 |
| Albania | 28 | 421.8 | 641.7 | 6 | 1.3 | 2.0 | 2 | 4.8 | 7.2 | 3 | 0.3 | 0.5 | 39 | 428.3 | 651.4 |
| Algeria | 30 | 304.2 | 488.5 | 14 | 1.7 | 2.6 | 347 | 1,932.5 | 2,493.0 | 7 | 4.5 | 5.6 | 398 | 2,243.0 | 2,989.8 |
| Azerbaijan | 34 | 663.9 | 1,012.4 | 22 | 2.9 | 4.2 | 20 | 125.9 | 185.8 | 3 | 1.2 | 2.0 | 79 | 793.9 | 1,204.4 |
| Bahrain | 47 | 1,013.1 | 1,551.1 | 23 | 2.4 | 3.6 | 25 | 255.9 | 375.4 | 0 | 0.0 | 0.0 | 95 | 1,271.5 | 1,930.1 |
| Bangladesh | 108 | 1,637.5 | 2,260.0 | 54 | 61.7 | 86.1 | 358 | 16,344.7 | 23,649.8 | 22 | 57.7 | 78.9 | 542 | 18,101.5 | 26,074.8 |
| Benin | 64 | 713.8 | 1,036.5 | 22 | 3.3 | 5.0 | 12 | 135.4 | 189.9 | 1 | 1.0 | 1.4 | 99 | 853.6 | 1,232.8 |
| Brunei | 2 | 8.0 | 9.9 | 2 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 4 | 8.0 | 9.9 |
| Burkina Faso | 113 | 846.6 | 1,196.3 | 39 | 10.5 | 14.6 | 53 | 2,138.5 | 2,971.5 | 7 | 8.0 | 8.8 | 212 | 3,003.6 | 4,191.2 |
| Cameroon | 74 | 923.2 | 1,336.9 | 19 | 1.8 | 2.7 | 38 | 1,098.4 | 1,524.1 | 3 | 1.2 | 1.7 | 134 | 2,024.7 | 2,865.4 |
| Chad | 70 | 711.7 | 1,040.5 | 47 | 5.0 | 7.6 | 4 | 30.2 | 42.3 | 11 | 9.5 | 11.2 | 132 | 756.4 | 1,101.5 |
| Comoros | 7 | 26.4 | 33.9 | 30 | 4.6 | 6.9 | 41 | 477.6 | 658.8 | 4 | 3.1 | 4.3 | 82 | 511.7 | 703.9 |
| Côte d'Ivoire | 60 | 1,521.5 | 2,085.8 | 12 | 0.9 | 1.3 | 19 | 406.9 | 568.6 | 5 | 1.0 | 1.2 | 96 | 1,930.3 | 2,656.9 |
| Djibouti | 47 | 236.1 | 353.8 | 28 | 3.4 | 4.8 | 39 | 1,191.2 | 1,643.0 | 11 | 1.7 | 2.4 | 125 | 1,432.3 | 2,003.9 |
| Egypt | 91 | 1,844.1 | 2,689.3 | 37 | 4.7 | 6.9 | 271 | 13,094.3 | 18,314.4 | 8 | 1.7 | 2.4 | 407 | 14,944.7 | 21,013.0 |
| Gabon | 19 | 317.6 | 473.4 | 3 | 0.3 | 0.3 | 1 | 18.8 | 25.2 | 0 | 0.0 | 0.0 | 23 | 336.6 | 499.0 |
| Gambia | 60 | 245.1 | 364.0 | 32 | 2.9 | 4.4 | 67 | 575.9 | 818.6 | 3 | 1.3 | 1.9 | 162 | 825.1 | 1,188.8 |
| Guinea | 123 | 1,064.9 | 1,491.5 | 44 | 13.9 | 19.8 | 8 | 49.4 | 63.8 | 8 | 7.2 | 8.6 | 183 | 1,135.4 | 1,583.7 |
| Guinea-Bissau | 8 | 38.4 | 53.0 | 15 | 2.1 | 3.0 | 3 | 13.1 | 17.0 | 3 | 0.6 | 1.3 | 29 | 54.2 | 74.3 |
| Guyana | 3 | 178.4 | 234.6 | 7 | 0.3 | 0.4 | 0 | 0.0 | 0.0 | 3 | 0.4 | 0.5 | 13 | 179.1 | 235.6 |
| Indonesia | 124 | 3,505.9 | 5,019.3 | 38 | 4.7 | 6.8 | 181 | 1,569.9 | 2,245.4 | 5 | 3.7 | 5.4 | 348 | 5,084.2 | 7,277.0 |
