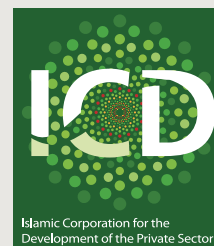


# ANNUAL DEVELOPMENT EFFECTIVENESS REPORT 2022



Islamic Corporation for the  
Development of the Private Sector

Member of the Islamic  
Development Bank Group

## NEW HORIZONS - NEW DETERMINATION



## APRIL 2023

ENABLING ENTERPRISE, BUILDING PROSPERITY



# Acknowledgements



This is the ninth (9<sup>th</sup>) Annual Development Effectiveness Report (ADER) of ICD.

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# Abbreviations

**ADER** Annual Development Effectiveness Report

**DEO** Development Effectiveness Office

**DFI** Development Financial Institution

**EMDEs** Emerging Markets and Developing Economies

**GHG** Greenhouse Gases

**IBES** Industry and Business Environmental Support

**ICD** Islamic Corporation for the Development of the Private Sector

**IDFC** International Development Finance Club

**LoF** Lines of Finance

**MCs** Member Countries

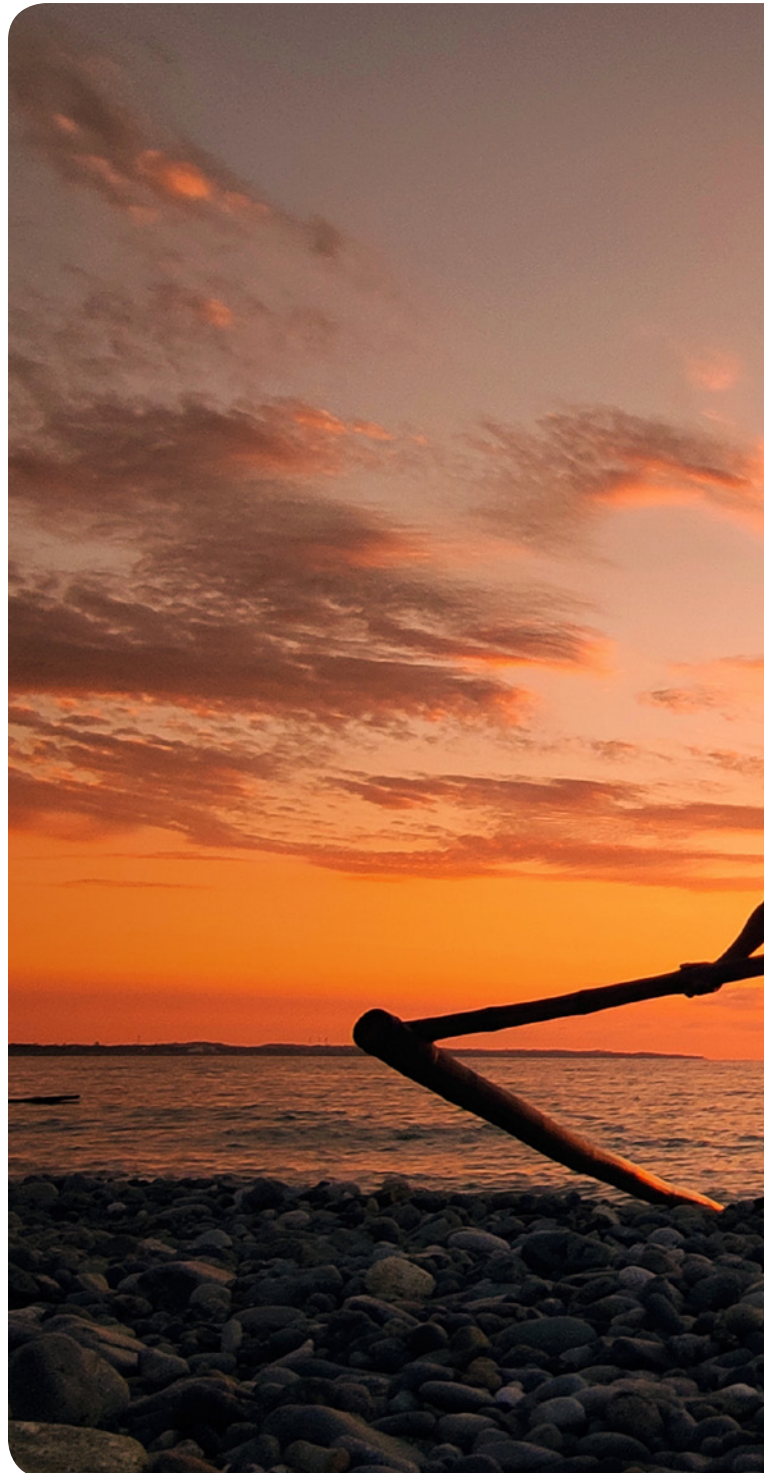
**M&E** Monitoring and Evaluation

**MDB** Multi-lateral Development Bank

**M/SMEs** Micro / Small and Medium Enterprises

**PSD** Private Sector Development

**SDGs** Sustainable Development Goals







# 2022 Highlights

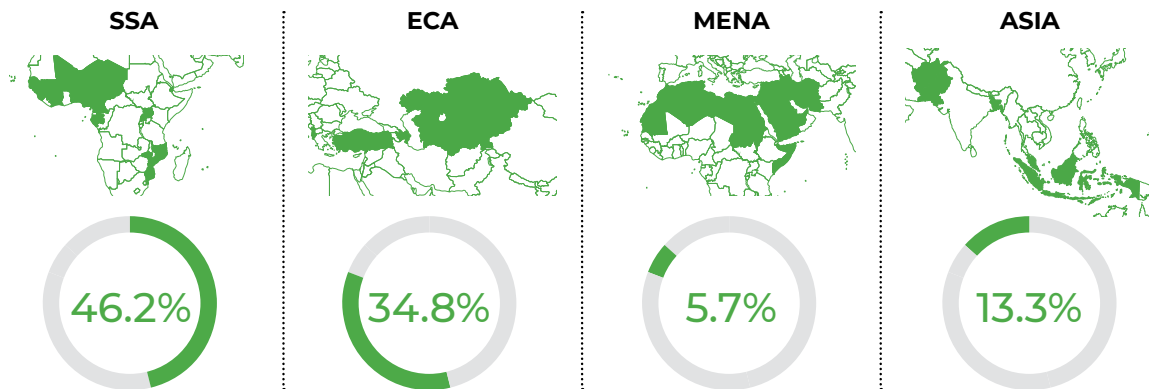
PERSEVERANCE TOWARDS NEW HORIZONS

## Approvals and Disbursements

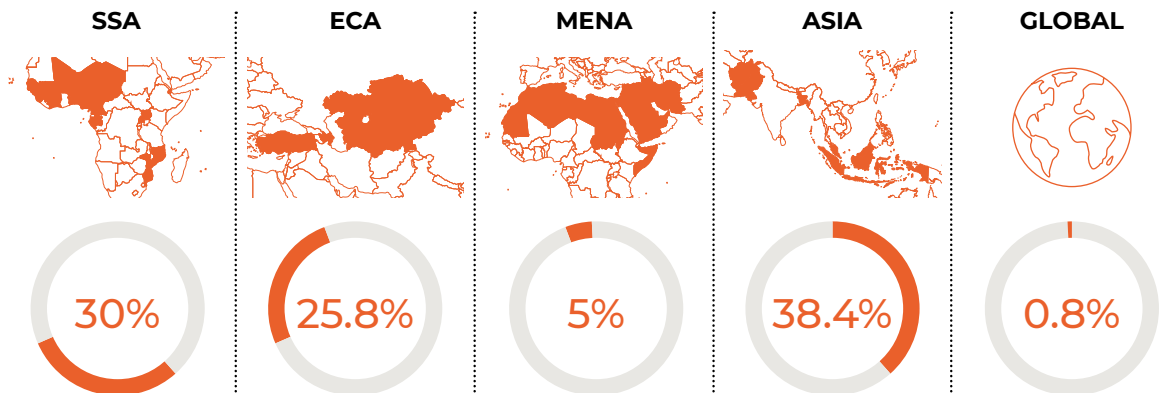
As of YE22, ICD has delivered almost **USD 7.61 billion** in cumulative approvals and more than **USD 4.01 billion** in disbursements since inception for private sector development (PSD).

Meanwhile, operationally in 2022, ICD approved **USD 525.8 million** worth of projects with disbursements for the year totaling **USD 310.5 million**. This is in line with ICD's commitment of funding meaningful projects and businesses in various economic sectors such as **Finance, Industry and Mining, Energy, and Transportation**.

### Total Approval Amount 2022: By Region



### Total Disbursed Amount 2022: By Region



**Approvals 2022: Total**

**525.8** **19**  
 USD Million Projects

**Disbursements 2022: Total**

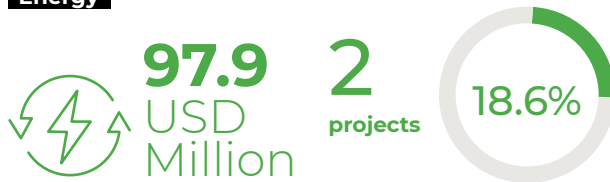
**310.5**  
 USD Million

**Approvals by Sector**

**Finance**



**Energy**



**Industry and Mining**



**Disbursements by Sector**

**Finance**



**Energy**



**Industry and Mining**



**Transportation**





# 2022 Highlights

PERSEVERANCE TOWARDS NEW HORIZONS

## 2022 Survey Highlights



Clients who gained access to Islamic finance since ICD intervention

647,400



New Islamic finance clients in 2022

74,524



Number of new clients who are Women

21,721



SMEs supported through ICD financing

2,256



Women led/managed SMEs funded

78



Total amount of funding to SMEs

USD 172,178,291



Jobs Sustained

86,358



Women Jobs Sustained

23,538



New Jobs Created

15,464

## 2022 Survey Highlights



New Women Jobs Created

3,956



Women in senior management positions

545



Export Sales Generated

USD  
543,677,200



Government Revenues

USD  
303,264,183



Community Development

USD  
6,600,419



Total MWatt Energy Produced

1773382.822



Total MW Energy Capacity Financed

1,764



Total Patients Served

4,640,231



Total Students Enrolled

50,323



Total Farmers Reached

5,305



Total Housing Units

11,332



Number of people trained

3,566

# 2022 Highlights

PERSEVERANCE TOWARDS NEW HORIZONS

## Highlights of Business Line Results



### Line of Finance (LoF)

**USD 107.4 million** of new funding provided to 518 SMEs; 6,094 jobs created (of which 2,145 were women); USD 140.0 million of export sales; **USD 110.9 million** of government revenue generation; **USD 4.5 million** spent in community development; 2,010,599 patients served in supported health facilities.