| Iran | 70 | 2,048.1 | 3,085.1 | 21 | 1.8 | 2.7 | 327 | 2,136.8 | 3,057.7 | 10 | 10.8 | 15.1 | 428 | 4,197.5 | 6,160.7 |
| Iraq | 5 | 51.3 | 65.0 | 10 | 1.4 | 2.0 | 59 | 319.3 | 369.1 | 13 | 3.9 | 5.9 | 87 | 375.9 | 442.0 |
| Jordan | 66 | 852.5 | 1,176.9 | 37 | 4.1 | 5.8 | 340 | 1,323.4 | 1,790.8 | 1 | 0.2 | 0.3 | 444 | 2,180.1 | 2,973.7 |
| Kazakhstan | 20 | 462.4 | 656.5 | 21 | 2.0 | 3.1 | 25 | 659.1 | 984.0 | 5 | 1.3 | 1.9 | 71 | 1,124.8 | 1,645.5 |
| Kuwait | 11 | 72.2 | 106.8 | 25 | 2.0 | 2.8 | 24 | 591.1 | 864.0 | 3 | 5.3 | 7.3 | 63 | 670.6 | 980.9 |
| Kyrgyz Republic | 41 | 332.3 | 477.1 | 23 | 4.1 | 6.4 | 7 | 28.0 | 40.0 | 7 | 1.7 | 2.4 | 78 | 366.1 | 525.8 |
| Lebanon | 61 | 895.0 | 1,333.9 | 13 | 1.1 | 1.6 | 9 | 152.1 | 212.1 | 19 | 7.4 | 10.6 | 102 | 1,055.6 | 1,558.3 |
| Libya | 17 | 268.0 | 372.7 | 16 | 3.6 | 5.1 | 15 | 320.1 | 419.9 | 7 | 4.0 | 5.9 | 55 | 595.8 | 803.6 |
| Malaysia | 51 | 399.8 | 587.6 | 25 | 1.8 | 2.7 | 85 | 261.6 | 361.4 | 5 | 7.0 | 11.4 | 166 | 670.2 | 963.2 |
| Maldives | 34 | 164.9 | 248.2 | 11 | 1.2 | 1.6 | 43 | 1,709.3 | 2,358.0 | 3 | 0.6 | 0.8 | 91 | 1,876.0 | 2,608.7 |
| Mali | 109 | 868.4 | 1,244.7 | 33 | 6.3 | 8.7 | 33 | 702.8 | 985.6 | 11 | 14.1 | 16.5 | 186 | 1,591.6 | 2,255.5 |
| Mauritania | 99 | 688.6 | 1,030.4 | 53 | 7.0 | 9.9 | 37 | 741.0 | 1,055.2 | 7 | 9.4 | 11.1 | 196 | 1,446.1 | 2,106.6 |
| Morocco | 71 | 1,952.2 | 2,915.9 | 58 | 7.6 | 11.1 | 126 | 2,897.9 | 4,123.4 | 4 | 1.1 | 1.5 | 259 | 4,858.9 | 7,051.9 |
| Mozambique | 26 | 335.1 | 480.9 | 17 | 2.4 | 3.7 | 5 | 48.3 | 70.0 | 6 | 2.0 | 2.5 | 54 | 387.8 | 557.1 |
| Niger | 83 | 488.2 | 699.6 | 58 | 55.6 | 81.9 | 24 | 144.2 | 189.8 | 18 | 9.3 | 11.5 | 183 | 697.4 | 982.8 |
| Nigeria | 44 | 704.6 | 1,019.9 | 33 | 13.1 | 18.3 | 40 | 616.2 | 894.7 | 28 | 5.6 | 7.5 | 145 | 1,339.5 | 1,940.4 |
| Oman | 41 | 1,341.2 | 1,859.2 | 10 | 1.2 | 1.8 | 2 | 3.7 | 5.0 | 2 | 0.4 | 0.5 | 55 | 1,346.4 | 1,866.5 |
| Pakistan | 99 | 2,088.9 | 3,221.7 | 35 | 22.5 | 31.4 | 298 | 8,802.6 | 12,126.1 | 12 | 10.4 | 13.9 | 444 | 10,924.4 | 15,393.2 |
| Palestine | 26 | 81.9 | 116.8 | 151 | 278.0 | 388.3 | 3 | 4.0 | 6.0 | 44 | 37.5 | 49.5 | 224 | 401.3 | 560.7 |
| Qatar | 12 | 331.9 | 475.1 | 1 | 0.1 | 0.1 | 6 | 33.8 | 54.1 | 0 | 0.0 | 0.0 | 19 | 365.8 | 529.4 |
| Saudi Arabia | 95 | 1,255.8 | 1,857.8 | 44 | 4.1 | 5.7 | 309 | 2,504.1 | 3,711.8 | 3 | 0.2 | 0.3 | 451 | 3,764.2 | 5,575.6 |
| Senegal | 154 | 2,249.0 | 3,190.8 | 47 | 6.6 | 9.7 | 78 | 1,729.6 | 2,379.1 | 7 | 12.3 | 14.5 | 286 | 3,997.5 | 5,594.1 |
| Sierra Leone | 47 | 211.3 | 309.3 | 24 | 8.1 | 12.0 | 4 | 18.1 | 26.0 | 4 | 2.6 | 3.5 | 79 | 240.2 | 350.8 |
| Somalia | 5 | 12.8 | 18.2 | 21 | 9.0 | 13.2 | 4 | 35.9 | 46.2 | 56 | 32.7 | 47.9 | 86 | 90.3 | 125.5 |
| Sudan | 98 | 738.8 | 1,124.5 | 42 | 28.1 | 39.5 | 38 | 328.1 | 462.6 | 23 | 21.1 | 26.4 | 201 | 1,116.2 | 1,653.0 |
| Suriname | 15 | 85.5 | 124.1 | 12 | 0.7 | 1.0 | 5 | 65.4 | 92.0 | 3 | 0.2 | 0.2 | 35 | 151.8 | 217.3 |
| Syria | 31 | 331.8 | 452.2 | 20 | 8.1 | 11.8 | 27 | 135.1 | 169.3 | 11 | 2.2 | 3.0 | 89 | 477.1 | 636.3 |
| Tajikistan | 46 | 360.4 | 511.1 | 27 | 4.2 | 6.1 | 21 | 163.8 | 235.0 | 7 | 0.9 | 1.2 | 101 | 529.3 | 753.4 |
| Togo | 42 | 414.1 | 584.0 | 11 | 1.8 | 2.5 | 21 | 387.8 | 540.1 | 2 | 1.0 | 1.5 | 76 | 804.7 | 1,128.0 |
| Tunisia | 71 | 1,371.7 | 2,052.8 | 30 | 4.8 | 7.1 | 189 | 2,632.8 | 3,637.4 | 4 | 3.2 | 4.2 | 294 | 4,012.5 | 5,701.6 |
| Türkiye | 109 | 2,890.4 | 4,259.0 | 37 | 2.9 | 4.1 | 406 | 6,288.4 | 8,702.6 | 9 | 17.2 | 22.8 | 561 | 9,198.9 | 12,988.4 |
| Turkmenistan | 13 | 803.6 | 1,139.4 | 10 | 1.1 | 1.6 | 6 | 69.9 | 95.0 | 1 | 0.2 | 0.3 | 30 | 874.8 | 1,236.2 |
| U.A.E. | 26 | 307.0 | 437.2 | 22 | 10.8 | 15.6 | 35 | 494.0 | 706.9 | 0 | 0.0 | 0.0 | 83 | 811.8 | 1,159.7 |
| Uganda | 48 | 1,143.3 | 1,593.2 | 38 | 5.2 | 7.4 | 10 | 94.4 | 126.2 | 8 | 2.8 | 3.6 | 104 | 1,245.7 | 1,730.3 |
| Uzbekistan | 50 | 1,708.2 | 2,454.8 | 17 | 1.8 | 2.7 | 83 | 926.7 | 1,281.4 | 6 | 1.1 | 1.5 | 156 | 2,637.8 | 3,740.5 |
| Yemen | 55 | 335.6 | 501.3 | 32 | 18.7 | 26.4 | 44 | 379.0 | 451.2 | 9 | 5.8 | 8.2 | 140 | 739.2 | 987.1 |
| Non-Member Countries | 44 | 171.6 | 244.1 | 19 | 5.7 | 8.6 | 29 | 268.6 | 407.8 | 1,029 | 221.0 | 305.4 | 1,121 | 667.0 | 965.9 |
| Regional Projects | 56 | 1,470.1 | 2,079.9 | 898 | 877.8 | 1,304.7 | 23 | 1,249.4 | 1,737.3 | 338 | 582.6 | 879.4 | 1,315 | 4,180.0 | 6,001.2 |
| Net Approvals | 3,112 | 46,608.2 | 67,622.3 | 2,527 | 1,565.3 | 2,279.5 | 4,329 | 78,730.3 | 110,568.7 | 1,850 | 1,153.0 | 1,651.5 | 11,818 | 128,056.7 | 182,121.9 |
| Gross Approvals | 3,370 | 56,598.3 | 81,986.2 | 2,772 | 1,849.4 | 2,253.8 | 4,548 | 80,592.4 | 113,142.7 | 2,103 | 1,279.5 | 1,830.2 | 13,193 | 140,319.6 | 199,498.0 |