### Direct Financing

**USD 116.7 million** locally purchased goods and services; 3,004 new direct hires (of which 245 were women); USD 345.8 million of export sales; USD **147.3 million** of government revenue generation; **USD 1.2 million** spent in community development.



### Equity

**USD 109.1 million** locally purchased goods and services; 1,026 new direct hires (of which 267 were women); 74,524 new persons gained access to Islamic Finance of which 21,721 were women; 34,652 patients served by health partners; 1,195 SMEs funded; **USD 57.8 million** of export sales; USD 45.0 million of government revenue generation; USD 843K spent in community development.



### IBES Services

**USD 7.5 million** of new funding provided to 543 new SMEs creating 643 new full-time employment opportunities of which 440 were new women positions; 48,885 students enrolled in education centers financed by ICD IBES partners; 1,389 people trained



## Other Notable Results



**86% of respondents stated that they have a Board approved policy for fair employee treatment.**



**When asked, “How do you think business conditions for your company will be in 2023?”, 61% responded that conditions will “Improve”.**



**Regarding overall general economic conditions in their respective countries, 60% of respondents stated that they too will “Improve”**



**And finally, when asked to offer their views on the overall outlook for 2023, 60% stated that they are “Optimistic” about 2023, an encouraging sentiment considering the challenges 2023 offers.**



# Foreword

## In The Name of Allah, The Beneficent, The Merciful

**On behalf of the ICD, it is my pleasure to present the 2022 Annual Development Effectiveness Report (ADER). This is the ninth (9<sup>th</sup>) edition of the ADER with the purpose to report on ICD's development results and its efforts at increasing its development impact in our Member Countries (MCs) and Muslim Communities. The efforts reported are for the period from January 1st, 2022, through December 31, 2022.**

The last few years has seen an increase in global challenges stemming from financial, health and geo-political crises. This has wiped out years of development effort and has set many of our MCs back in terms of private sector development (PSD). Challenges will continue well into 2023 and the role of the ICD will need to be focused to address them.

Despite the challenges of 2022, the ICD partner and client network has achieved notable successes. I am delighted to report that, according to our 2022 Annual Development Effectiveness Survey, ICD has contributed to sustaining employment for roughly

86,000 men and women, created an additional 15,000 new jobs, generated roughly USD 300 million in government revenues, and provided well over USD 172 million in funding to SMEs and helped sectors such as energy and health in its MCs.

It is imperative that the development partnership comprising of governments, the private sector, civil society organizations, and Multi-Lateral Development Banks (MDBs) such as the ICD work together to get the best value for money in terms of Development Impact. By broadening and deepening our cooperation with sister MDBs in the development agenda, we can leverage our shared resources towards greater development impact. Together, we can identify and tackle development challenges, serving to identify financially viable projects that could yield the highest potential developmental impact, thereby improving the living standards of the societies of our MCs.

Meanwhile, since the launch of the SDGs, the convergence of the business and development agendas has become increasingly visible. As more companies and investors seek to align their businesses and investment portfolios to these global goals, it is becoming increasingly important to systematize how contributions to the SDGs are measured. Our Development Effectiveness Office (DEO) has led the efforts in addressing SDG alignment by working with several international bodies towards the

enhancement of ICD operations and interventions.

The ICD approach to sustainability is focused on generating long-term value for our stakeholders, including clients, partners, employees, and MCs. This is reached by improving our transparency and accountability in alignment with international best practice standards and initiatives. To ensure timely and transparent reporting on our development impact, our 2022 ADER aims to provide insights into how we activate our mandate to provide financing for private sector projects in MCs, with the aim to encourage cross border investments, focus on economic development, create jobs, develop Islamic finance, grow exports, and promote competition and entrepreneurship.

In all its efforts, ICD has been guided by the Board and its Chairman. I would like to take this opportunity to thank them as well as the ICD staff for their dedication and hard work. The efforts of our partners and clients have also been instrumental in ICD's ability to generate development benefits in our Member Countries. Every challenge will require collective expertise and solutions and with **New Determination** we can aim for **New Horizons** in contributing to the fulfillment of the ICD mandate.



**Eng. Hani Salem Sonbol**

Acting Chief Executive Officer



Our 2022 ADER aims to provide insights into how we activate our mandate to provide financing for private sector projects in MCs, with the aim to encourage cross border investments, focus on economic development, create jobs, develop Islamic finance, grow exports, and promote competition and entrepreneurship





# Director's Message

## In The Name of Allah, The Beneficent, The Merciful

**I am delighted to share with you our ninth edition of the ICD ADER for 2022. Our team along with our partners and clients have managed to capture respectable developmental initiatives and results in 2022. On the other hand, 2023 began where 2022 ended. High inflation, geo-political crises, food insecurities, cost-of-living increases and acute climate disasters are all posing serious challenges to the SDG roadmap envisioned back in 2015. Meanwhile, the 2030 SDG targets are fast approaching with a little less than seven years for the world to learn of its accomplishments. Given the onset of COVID-19 and subsequent economic triggers, many argue that the developmental wins of years past have been derailed or even lost in many parts of the world.**

Nevertheless, almost all agree that more strategic actions need to be taken by all players, including Multilateral Development Banks (MDBs) such as ICD. Estimates of the annual gap in funding of the SDGs has reached almost USD 4 trillion. With such a gap, the entire international community needs to better align its efforts towards the fulfillment of the SDGs by 2030.

Likewise, the growing needs of countries are seldom accompanied by the necessary resources to meet them. Particularly in the developing world, as such, the role of the private sector becomes ever more profound in helping contribute to the 2030 Agenda for Sustainable Development and the SDGs. The private sector supports economic growth and job creation, while serving to increase tax revenues for governments thereby helping them to address pressing social and economic challenges.

ICD and its management understand this very well and are keen to ensure ICD plays a robust and catalytic role in the private sector of our Member Countries (MCs). ICD has

responded to the challenges of 2023 by recalibrating its strategic objectives for both the short and mid-term. In 2023, our plan calls for the realignment of ICD's core mandate to help fulfill the financial challenges through constrained financing facilities geared to supporting our partners while ensuring the pursuit of SDG contribution. For the mid-term plans (2023-2025), continued conservative financial sustainability practices will be key in ensuring both ICD and its partner network located within MCs are unscathed and able to thrive in such a challenging business environment.

We encourage all our partners to work towards the fulfillment of the SDGs to help deliver a prosperous planet for all. This **New Determination** of ICD and its partner network will guide us to **New Horizons**.



**Dr. Mohammed Alyami**

Director, Development Effectiveness Office (DEO)



In 2023, our plan calls for the realignment of ICD's core mandate to help fulfill the financial challenges through constrained financing facilities geared to supporting our partners while ensuring the pursuit of SDG contribution



# Executive Summary

**“We in the Islamic Development Bank (Group) are not profit maximizers. We are impact and development maximizers.” ICD Chairman, H.E. Dr. Muhammad Al Jasser<sup>1</sup>.**

The challenges of 2022, such as the cost-of-living crisis, protracted economic downturn, geo-political crises, climate change and prolonged health and travel challenges due to the COVID-19 pandemic, are far from over and are expected to continue into 2023. ICD Member Countries (MCs) are currently confronting a multi-pronged crisis. The recovery from the global pandemic has persisted, coupled with the conflict in Eastern Europe, which continues to negatively affect commodity markets and supply chains, worsening food insecurity and poverty, thereby exacerbating inflationary pressures. This, in turn, has caused a slowdown in growth for most MCs.

Change management is a key skill set encouraged among our staff to help boost our performance. This was evident

in the second half of 2022, upon the joining of the Acting CEO, with his ability to encourage the staff to “*stay focused*” on the big picture, connect business activities to the mandate and strategy, and harness the ICD inclination for action during this time of change has enabled ICD to reach an approval amount of over USD 525.8 million in YE2022. This will help finance the economic growth of our MCs and their respective private sector enterprises.

However, we must ensure that continued economic growth is sustainable for not only our MCs, but for ICD itself. As such, ICD’s updates to the 2023 business plan are supported by the notion *to do well* and to *do no harm* while aiming to reach new horizons in terms of service delivery to our MCs and partner network. Here, our concentration will center on two overarching goals: *financial sustainability and strategic realignment to ICD’s core business mandate*.<sup>2</sup>

These two goals will help ICD deliver greater impact on the development front in a continued sustainable way. The challenges abound, yet with new vigour and determination towards new horizons will help ICD along with its partner network spearhead

84%  
response rate

Approval amount

525.8  
USD million

Export sales

543.7  
USD million

Government Revenues

303.3  
USD million

Spent on community development

6.6  
USD million

the push towards socio-economic development among its constituents.

Meanwhile, the latest ADER Survey yielded an 84% response rate. The results revealed that ICD’s clients and partners supported over 86,350 jobs, with

<sup>1</sup> Islamic Development Bank News  
<sup>2</sup> ICD 2023 Business and Operation Plan



**We live in unprecedented times, and our challenge as a Development Financial Institution (DFI) is to invest in our MCs private sector to ensure that the business community can adapt and thrive in a world of unpredictable and rapid change.**

roughly 15,400 new jobs created in 2022. Moreover, a total of 2,256 Small and Medium Enterprises (SMEs) benefited from ICD's financing activities. ICD-supported projects also resulted in export sales and government revenue generation totaling USD 543.7 million and USD 303.3 respectively in MCs, with USD 6.6 million spent on community development.

Overall, the 2022 survey showed that, despite the prevalence of the pandemic, ICD continue to help its partners in achieving notable successes.

### **Moving Ahead**

Given the on-going financial shocks, economic setbacks, climate calamities and an overall global environment marred by inflation and conflict, ICD in cooperation with its Multi-lateral Development Bank (MDB) and DFI partners will work together

to ensure continued support for a resilient global economic recovery. New ways of providing access to finance, enhancing business environments, developing export potential, attracting like-minded co-financiers, and promoting sustainability need to be utilized to foster a just and fair socio-economic impact and improve the lives of individuals within ICD MCs. Consequently, the role of the private sector becomes more critical in providing capital investment towards sustainable development and job creation.

The **New Horizons** of ICD should be enhanced in (i) supporting MCs that lag in both the PSD and in the SDGs; (ii) increasing financial inclusion; and (iii) financing infrastructure investments. ICD needs to re-envision the way it finances development, by relying more on its ability to partner and work with other stakeholders and private financial actors, underpinned by strategic partnerships, blended finance, or other financial mechanisms best suited for greater development impact.

A newly reinvigorated ICD with - **New Determination** and focus on **New Horizons**, at the while being centered on its core mandate whilst aligned with its MCs aspirations, supported by its stakeholders, and led by a group of committed managers and staff will help ensure the active role of the private sector within the economies of ICD MCs. Coupled with shareholder support and reinforced with a new management that is eager to ensure ICD's status as a leading Islamic MDB, the aim then would be, to bolster the ICD from within to help it offer innovative financial solutions to its MCs, thereby reaching **New Horizons with New Determination**.





# 01

## Introduction and Strategic Context







## 1.1 Overview

**With its significant role in driving inclusive and dynamic growth, private sector progress and growth has been the primary focus of ICD since its inception in November 1999. ICD's mission is to complement the role played by the Islamic Development Bank (IsDB) through the development and promotion of the private sector as a vehicle for boosting economic growth and prosperity, with a vision to become a premier Islamic multilateral financial institution for this very purpose.**

The 2030 Agenda is a plan of action for People, Planet, and Prosperity. It provides, along with the Sustainable Development Goals (SDGs), a guideline to achieve a better and more sustainable future for all of mankind.<sup>3</sup> The ICD management recognizes the importance of the 2030 Agenda and has ensured that ICD operations and interventions are purposeful and help contribute to the SDGs, thereby securing a better future for the societies of its MCs. That was insured by incorporating the relevant SDGs within ICD's strategic objectives and mandates. ICD advocates the use of sustainable development in providing for the needs of today at the same time as ensuring tomorrow's generational needs are protected.

On the other hand, the challenges of 2022, such as the cost-of-living crisis, protracted economic downturn, geo-political crises, climate change and prolonged health and travel challenges due to the COVID-19 pandemic, are far from over and are expected to continue into 2023. ICD MCs are currently confronting a multi-pronged crisis. The recovery from the global pandemic has persisted, coupled with the conflict in Eastern Europe, which continues to negatively affect commodity markets and supply chains, worsening food insecurity and poverty, thereby exacerbating inflationary pressures. This, in turn, has caused a slowdown in growth for most MCs.

We live in unprecedented times, and our challenge as a DFI is to invest in our MCs' private sector to ensure that the business community can adapt and thrive in a world of unpredictable and rapid change. Change management is a key skill set encouraged among our staff to help boost our performance. This was evident in the second half of 2022, upon the joining of the Acting CEO, with his ability to encourage the staff to *“stay focused”* on the big picture, connect business activities to the mandate and strategy, and harness the ICD inclination for action during this time of change has enabled ICD to reach an approval amount of over USD 525 million in YE2022. This will help finance the

<sup>3</sup> UN Department of Economic and Social Affairs



Fatima Hassan



**Our concentration will center on two overarching goals: financial sustainability and strategic realignment to ICD's core business mandate.**

economic growth of our MCs and their respective private sector enterprises.

However, we must ensure that continued economic growth is sustainable for not only our MCs, but for ICD itself. As such, ICD's updates to the 2023 business plan are supported by the notion *to do well* and to *do no harm* while aiming to reach new horizons in terms of service delivery to our MCs and partner network. Here, our concentration will center on two overarching goals: *financial sustainability and strategic realignment to ICD's core business mandate.*<sup>4</sup>

These two goals will help ICD deliver greater impact on the development front in a continued sustainable way. The challenges abound, yet with new vigour and determination towards new horizons will help ICD along with its partner network spearhead the push towards socio-economic development among its constituents.

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<sup>4</sup> ICD 2023 Business and Operation Plan



## Partner Box 1 – The Islamic Development Bank Group (IsDBG)

The Group has evolved to comprise 6 members including the:



**1975 - The Islamic Development Bank (IsDB)** is a multilateral development bank that works to improve the lives of people by promoting social and economic development.



**1981 - The Islamic Development Bank Institute (IsDBI)** is responsible for knowledge creation and dissemination in Islamic Economics and Finance.



**1994 - The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)** provides investment and export credit insurance for MCs.



**1999 - The Islamic Corporation for the Development of the Private Sector (ICD)** supports the economic development of its MCs for the private sector projects.



**2008 - The International Islamic Trade Finance Corporation (ITFC)** is a catalyst for trade development among MCs



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

This chapter outlines the overall global context and offer updates to ICD's plans with respect to the steady contribution towards its MCs' socio-economic development. ICD's 2023-2025 business plan will continue to concentrate its activities on its core competency areas of committing to inclusive human capital development, enhancing green economic growth, contributing to food security, and building sustainable infrastructure consistent with the IsDB's Strategy 2025, and its own ten-year strategy.

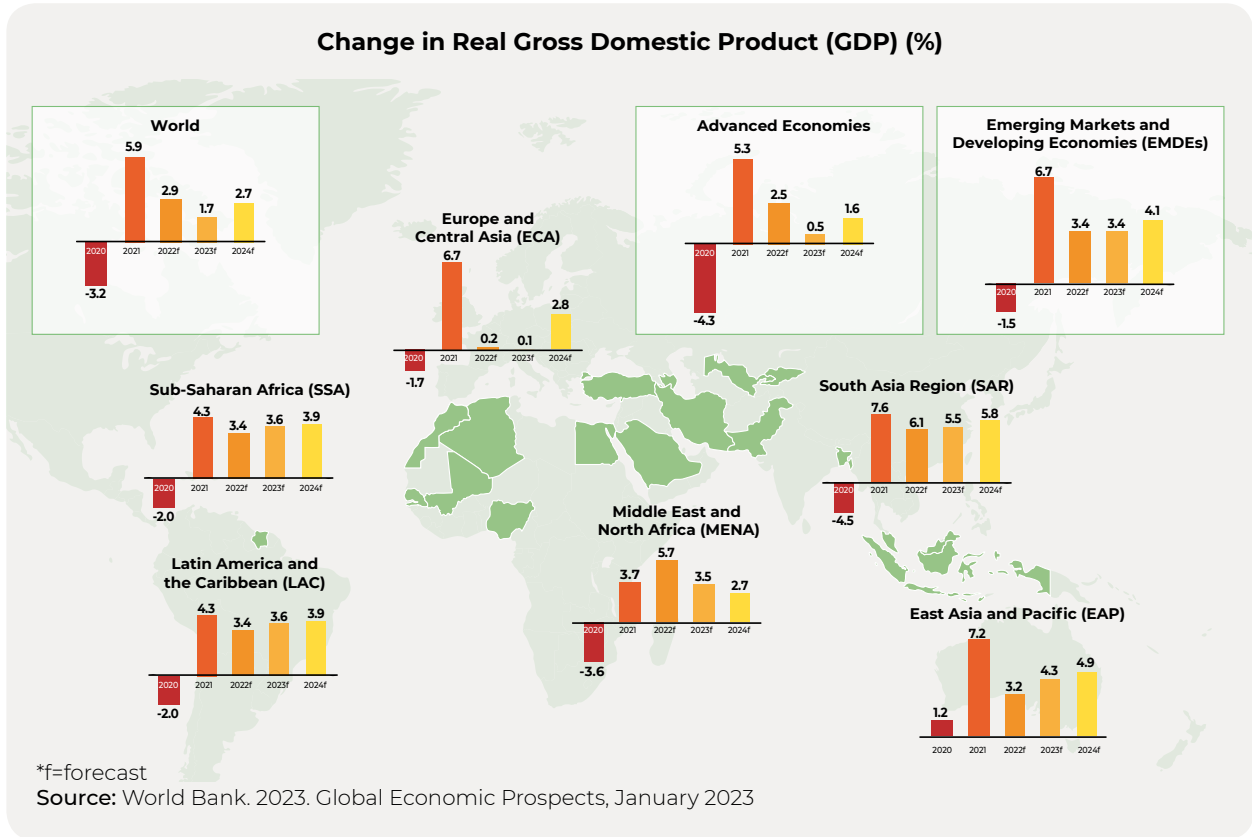
### a. Global Context

The world economy continues to suffer from a series of destabilizing shocks. After more than three years

of pandemic, supply chains issues, inflation, and overall financial conditions have all steepened the slowdown in global growth. Geopolitical conflicts are leading to soaring prices and volatility in energy markets, with global effects on commodity markets causing financial and economic pain to several countries across the globe. These conflicts have also led to a significant increase in agricultural commodity prices, which is exacerbating food insecurity and extreme poverty in many emerging market and developing economies, including many ICD MCs. The deterioration is broad-based, and in virtually *all* regions of the world, per-capita income growth will be slower than it was during the decade before COVID-19.<sup>5</sup>

<sup>5</sup> World Bank, January 2023 "Global Economic Prospects"

Global growth is projected to decelerate sharply this year to 1.7%, representing the third weakest pace in nearly three decades. Further negative shocks, such as higher inflation, tighter fiscal and monetary policies, financial stress, deeper weakness in major economies, or rising geopolitical tensions, could push the global economy into recession.<sup>6</sup>



### Key Takeaways:

Global economic growth is slowing and the prospects for a quick recovery are gloomy and uncertain. Risks to the outlook are overwhelmingly tilted to the downside:



The ongoing geopolitical conflicts;



Rising prices could stubbornly persist if labor markets remain overly tight or inflation expectations de-anchor, or disinflation proves more costly than expected, thus causing food insecurity and social unrest;



Tighter financial conditions may trigger debt distress in EMDEs;



Renewed COVID-19 outbreaks and lockdowns might further suppress China's growth; and



Geopolitical fragmentation may impede global trade and cooperation.

<sup>6</sup> World Bank, January 2023 "Global Economic Prospects"



### b. Global Trade

Global trade growth has been substantially revised downward, in part reflecting the significant global value chains (GVCs) disruptions. Higher transportation costs, fueled by shortages and unprecedented increases in the prices of commodities have rippled through GVCs, leading to production standstills and elevated producer prices. In 2023, growth in global trade volumes will decline to their slowest pace of expansion in over a decade. According to the World Bank, global trade growth is expected to moderate to an average of 4.1% in 2023-24 as global demand for tradable goods continues to decelerate.

### c. Commodity Prices

Commodity prices surged in the first half of 2022, following a broad-based rise that began in mid-2020 spurred by a rebound in demand amid constrained production for several commodities. The increase in prices was particularly pronounced for commodities, including energy and wheat.