¹ Cut-off date for data reported in this table was 31 December 2023.

² Figures are net of cancellation (unless otherwise specified) and include APIF, ICD Funds, ISFD, Pre-ITFC trade (EFS, IBP, ITFO), SAO, STI, Trust Funds and WAQF.

SOURCE: IsDB Group Chief Economist

ANNEX 10A: APPROVALS BY ENTITIES AND MODES OF FINANCING (1975-2023)¹ (ID MILLION)

| | 2020 | 2021 | 2022 | 2023 | GRAND TOTAL ² |
|---------------------------------|----------------|----------------|----------------|----------------|--------------------------|
| A. ISDB OCR | | | | | |
| Loan | 82.7 | 110.4 | 181.6 | 210.3 | 5,400.7 |
| Equity | 18.5 | 7.0 | 23.3 | 16.2 | 1,358.1 |
| Leasing | 157.5 | 70.9 | 311.4 | 362.5 | 8,046.8 |
| Instalment Sale | 867.2 | 1,200.3 | 1,778.2 | 2,640.3 | 13,104.8 |
| 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 | 112.5 |
| Istisna'a | 61.7 | 38.2 | 0.0 | 0.0 | 13,695.8 |
| Mudaraba | 0.0 | 0.0 | 0.0 | 0.0 | 730.4 |
| Technical Assistance | 0.7 | 1.1 | 0.0 | 0.0 | 1.9 |
| Sub-Total | 1,188.2 | 1,427.9 | 2,294.4 | 3,229.2 | 42,689.4 |
| B. ICD | | | | | |
| Equity | 9.4 | 11.1 | 0.0 | 5.1 | 983.7 |
| Leasing | 6.9 | 0.0 | 58.6 | 32.3 | 578.2 |
| Instalment Sale | 0.0 | 0.0 | 0.0 | 0.0 | 84.2 |
| Istisna'a | 5.6 | 0.0 | 0.0 | 0.0 | 76.1 |
| Mudaraba | 0.0 | 0.0 | 0.0 | 0.0 | 10.8 |
| Trade (Murabaha) | 190.9 | 162.9 | 336.6 | 358.9 | 3,125.7 |
| Sub-Total | 212.9 | 174.1 | 395.1 | 396.3 | 4,858.6 |
| C. ITFC | | | | | |
| Murabaha | 3,236.6 | 4,607.3 | 5,118.9 | 5,155.7 | 52,244.5 |
| D. OTHERS | | | | | |
| ICD Funds | 0.0 | 0.0 | 0.0 | 0.0 | 674.5 |
| APIF | 6.5 | 14.6 | 0.0 | 0.0 | 105.8 |
| STI | 1.3 | 0.0 | 0.0 | 0.0 | 5.7 |
| Special Assistance Operations | 1.4 | 5.8 | 2.2 | 5.6 | 612.6 |
| ISFD | 56.1 | 61.2 | 30.6 | 159.0 | 984.1 |
| Trust Funds | 73.4 | 65.7 | 50.8 | 35.5 | 2,216.1 |
| WAQF | 8.0 | 5.9 | 8.4 | 9.1 | 523.0 |
| Pre-ITFC trade (EFS, IBP, ITFO) | 0.0 | 0.0 | 0.0 | 0.0 | 23,142.4 |
| Sub-Total | 146.7 | 153.3 | 91.9 | 209.2 | 28,264.2 |
| Grand Total | 4,784.4 | 6,362.6 | 7,900.4 | 8,990.4 | 128,056.7 |