In addition, fears surrounding global food shortage and security remain high, amid continued risks to grain exports. This situation has heightened the risk of social unrest in developing countries, stretched already by record-high inflation, and rising borrowing costs. However, agricultural prices are forecast to moderate in 2023, reflecting increased supplies from the rest of the world, particularly for wheat. Overall, global commodity prices have eased from their highs lately and oil prices are expected to moderate further in 2023 amid weaker global demand and higher interest rates.<sup>7</sup>

### d. Inflation

What has been preoccupying the world perhaps more than growth of the real economy is inflation. This is mostly due to a strong increase in global commodity prices (i.e., oil, gas, wheat, and other basic commodities). The COVID-19 pandemic's legacy of supply chain disruptions, unprecedented fiscal stimulus, pent-up demand, and high commodity prices have sparked inflationary pressures across the globe, forcing major central

<sup>7</sup> World Bank, January 2023 "Global Economic Prospects"





Debashis Mondal

banks to tighten monetary policy. Aggregate EMDE inflation reached over 9.4%, its highest level since 2008, while inflation in advanced economies came in at just a little over 9%; its highest since 1982. Overall, global inflation will ease slightly to 6.6% in 2023, from an estimated 9.4% in 2022.<sup>8</sup> ICD MCs were not spared, as inflation rates rose above 80% in Türkiye, while Lebanon, Syria and Sudan witnessed triple-digit inflation rates in 2022.

### e. Climate Change

The impacts of climate change, biodiversity loss and ecosystem degradation are already severe and hindering efforts to meet the SDGs. Climate change calamities and disasters are happening with increased frequency and for prolonged periods. Severe droughts and heatwaves in 2022 have contributed to rising prices of many foodstuffs. Moreover, Pakistan, an ICD MC, witnessed catastrophic floods in late summer of 2022 after heavy monsoon rains and melting glaciers

submerged one-third of the country, killing more than 1,700 and affecting a total of 33 million people, which was blamed on climate change. With at least two million homes destroyed and damaged, along with 13,000 or more kilometres of roads, 3,000 kilometres or more of railway tracks, 439 bridges, 4.4 million acres of agricultural land, the government is estimating the total damage at more than USD 30 billion according to the UNDP.

On the other side of the planet, according to research from the World Weather Attribution (WWA), floods caused the deaths of more than 600 people in Nigeria from June to October 2022, and nearly 200 in Niger and 22 in Chad, all ICD MCs. The calamity was the most devastating episode of seasonal floods in a decade in Nigeria affecting nearly 3.2 million individuals and attributing to roughly 1.4 million displaced individuals from their homes and causing severe loss of crops with over 569,000 hectares of farmland which may exacerbate an already alarming food crisis.<sup>9</sup>

<sup>8</sup> World Bank, January 2023 "Global Economic Prospects"

<sup>9</sup> United Nations Office for the Coordination of Human Affairs (OCHA) - 2022

## Client Box 1 – Nasda Green Energy Limited (NGEL), Pakistan

NGEL is a Special Purpose Company (SPC) with the sole objective of developing, financing, constructing, and operating 50 MW wind power project in Pakistan. This innovative, high technology project will create an enabling environment for wind power development using international financing facilities which will help attract the private sector in future wind power generation projects. The wind power project utilizes latest technology financed with a \$25.0 million debt facility from the ICD, allowing NGEL to generate roughly 132,500 megawatt-hours of clean energy per year. NGEL has created 14 direct and stable employment opportunities with spillover development impact on the local area.



Jobs

14



Amount of Local Purchases

1.1 USD million



Kilo Watt Energy Produced 2022

119,031,060



Total Power Capacity

50 MW

SDGs



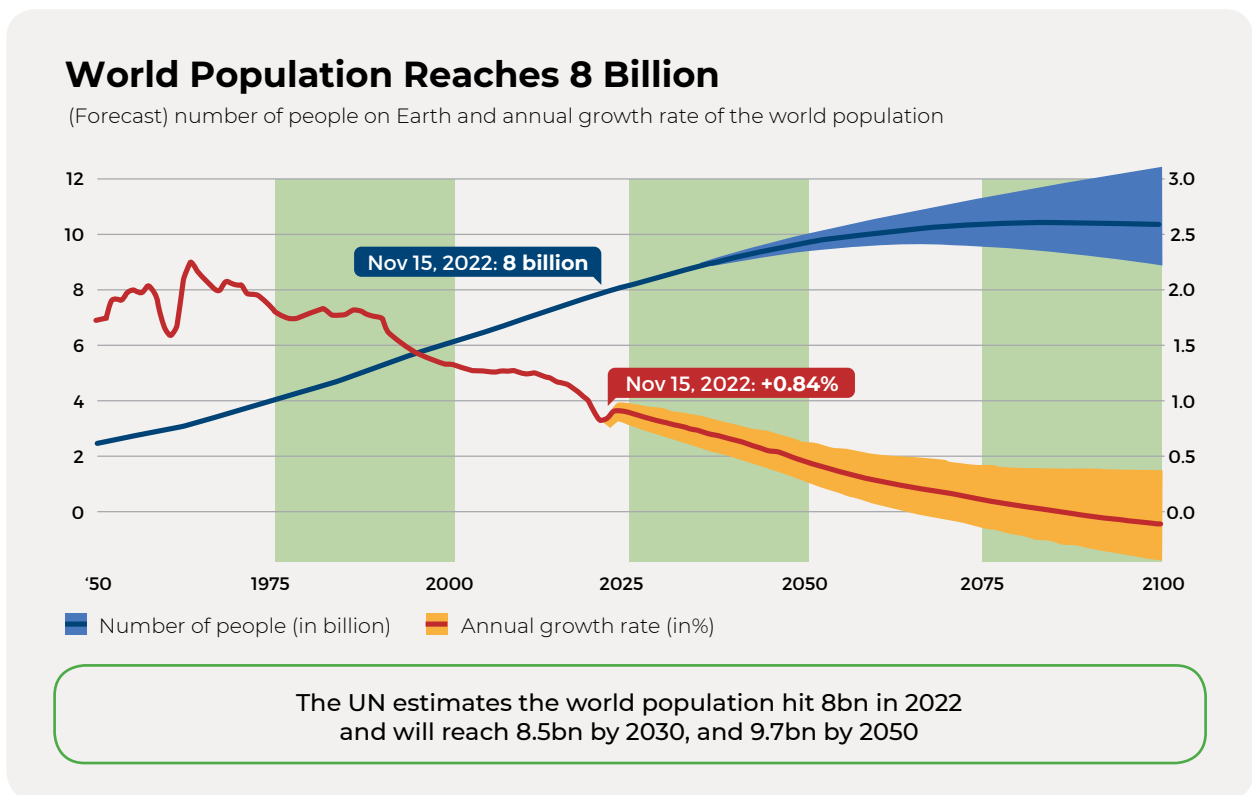
Globally, the poor, who are the least responsible for greenhouse gases (GHG) emissions, often suffer the most from climate change impact and have the least resources to adapt to the new climate reality<sup>10</sup>. The world could face a prolonged period of crop shortages and skyrocketing food prices, raising the risk of food insecurity, or even famine. According to the latest World Bank report, climate change could drive 216 million people to migrate within their own countries by 2050. On the other hand, if developing countries invested an average of 1.4% of their respective GDP annually, emissions could be reduced by as much as 70% by 2050 and boost resilience according to World Bank estimates.

Moreover, according to the Intergovernmental Panel on Climate Change (IPCC), the chance of breaching the 1.5°C target by as early as 2030 stands at 50%. Current commitments made by the G7

private sector suggest an increase of 2.7°C by mid-century, way above the goals outlined in the Paris Agreement. The transition to clean energy is critical for the mitigation of climate change by reducing the carbon footprint of energy compared to fossil fuels.<sup>11</sup>

### 1.2 Eight -Billion and Counting

The UN declared November 15, 2022, as the “*Day of Eight Billion*”.<sup>12</sup> This is the day the population of the world reached 8 billion persons. The latest UN projections suggest that the world’s population could grow to around 8.5 billion by 2030 and 9.7 billion by 2050. Humans everywhere are living longer, thanks to better health care and improvements in water and sanitation, all of which have reduced the prevalence of disease. Fertilizers and irrigation have boosted crop yields and improved nutrition.



10 OECD, "Integrating Climate Change Adaptation into Development Co-operation"

11 WEF Global Risks Report 2023

12 United Nations (UN) News



However, according to the UN, countries with the highest fertility rates tend to be those with the lowest income per capita. Global population growth has therefore over time become increasingly concentrated among the world's poorest countries, most of which are situated in Sub-Saharan Africa (SSA). In these countries, sustained rapid population growth can thwart the achievement of the SDGs, which remain the world's best pathway towards a happy and healthy future. More than half of the projected increase in the global population up to 2050 will be concentrated in eight countries: Congo, **Egypt**, Ethiopia, India, **Nigeria**, **Pakistan**, the Philippines, and Tanzania; out of which three (3) countries are ICD MCs. Countries of SSA are expected to contribute to more than half of the population increase anticipated through 2050. Moreover, India overtook China as the world's most populous country early in the 2023, according to Bloomberg.

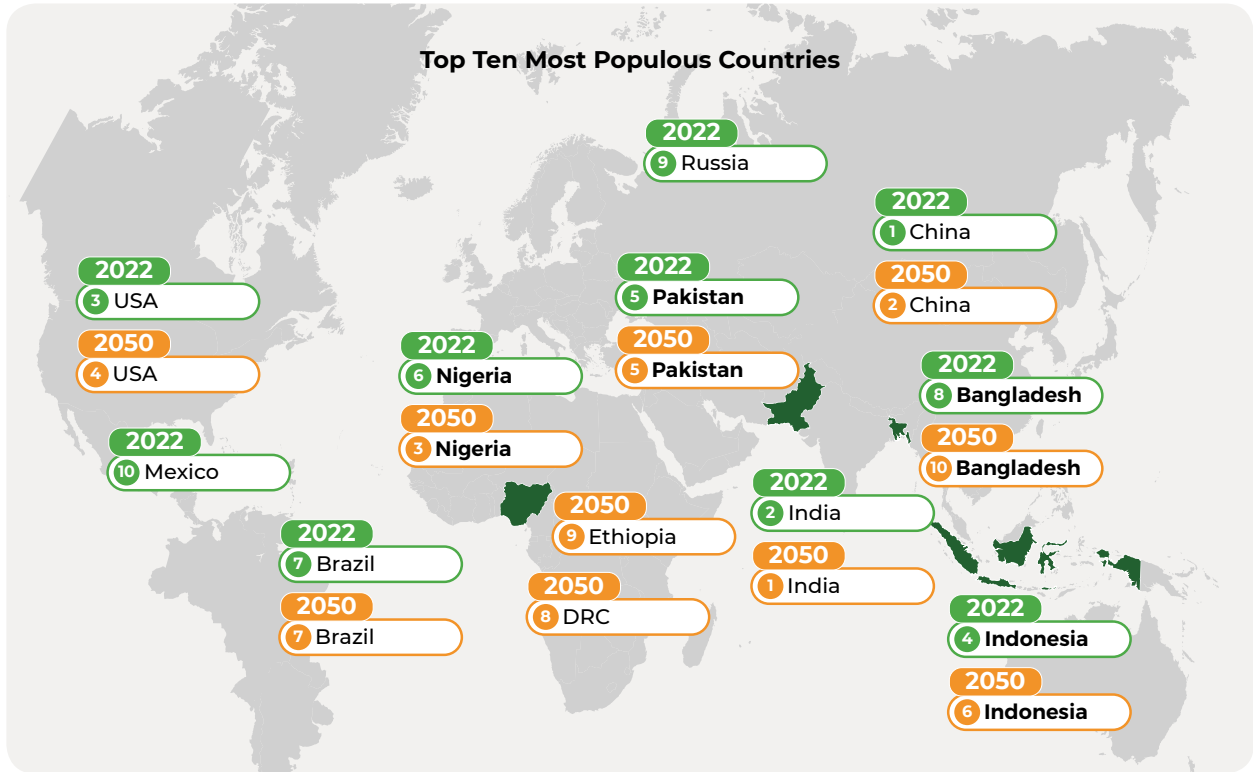
Even though population growth magnifies the environmental impact of economic development, rising per capita incomes remains the main driver of unsustainable patterns of production and consumption. The countries with the highest per capita consumption of material resources and emissions of greenhouse gas emissions tend to be those where income per capita is higher, not those where the population is growing rapidly.

As the population growth rate slows, the increase in population size well into this century raises



Abu Suhaib

important questions over how many people the planet can sustain, especially amid the effects of climate change. As birthrates have fallen dramatically in most wealthy countries, they remain high in many poorer parts of the world, which are least equipped to manage the impacts of continued growth.



### 1.3 Status of ICD Member Countries (MCs)

The prospect for resilient medium-term growth in many MCs is being compromised. The global growth rate of 5.9% achieved in 2021, is expected to slow down to 1.7% in 2023 according to the World Bank, namely stemming from COVID-19 variants that are further crystallized by geopolitical conflicts and heightened inflationary pressures. This will result in increasing debt burden, rising interest rates, capital flights, currency depreciations and negative impacts on trade, tourism, investment, and foreign remittances for MCs.

#### a. Economic Impact

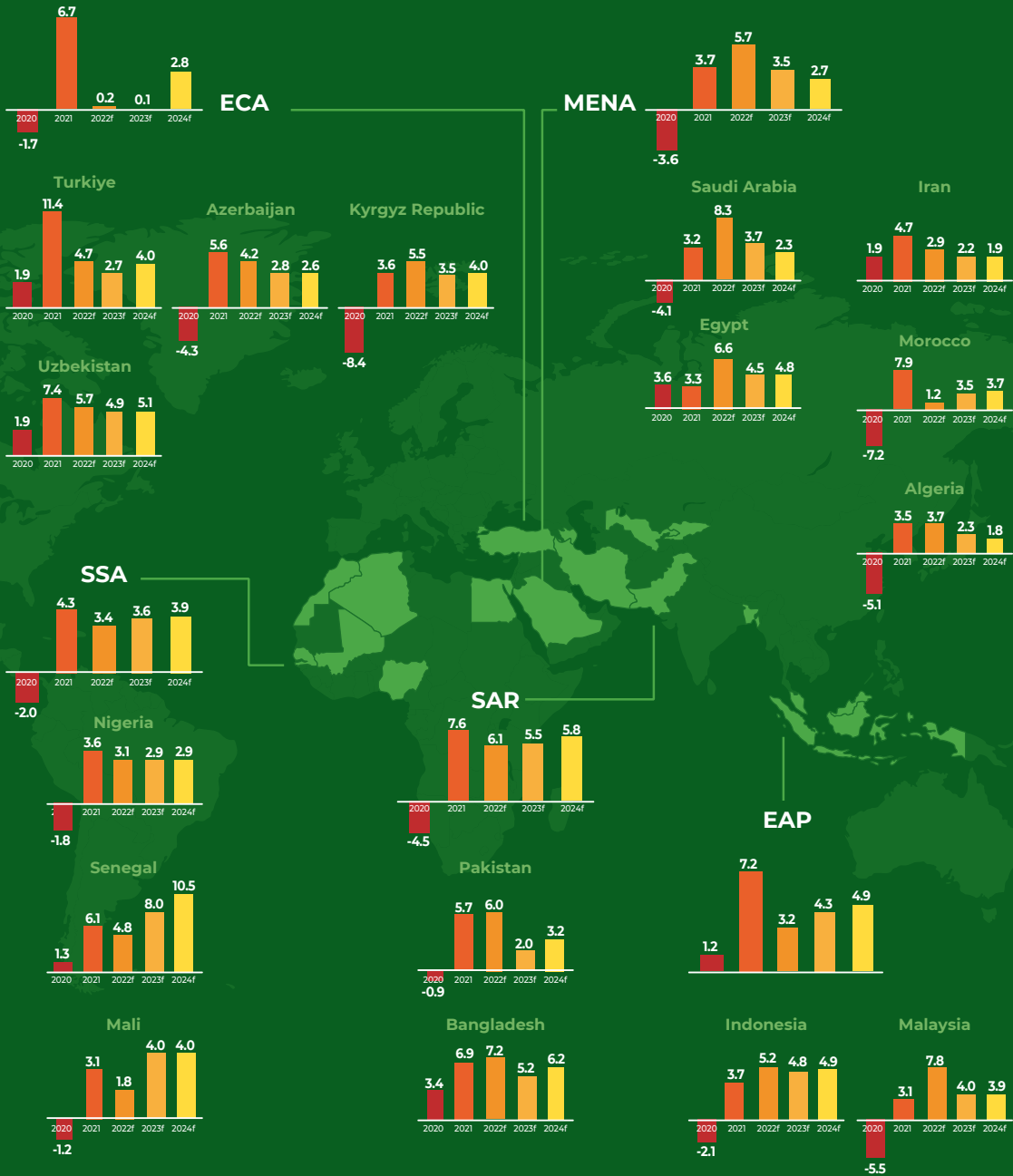
Notwithstanding fiscally costly measures rolled out to mitigate the socio-economic impacts,

the progress of MCs remains at risk during the medium-term. Although many MCs had begun recovering, such recovery is projected to be slower in the medium-term. It will also take a longer period for lower-income MCs, especially less diversified and fragile economies, to recover from the impacts of the COVID-19 pandemic. Meanwhile, average inflation in the MCs is projected to rise in 2023 and remain above the world average of 6.6%, reflecting mainly the surge in food and fuel prices as well as the sharp increase in interest rates and currency depreciations in some MCs.

Different groups of MCs face these challenges at varying intensities. For many commodity-dependent MCs, such as Egypt, Mali, and Lebanon, medium and long-term supply and demand for fuels, metals, minerals, and agricultural commodities



## Real GDP Growth Rates in Select Member Countries (in percent)



Source: World Bank, 2023. Global Economic Prospects, January 2023



will dramatically affect their growth prospects. With fiscal tightening and increases in interest rates necessary to deal with persistently high inflation, lower growth rates will reduce the already limited margins within which MCs can maneuver.

Not all MCs would be able go back to pre-pandemic growth trajectories in the near-term. Several MCs face extreme climate risks, and many are grappling with water stress and drought. Severe climate and fragility related events can put recovery and growth prospects at significant risk for these MCs.

ICD MCs face other challenges and development priorities, such as tightened trade and investment conditions, closing gaps in the availability of quality infrastructure and digital services, accelerating action on climate change (mitigation and adaptation), advancing gender equality, and expanding productive and inclusive employment opportunities, particularly for youth. The scope and scale of measures taken over the next few years will be pivotal in shaping MCs' medium to long-term development trajectory.<sup>13</sup>

### **b. MCs and their SDGs**

The SDGs were adopted by all United Nations (UN) Member States, including the 55 ICD MCs, in 2015 under the 2030 Agenda for Sustainable Development. There are 17 interlinked goals encompassing 5 sustainable development pillars intended to “transform the world” and help countries collectively “achieve a

<sup>13</sup> ISDB Strategic Realignment 2023-2025

better and more sustainable future for all. The five (5) pillars are People, Plant, Prosperity, Peace, and Partnership.

According to the Islamic Development Bank Institute (IsDBI) report, “*Reach the SDGs: Progress of IsDB MCs*”, IsDB MCs still have a long way to go if they are to reach the SDG targets by 2030. Moreover, per the 2022 Sustainable Development Report, countries were ranked by their overall score. The overall score measures the total progress towards achieving all 17 SDGs. The score can be interpreted as a percentage of SDG achievement. A score of 100 indicates that all SDGs have been achieved. ICD MCs’ overall SDG Index score stands at an average of 61.0, compared to the world average score of 66.0, suggesting that ICD MCs are just over 60% towards achieving the 17 SDGs and have much needed efforts and required resources to enhance their SDGs contribution. Other key findings from the IsDBI report are as follows:

- The main SDG challenge for MCs is related to the Prosperity dimension of SDGs, particularly on SDG9 (Industry, Innovation, and Infrastructure) with only 34% achievement.
- While progress has been made on the SDGs, major challenges remain. Despite high achievement on some goals, such as SDG13 (Climate Action) and SDG12 (Responsible Consumption and Production), progress on others, particularly SDG9 (Industry, Innovation, and Infrastructure), SDG5 (Gender Equality) and SDG 10 (Reduced Inequalities), are less adequate.
- There is wide variation among MCs in achieving the SDG targets, with progress ranging from the Republic of Chad at 41% to the Republic of Kyrgyzstan reaching a remarkable 74%.

ICD may direct its resources to improving sectors related to Industry, Innovation, and Infrastructure. There are intersections between the SDGs, which means that by improving progress towards SDG9, ICD will also contribute towards the achievement of other SDGs which MCs are still struggling to address.

According to the 2022 SDG index rankings, among ICD MCs, the Kyrgyz Republic and Azerbaijan

ranked among the top 50, 22 MCs ranked in top 100, 27 MCs ranked below the 100th rank and 4 MCs were not ranked.