MEMO:**E. ICIEC OPERATION FOR THE LAST FIVE YEARS AND TOTAL SINCE INCEPTION (ID MILLION)**

| | 2020 | 2021 | 2022 | 2023 | GRAND TOTAL ² |
|------------------|---------|---------|---------|---------|--------------------------|
| New Commitments | 2,676.2 | 2,252.9 | 3,009.5 | 3,121.6 | 42,766.1 |
| Business Insured | 6,846.2 | 7,000.2 | 8,748.4 | 9,926.2 | 77,061.7 |

ISDB-OCR RESOURCES AND FINANCE (AT YEAR'S END, ID MILLION)

| | 2020 | 2021 | 2022 | 2023 |
|--|----------|----------|----------|----------|
| Total Assets | 24,421.9 | 26,026.7 | 27,057.6 | 29,272.1 |
| Gross Income (net of Ijarah depreciation) ³ | 592.8 | 563.5 | 693.9 | 1,007.5 |
| Net Income | 116.2 | 106.9 | 173.1 | 316.7 |
| General Reserves | 2,994.5 | 3,074.6 | 3,168.0 | 3,320.3 |
| Fair Value Reserves | 279.0 | 382.3 | 328.5 | 424.4 |
| Subscribed Capital | 50,260.5 | 50,260.5 | 55,256.7 | 55,256.7 |
| Approved Administrative budget* | 154.4 | 149.6 | 148.8 | 161.2 |
| Actual Administrative budget* | 141.9 | 135.7 | 152.3 | 156.3 |

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

¹ Cut-off date for data reported in this table was 31 December 2023.² Cumulative approvals since inception in 1975.³ Gross income is adjusted for depreciation so that the reported figure could be easily reconciled with the audited financial statements.**SOURCE:** IsDB Group Chief Economist

The conversion rates for the various years are as follows:

2020 1ID = \$1.44027 2021 1ID = \$1.39959 2022 1ID = \$1.33084
2023 1ID = \$1.34167 1975-2023 1ID = \$1.4222 (approximation only)

ANNEX 10B: APPROVALS BY ENTITIES AND MODES OF FINANCING (1975-2023)¹ (US\$ MILLION)