#### ICD MCs 2022 SDG Ranking and Score<sup>14</sup>

MC Rank	Global Rank	Country Name	Score
1	48	Kyrgyzstan	73.7
2	50	Azerbaijan	73.5
3	61	Albania	71.6
4	62	Suriname	71.6
5	64	Algeria	71.5
6	65	Kazakhstan	71.1
7	67	Maldives	71.0
8	69	Tunisia	70.7
9	71	Turkiye	70.4
10	72	Malaysia	70.4
11	77	Uzbekistan	69.9
12	78	Tajikistan	69.7
13	80	Jordan	69.4
14	81	Oman	69.2
15	82	Indonesia	69.2
16	84	Morocco	69.0
17	85	United Arab Emirates	68.8
18	87	Egypt	68.7
19	88	Iran	68.6
20	93	Brunei	67.1
21	94	Qatar	66.8
22	96	Saudi Arabia	66.6
23	97	Lebanon	66.3
24	99	Turkmenistan	66.1
25	101	Kuwait	64.5
26	102	Bahrain	64.3
27	104	Bangladesh	64.2
28	115	Iraq	62.3
29	122	Gambia	60.2
30	125	Pakistan	59.3
31	126	Senegal	58.7
32	127	Ivory Coast	58.4
33	129	Syria	57.4
34	132	Mauritania	55.8
35	133	Togo	55.6
36	134	Cameron	55.5
37	136	Uganda	54.9
38	138	Burkina Faso	54.5
39	139	Nigeria	54.2
40	142	Mali	54.1
41	143	Mozambique	53.6
42	146	Sierra Leone	53.0
43	147	Afghanistan	52.5
44	149	Niger	52.2
45	150	Yemen	52.1
46	152	Guinea	51.3
47	153	Benin	51.2
48	155	Djibouti	50.3
49	159	Sudan	49.6
50	160	Somalia	45.6
51	161	Chad	41.3
n/a	n/a	Comoros	n/a
n/a	n/a	Guinea-Bissau	n/a
n/a	n/a	Libya	n/a
n/a	n/a	Palestine	n/a

<sup>14</sup> Sustainable Development Report 2022

Low-income countries tend to have lower SDG Index scores. This is partly due to the nature of the SDGs, which focus to a large extent on ending extreme poverty and providing access for all to basic services and infrastructure (SDGs 1–9). Moreover, poorer countries tend to lack adequate infrastructure and mechanisms to manage the key environmental challenges addressed by SDGs 12–15. Yet before the pandemic hit, most low-income countries, apart from those experiencing ongoing armed conflict or civil war, were making progress towards ending extreme poverty and providing access to basic services and infrastructure, particularly in relation to SDG3 (Good Health and Well-Being) and SDG8 (Decent Work and Economic Growth).<sup>15</sup>

Worth noting that in 2022, 16 (29%) of ICD MCs were classified as Low-Income Countries (LICs) according to the World Bank classifications. Twenty (36%) were classified as Lower Middle-Income Countries (LMICs), 13 (24%) came in as Upper Middle-Income Countries (MICs) and 6 (11%) were High-Income Countries (HIC). SSA countries represent the highest concentration of ICD MCs at 38% followed by MENA countries at 33%. ECA countries constitute roughly 15% of ICD MCs, while EAP countries comprise about 5%, with one (1) country located in the LAC region, namely Suriname.

Classification	Europe and Central Asia (ECA)	Middle East & North Africa (MENA)	South Asia Region (SAR)	Sub-Saharan Africa (SSA)	East Asia and Pacific (EAP)	Latin America & Caribbean (LAC)	Total Number	(%)
<b>Low-Income Countries (LIC)</b>	-	Syria, Yemen	Afghanistan	Burkina Faso, Chad, Gambia, Guinea, Guinea Bissau, Mali, Mozambique, Niger, Sierra Leone, Sudan, Somalia, Togo, Uganda		-	<b>16</b>	<b>29%</b>
<b>Lower Middle-Income Countries (LMIC)</b>	Kyrgyzstan, Tajikistan, Uzbekistan	Algeria, Djibouti, Egypt, Iran, Morocco, Palestine, Tunisia	Bangladesh, Pakistan	Benin, Cameroon, Comoros, Ivory Coast, Mauritania, Nigeria, Senegal	Indonesia	-	<b>20</b>	<b>36%</b>
<b>Upper Middle-Income Countries (UMIC)</b>	Albania, Azerbaijan, Kazakhstan, Turkiye, Turkmenistan	Iraq, Jordan, Lebanon, Libya	Maldives	Gabon	Malaysia	Suriname	<b>13</b>	<b>24%</b>
<b>High Income Countries (HIC)</b>	-	Bahrain, Kuwait, Qatar, Saudi Arabia, UAE	-		Brunei	-	<b>6</b>	<b>11%</b>
<b>Total Number</b>	<b>8</b>	<b>18</b>	<b>4</b>	<b>21</b>	<b>3</b>	<b>1</b>	<b>55</b>	<b>100.0%</b>
<b>(%)</b>	<b>15%</b>	<b>33%</b>	<b>7%</b>	<b>38%</b>	<b>5%</b>	<b>2%</b>	<b>100.0%</b>	

<sup>15</sup> Sustainable Development Report 2022





MD Nayan Hossain

## 1.4 ICD's Strategic Response

ICD's response to the development requirements of its MCs is contained in its three-year business plan (2023-2025) and is part of and consistent with the broader IsDB Strategy 2025 exercise.

### a. IsDB's Strategic Realignment 2025

This exercise was initiated based on the guidance provided by the Governors during the Roundtable talks held at the 46<sup>th</sup> Annual Meeting of IsDB Group held in Tashkent, Uzbekistan in September 2021. In view of the Governors' pressing call for strategic realignment of the Bank amidst the COVID-19 pandemic and beyond, the Bank initiated the repositioning exercise to effectively help its MCs to tackle the multitude of challenges they are facing.

In this global context, the IsDB's Strategic Realignment (2023-2025) was undertaken, founded upon a widely inclusive and consultative process to help the MCs address these challenges effectively. IsDB's contemplated strategic objectives for the period 2023-2025 are to: (i) boost recovery; (ii) tackle poverty and build resiliency; and (iii) drive green economic growth. The Bank's interventions in the next three years will be driven by two key pillars.

**The First Pillar** aims at supporting Green, Resilient and Sustainable infrastructure. It will cover six critical infrastructure sectors namely: (i) Clean and Renewable Energy; (ii) Sustainable Multi-model Transport; (iii) Agriculture and Rural Development; (iv) Information and Communication Technology & Digitization; (v) Social Infrastructure; and (vi) Urban Development, Water and Sanitation.



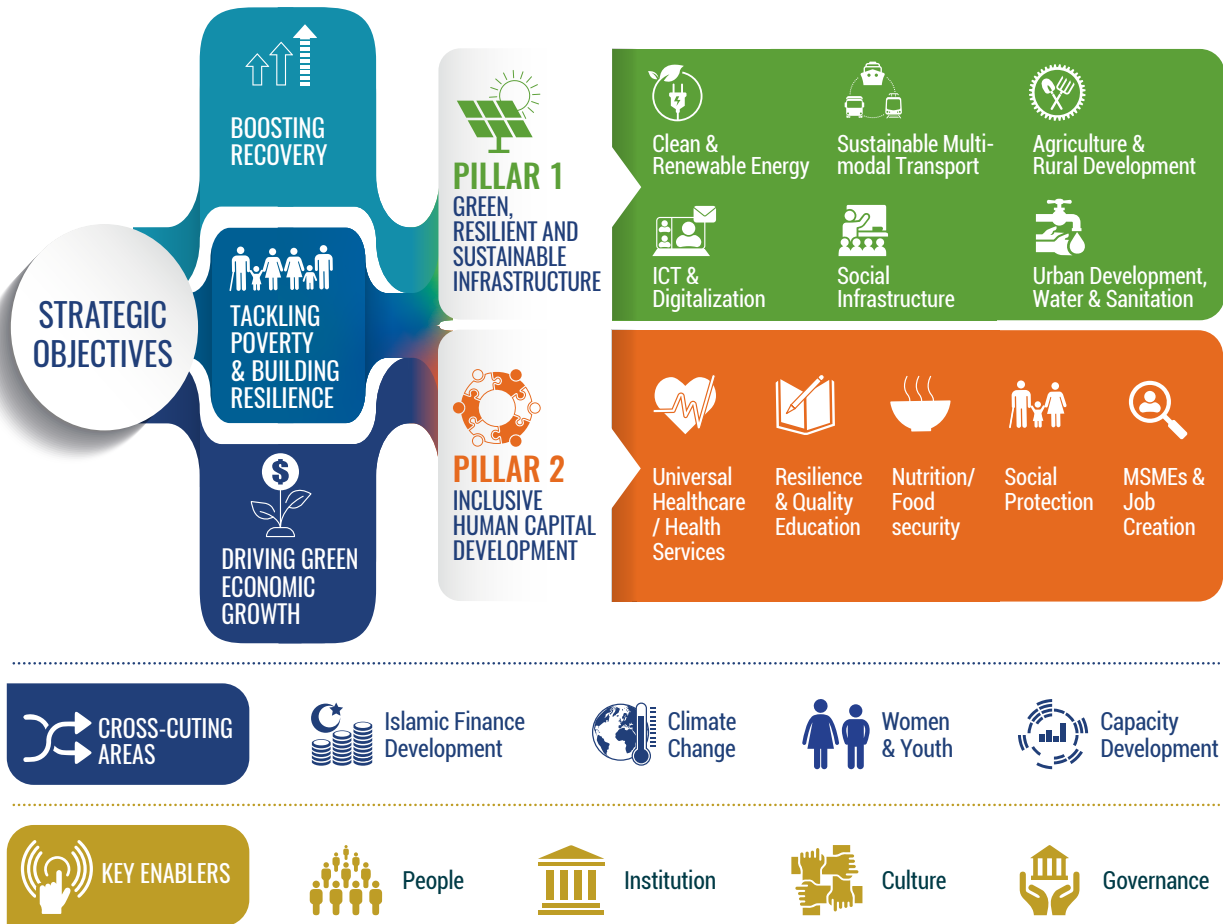
The **Second Pillar** will cover promoting inclusive human capital development focusing on five complementary sectors and thematic areas, namely: (i) Universal Healthcare / services; (ii) Resilient and Quality Education; (iii) Nutrition and Food Security; (iv) Social Protection; and (v) SMEs and Job Creation.

The four crosscutting areas that support the two pillars are *Islamic Finance, Climate Change, Women and Youth, and Capacity Development*. The IsDB's Strategic Realignment's Implementation will be driven by four guiding principles: (i) to be

responsive to MCs; (ii) to be results driven; (iii) to ensure regional presences is further strengthened and empowered; and (iv) for IsDB Group comprising the six entities to work as a single unit under the *"One Group- One Goal"* approach aimed at offering holistic and complementarity services to MCs.

To effectively implement the strategy, the Bank's support will originate from and be driven by the National Plans of MCs. The support will also be adaptive to the diverse needs of MCs and use technologies to effectively deliver development financing and knowledge services.

**Figure IsDB Strategy 2025 – Strategic Objectives, Pillars, Cross- Cutting Areas and Enablers**



Source: Islamic Development Bank, Strategic Realignment 2023-2025



Amar Habeeb

### b. The 2023-2025 ICD Business Plan (BP)

The BP is greatly informed and guided by the prevailing macroeconomic environment in MCs, urgent demands and needs of MCs and most importantly, strategic priorities and guidance articulated by the Esteemed members of the Board of Directors of ICD during its meeting held on September 12<sup>th</sup>, 2022.

The 2023-2025 ICD BP internalizes the objectives, goals and operational processes outlined in the IsDB Strategy 2025. It is based on ICD’s 10-year strategy emphasising growing the business in financially sustainable way and serving countries based on their development needs. This BP was built on two overarching goals: *financial sustainability and strategic realignment* to ICD’s core business mandate. The BP has three Pillars, namely:



**1. Business and Financial Realignment**



**2. Governance Enhancement**



**3. Organizational Excellence**





**Directly target SDGs 7,8 and 9 through line of financing (LOF) (access to financing for SMEs) and term financing (green financing & infrastructure development) while partially supporting SDGs 13 and 17 and indirectly contributing to SDGs 1, 2, 3, 4 and 5**

To achieve its plan, ICD identified Strategic Objectives and Key Strategic Initiatives under each Pillar listed above, which are essential to ensure financial sustainability and strategic realignment in 2023, and growth in the mid-term, and successfully progress towards ICD's 10-year strategic ambitions. ICD can play an important role in promoting the private sector, boosting recovery, driving green economic growth, and contributing to inclusive human capital development. ICD will:

- Maximize its contribution to improve the enabling factors and conditions that help MCs to achieve their development goals and SDG targets.
- Directly target SDGs 7,8 and 9 through line of financing (LOF) (access to financing for SMEs) and term financing

(green financing & infrastructure development) while partially supporting SDGs 13 and 17 and indirectly contributing to SDGs 1, 2, 3, 4 and 5; and,

- Make its internal operations more effective and efficient through empowering and knowledge building of its employees.

**c. ICD Strategic Initiatives 2023-2025**

To enhance and facilitate its development effectiveness, ICD will implement a set of strategic initiatives during 2023-2025.



**Enhanced Governance & Processes:**

ICD will utilize more efficient and streamlined credit processes and ensure a dedicated portfolio management function to realize its approval and disbursement targets for LoF.



**Focus on Large-Size Projects:**

ICD plans to provide larger facilities, especially for financial institutions with strong risk profiles and/or banks with strategic importance in MCs while abiding by its risk policy requirements.



**Focus on Food Security, Energy and Sustainable Infrastructure Projects:**

To address the food security, energy and infrastructure-related challenges of its MCs, ICD will prioritize financing the projects with a clear contribution to access to food and renewable energy.






**Focus on Key Markets & Sub-Sectors:**

To streamline operations and mitigate against the risk of spreading too thin across a very large number of countries and sectors, ICD identified focus areas for 2023 and the following two years.

ICD expects to support 96,808 jobs, provide access to finance to 16,721 SMEs, and enable access to Islamic Finance to 176,014 persons in its MCs during 2023-25 (See Table)

**ICD’s Development Impact targets (2023-2025)**

Targets	2023	2024	2025	Total
 Jobs Supported	24,136	33,812	38,860	<b>96,808</b>
 Reach to SMEs	4,169	5,840	6,712	<b>16,721</b>
 Access to Islamic Finance	43,884	61,476	70,654	<b>176,014</b>



# 02

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## ICD in Action





## 2.1 Overview

**Since its inception in 1999, ICD has delivered almost USD 7.61 billion in cumulative approvals and more than USD 4.01 billion in disbursements for PSD. ICD projects have supported a wide array of industries including Finance, Infrastructure, Agriculture, Transportation, Manufacturing, and Energy in 50 MCs.**

## 2.2 Key Development Effectiveness Initiatives

Initiatives supported by the ICD DEO team help create an understanding to the both the work of the DEO and of our clients. Through these initiatives, DEO helps expand the knowledge and best practices in support of the ICD mandate at the while report to the ICD stakeholders on the impact of the ICD operations.

### a. SDG Alignment Initiative – Applying the SAAU Framework

SDG alignment is both a means to mobilize resources for the implementation of the 2030 Agenda and a value proposition for private sector to preserve the long-term value of assets by doing no harm and contributing solutions to sustainable development challenges, thereby reducing risks, and enhancing resilience of the global financial system. This double materiality (financial and non-financial) of the SDG alignment agenda relies on the achievement of two objectives:<sup>16</sup>

- i. **Equality:** resources should be mobilized to leave no one behind and fill the SDG financing gaps, and
- ii. **Sustainability:** resources should accelerate progress across the SDGs.

The ICD as a member of the International Development Finance Club (IDFC), took part in the SDG Alignment study entitled “*PDBs’ catalytic role in achieving the UN SDGs*”. The study was authored by Center of Expertise of Natixis CIB Green and Sustainable Hub (GSH).

The study spelled out a set of “SDG contribution principles” and “integration trackers” at entity and activity levels. It proposed a practical and simplistic canvas designed to accommodate different maturity levels or starting points: the SAAU Framework (*Stop, Adjust, Amplify, Undertake*). It can be used by an individual bank for diagnosis and strategy setting purposes, but also by coalitions or clubs looking for collective commitments.<sup>17</sup>

<sup>16</sup> Framework for SDG Aligned Finance - © OECD, UNDP 2020

<sup>17</sup> PDBs’ catalytic role in achieving the UN SDGs – IDFC & Natixis

**Partner Box 2 – International Development Finance Club (IDFC)**



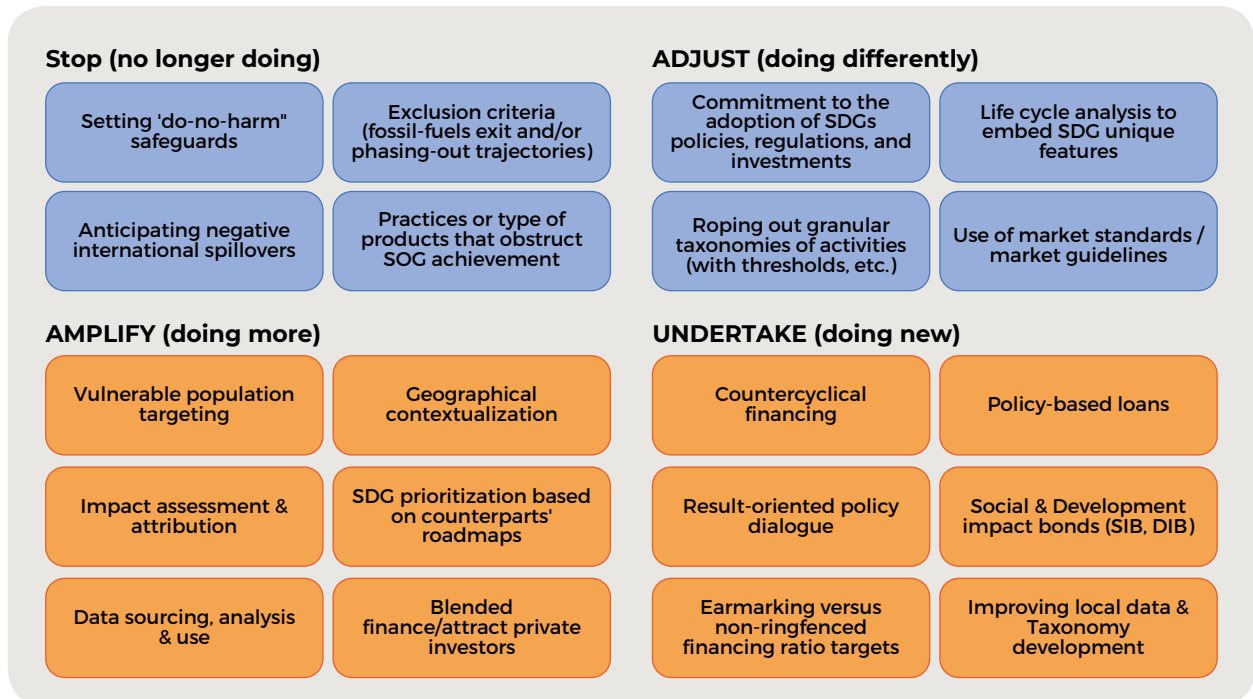
The IDFC, created in 2011, is a leading group of 27 national and regional development banks from all over the world, the majority of which are active in emerging markets. Together, the IDFC members are the largest provider of public development finance globally, with \$4 trillion in combined assets and annual commitments above \$600 billion. IDFC members have the unique function of supporting domestic policies while transferring international priorities into their own constituencies.

**USD 4 trillion**  
in Combined Assets

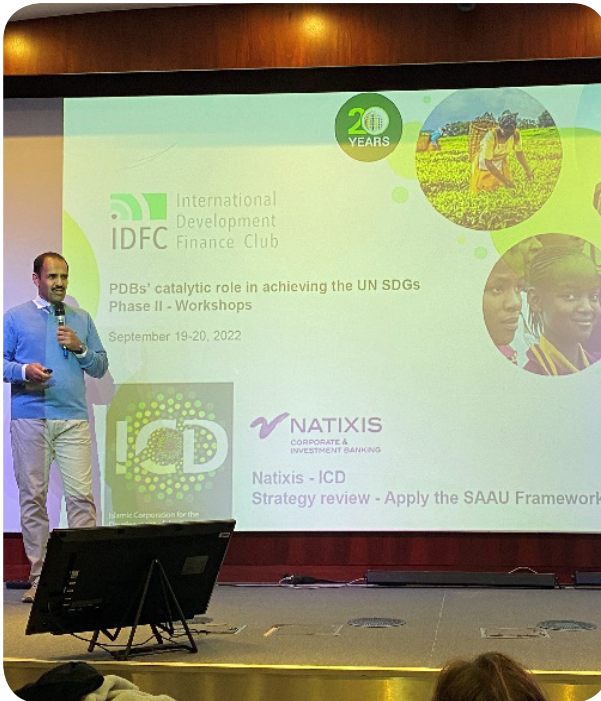
**USD 600 billion**  
Annual Commitments

The IDFC Members, working together to implement the Sustainable Development Goals & the Paris Climate Agreement agendas, join forces as a platform to promote & leverage Sustainable Development Investment worldwide.

As an enabler of alignment, the priority for ICD is to identify to what extent and how best it can contribute to SDG gap bridging. The use of the SAAU Framework as a diagnosis and guidance tool helped identify how ICD could become a better SDG alignment corporation. Led by the DEO team, the ICD used the SAAU Framework and began by filling the four categories to design a coherent and consistent action plan. The SAAU framework (see figure) recognizes different levels of contribution to achieving the SDGs.