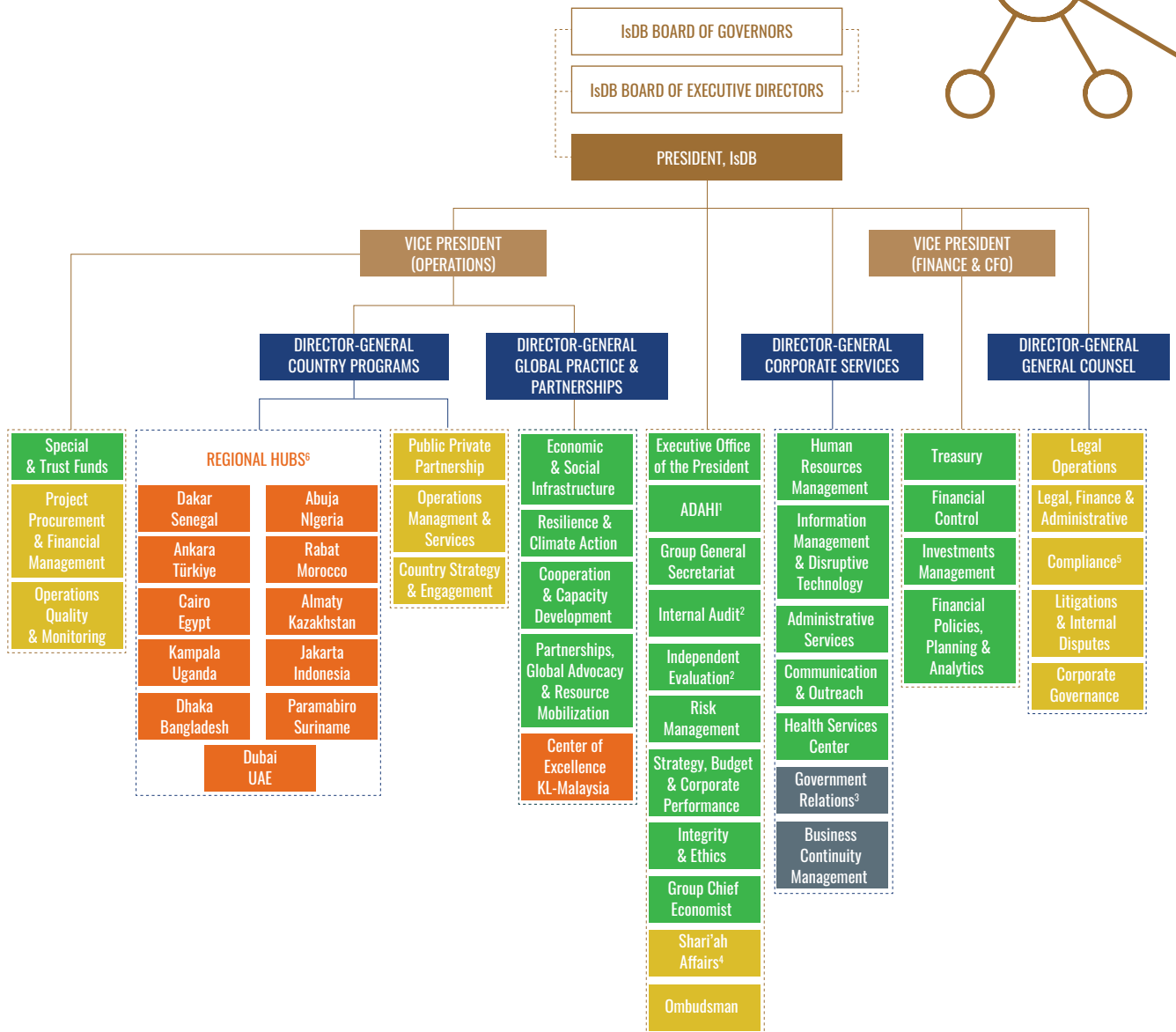
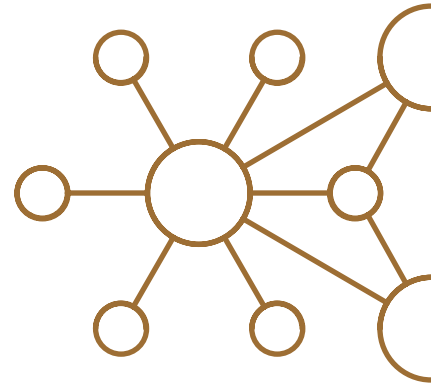
| | 2020 | 2021 | 2022 | 2023 | GRAND TOTAL ² |
|--|----------------|----------------|-----------------|-----------------|--------------------------|
| A. IsDB OCR | | | | | |
| Loan | 114.4 | 156.6 | 240.1 | 281.2 | 7,750.1 |
| Equity | 26.6 | 9.8 | 30.9 | 21.7 | 1,976.2 |
| Leasing | 230.0 | 100.6 | 405.0 | 483.9 | 11,692.6 |
| Instalment Sale | 1,215.3 | 1,697.5 | 2,284.9 | 3,503.1 | 18,435.2 |
| 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 | 82.2 | 51.0 | 0.0 | 0.0 | 20,463.3 |
| Mudaraba | 0.0 | 0.0 | 0.0 | 0.0 | 1,160.7 |
| Technical Assistance | 1.0 | 1.6 | 0.0 | 0.0 | 2.6 |
| Sub-Total | 1,669.5 | 2,016.9 | 2,961.0 | 4,289.8 | 61,993.5 |
| B. ICD | | | | | |
| Equity | 13.6 | 15.6 | 0.0 | 6.8 | 1,455.5 |
| Leasing | 10.0 | 0.0 | 77.9 | 43.4 | 832.2 |
| Instalment Sale | 0.0 | 0.0 | 0.0 | 0.0 | 125.2 |
| Istisna'a | 8.0 | 0.0 | 0.0 | 0.0 | 105.4 |
| Mudaraba | 0.0 | 0.0 | 0.0 | 0.0 | 15.0 |
| Trade (Murabaha) | 275.0 | 228.0 | 447.9 | 481.5 | 4,387.0 |
| Sub-Total | 306.6 | 243.6 | 525.8 | 531.7 | 6,920.2 |
| C. ITFC | | | | | |
| Murabaha | 4,661.6 | 6,448.3 | 6,812.5 | 6,917.2 | 74,431.3 |
| D. OTHERS | | | | | |
| ICD Funds | 0.0 | 0.0 | 0.0 | 0.0 | 992.2 |
| APIF | 8.9 | 20.7 | 0.0 | 0.0 | 153.8 |
| STI | 1.8 | 0.0 | 0.0 | 0.0 | 7.9 |
| Special Assistance Operations | 1.9 | 8.4 | 2.9 | 7.5 | 832.7 |
| ISFD | 78.4 | 85.9 | 40.9 | 213.6 | 1,399.3 |
| Trust Funds | 101.6 | 92.7 | 68.0 | 47.6 | 3,184.2 |
| WAQF | 11.2 | 8.3 | 11.4 | 12.1 | 793.5 |
| Pre-ITFC trade (EFS, IBP, ITFO) | 0.0 | 0.0 | 0.0 | 0.0 | 31,413.4 |
| Sub-Total | 203.8 | 216.0 | 123.2 | 280.8 | 38,777.0 |
| Grand Total | 6,841.5 | 8,924.8 | 10,422.4 | 12,019.4 | 182,121.9 |
| MEMO: | | | | | |
| E. ICIEC OPERATION FOR THE LAST FIVE YEARS AND TOTAL SINCE INCEPTION (US\$ MILLION) | | | | | |
| | 2020 | 2021 | 2022 | 2023 | GRAND TOTAL ² |
| New Commitments | 3,854.5 | 3,153.1 | 4,005.1 | 4,188.2 | 61,257.1 |
| Business Insured | 9,860.4 | 9,797.4 | 11,642.7 | 13,317.6 | 108,269.8 |

¹ Cut-off date for data reported in this table was 31 December 2023.

² Cumulative approvals since inception in 1975.

SOURCE: IsDB Group Chief Economist

ANNEX 11: IsDB OVERALL ORGANIZATIONAL STRUCTURE

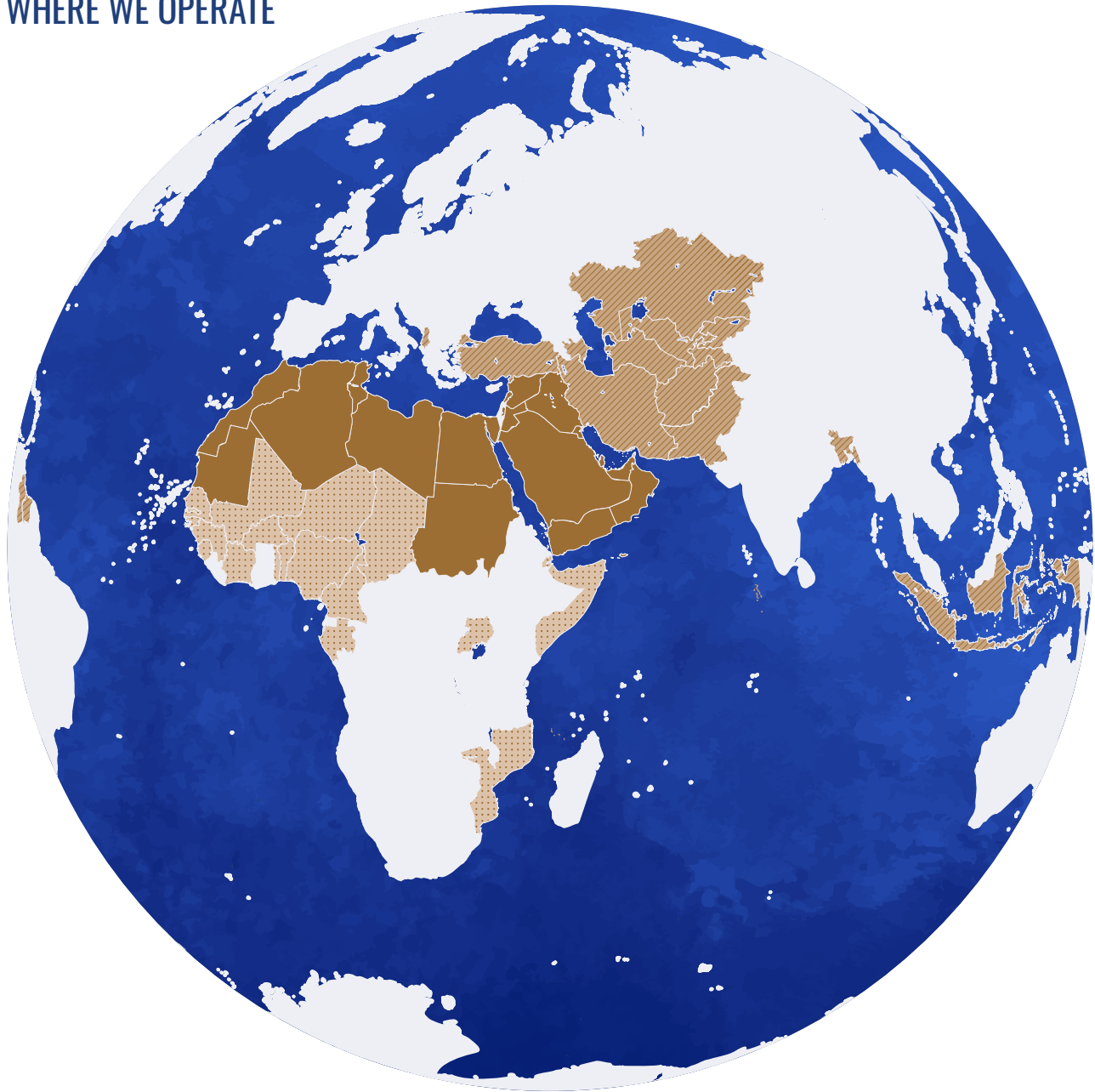


- ¹ The Chief of Staff will supervise ADAHI.
- ² Internal Audit and Independent Evaluation report functionally to BED, and administratively to the President.
- ³ Government Relations reports functionally to the President and administratively to the DG-Corporate Services.
- ⁴ Shari'ah Affairs reports functionally to the Shari'ah Board and administratively to the President.
- ⁵ Compliance reports functionally to the President and administratively to the DG-General Counsel.
- ⁶ Regional Hubs/Center of Excellence (CoE) shall be headed by Managers unless decided otherwise by the President.

KEY



ANNEX 12: WHERE WE OPERATE



MIDDLE EAST AND NORTH AFRICA (MENA)

ALGERIA
BAHRAIN
EGYPT
IRAQ
JORDAN
KUWAIT
LEBANON
LIBYA
MAURITANIA
MOROCCO
OMAN
PALESTINE
QATAR
SAUDI ARABIA
SUDAN
SYRIA
TUNISIA
U.A.E.
YEMEN

ASIA, LATIN AMERICA & EUROPE (ALAE)

AFGHANISTAN
ALBANIA
AZERBAIJAN
BANGLADESH
BRUNEI
GUYANA
INDONESIA
IRAN
KAZAKHSTAN
KYRGYZ REPUBLIC
MALAYSIA
MALDIVES
PAKISTAN
SURINAME
TAJIKISTAN
TÜRKIYE
TURKMENISTAN
UZBEKISTAN

SUB SAHARAN AFRICA (SSA)

BENIN
BURKINA FASO
CAMEROON
CHAD
COMOROS
CÔTE D'IVOIRE
DJIBOUTI
GABON
GAMBIA
GUINEA
GUINEA-BISSAU
MALI
MOZAMBIQUE
NIGER
NIGERIA
SENEGAL
SIERRA LEONE
SOMALIA
TOGO
UGANDA

IsDB's 50-year journey is marked by significant growth and substantial financial commitments to meet the aspirations of its member countries. The Bank's efforts reflect its dedication to promoting human dignity, sustainable development, and resilience in the face of evolving global challenges.



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