ICD DEO Team Members Dr Mohammed Alyami and Mr. Talal Karim Alobayd presenting the ICD findings to the IDFC, Paris France September 19-20, 2022

The SAAU Framework proposed by Natixis in the conceptual framework is meant to be used at any level of the entity, from the HR department to the different business lines. The ICD-DEO team decided to start by doing its self-assessment thanks to the original version of the SDG Integration Trackers. Then, the ICD-DEO team picked the two most lagging trackers at entity level and did the same at activity level. Finally, the ICD-DEO team decided to apply the SAAU canvas on those SDG trackers to find potential solutions to increase these scorings. The SAAU framework’s application was therefore used with a concrete end goal: *improve ICD’s strategy to incorporate the SDGs in a robust manner.*

Circulating these frameworks across the organization also opened discussions and knowledge sharing, whilst the framework really helped to classify everyone’s ideas in a coherent way, collect and gather information. The discussions therefore represented quality time spending for ICD. By doing so and by asking participants to identify opportunities and challenges under

one single framework, the exercise allowed ICD participants to start having a clearer idea of what activities ICD needed to stop and what activities ICD needed to pursue for better SDG alignment. Ultimately, the use of the SAAU Framework allowed the ICD internal teams to:

- Make sure that every facet of ICD activities or operations do not directly or indirectly hinder progress towards the SDGs;
- Finance activities and entities that contribute substantially to meet the 2030 targets; and
- Deconstruct and rethink ICD activities with the sole purpose of contributing to the SDGs.

In addition, as a testament to ICD’s commitment to the 2030 agenda, ICD represented by the DEO, continued its work on the SDG Finance Advisory Board for the Global Councils on SDGs to contribute to solving major bottlenecks in the delivery of results on the SDGs on a national and global level.



### Partner Box 3 – SDG Finance Advisory Board for the Global Councils

The Global Councils on SDGs is a unique interdisciplinary network of decision-makers from governments, international organizations, academia, and the private sector, who came together to share innovative practices and discuss the creative implementation of the 17 SDGs at the national and global level. The initiative was launched as a cross-collaborative project between the United Arab Emirates Prime Minister’s Office (PMO) and the Federal Competitiveness and Statistics Centre (FCSC) during the World Government Summit (WGS) side event, SDGs in Action, in 2018.

**GLOBAL COUNCILS**  
SUSTAINABLE DEVELOPMENT GOALS



**المجالس العالمية**  
أهداف التنمية المستدامة



#### b. Supporting the Financial Inclusion (FI) Agenda

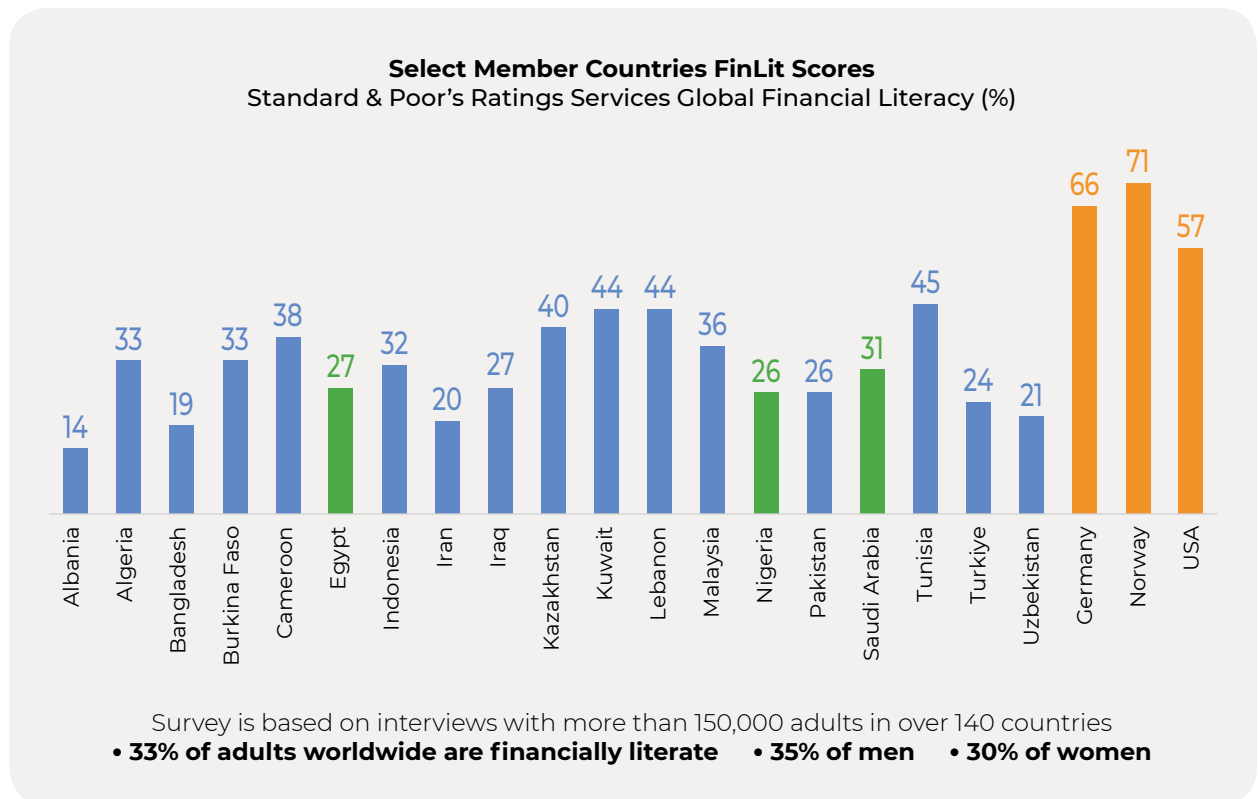
Financial Inclusion, which according to the World Bank is defined as the “...means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit, and insurance – delivered in a responsible and sustainable way”, has moved up the global reform agenda and become a topic of great interest for policy makers, regulators, researchers, market practitioners, and other stakeholders. For the ICD, FI represents a core development target, given its implications for reducing poverty and boosting economic empowerment. The increased emphasis on financial inclusion reflects a growing realization of its potentially transformative power to accelerate development gains as well. Inclusive financial systems provide individuals and firms with greater access to resources to meet their financial needs, such as saving for retirement,

investing in education, capitalizing on business opportunities, and confronting financial shocks.

A major requirement for Financial Inclusion is Financial Literacy (FinLit) and capability. FinLit contributes directly and indirectly to achieving SDG1 (No Poverty), SDG4 (Quality Education), SDG5 (Gender Equality), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation, and Infrastructure), SDG11 (Sustainable Cities and Communities), and SDG17 (Partnerships for the Goals).

Recognized as an essential life skill, FinLit education is acknowledged as a complement to financial consumer protection, inclusion, and regulation, while serving to improve individual decision making and well-being, and as essential to financial stability and development of any country's overall financial ecosystem. Despite the significance of FinLit, many studies around the world indicate that much of the world's population still suffers from financial illiteracy and that measures to remedy the problem are urgently needed.

Efforts by the ICD DEO team in support of the FI agenda were evident by organizing FinLit workshops in three MCs, namely, Egypt, Nigeria, and Saudi Arabia with 27%, 26% and 31% financial literacy rates respectively, low compared to several developed nations such as Germany or Norway.



Support of the FI agenda continued throughout 2022 in partnership with JP Morgan Chase Foundation (JPMCF) to support women empowerment by availing workshops and access to an incubation platform with the aim to help women entrepreneurs launch their own businesses. The incubation program was designed to develop women entrepreneurial skills in the fashion industry in Saudi Arabia.

Partner Box 4 – JP Morgan Chase Foundation (JPMCF)



J.P. Morgan is a global leader in financial services, offering solutions to the world’s most important corporations, governments, and institutions in more than 100 countries. The JPMorgan Chase Foundation (JPMCF) is the financial institution’s philanthropic arm that focuses its grantmaking on community development and capacity building, workforce development, and wealth building for disinvested and marginalized communities.



ICD through the DEO contributed to the FinTech industry by organizing several FinTech CEOs Roundtables in Egypt, Uzbekistan and Turkiya. Additionally, the DEO team developed and published the *FinTech Market Entry Report* for 4 countries, namely, Azerbaijan, Turkiya, Albania and Bosnia & Herzegovina. The team also collaborated with Pearl Initiative by organizing 4 events for FinTech startups. The DEO team also translated a book entitled “*Financing our common future*” into the Arabic Language to help individuals learn more about money management skills. Understanding how the financial system works will equip them with the skillsets needed to better manage their money wisely and eventually improve their living standards.

In an alignment with the UN SDGs and the G20 objectives, ICD is always keen on participating and supporting programs that help in achieving the development goals, particularly, the goals addressing inequality, equal opportunities, access to finance, digital transformation, and innovation. Led by the ICD DEO team, a financial education program was launched to provide high-quality education and training courses in the subject of FinLit and Financial Inclusion in ICD’s 55 member countries via ICD’s FinLit online Platform. The Platform aims to attract financial service providers, especially FinTech companies, to extend affordable and easy access financial

## Partner Box 5 – Pearl Initiative



The Pearl Initiative is the GCC region's leading independent, non-profit organization working to promote the business case for a corporate culture of accountability and transparency. The organization was established in 2010 by regional business leaders in cooperation with the United Nations Office for Partnerships. The Pearl Initiative is the only private, non-profit Gulf business network to receive special consultative status from the United Nations Economic and Social Council.

services. Additionally, the platform offer access to financial educational resources and opportunities. It will also serve as a marketplace to better serve the unbanked/underserved populations, whether individuals or MSMEs.

The ICD, through the coordination efforts of the FinLit Platform, will continue to support and encourage MCs efforts where it can be most effective. These efforts should aim to improve and expand FinLit by promoting best practices, sharing evidence, creating expert unbiased resources where needed, and deploying policy solutions to support the country's FinLit infrastructure. By serving as a thought leader and partner, the ICD will help improve financial knowledge, skills, and decision-making among its MCs societies.

### 2.3 Portfolio and Investment Analysis of ICD's Activities in 2022

Following the challenging year of 2018, ICD embarked on a stabilization and financial restructuring program focusing on rebalancing the portfolio, rehauling its corporate governance and operating model, and focusing on business development and building a healthy pipeline of projects. In turn, after three years of losses in addition to overcoming the setbacks caused by the COVID-19 crisis, ICD achieved a successful turnaround.

Operationally in 2022, ICD approved USD 525.8 million worth of projects with disbursements for the year totaling USD 310.5 million. This is in line with ICD's commitment of funding meaningful projects and businesses in various economic sectors

such as Finance, Industry and Mining, Energy, and Transportation.

#### a. Activity Since Inception:

##### Approvals:

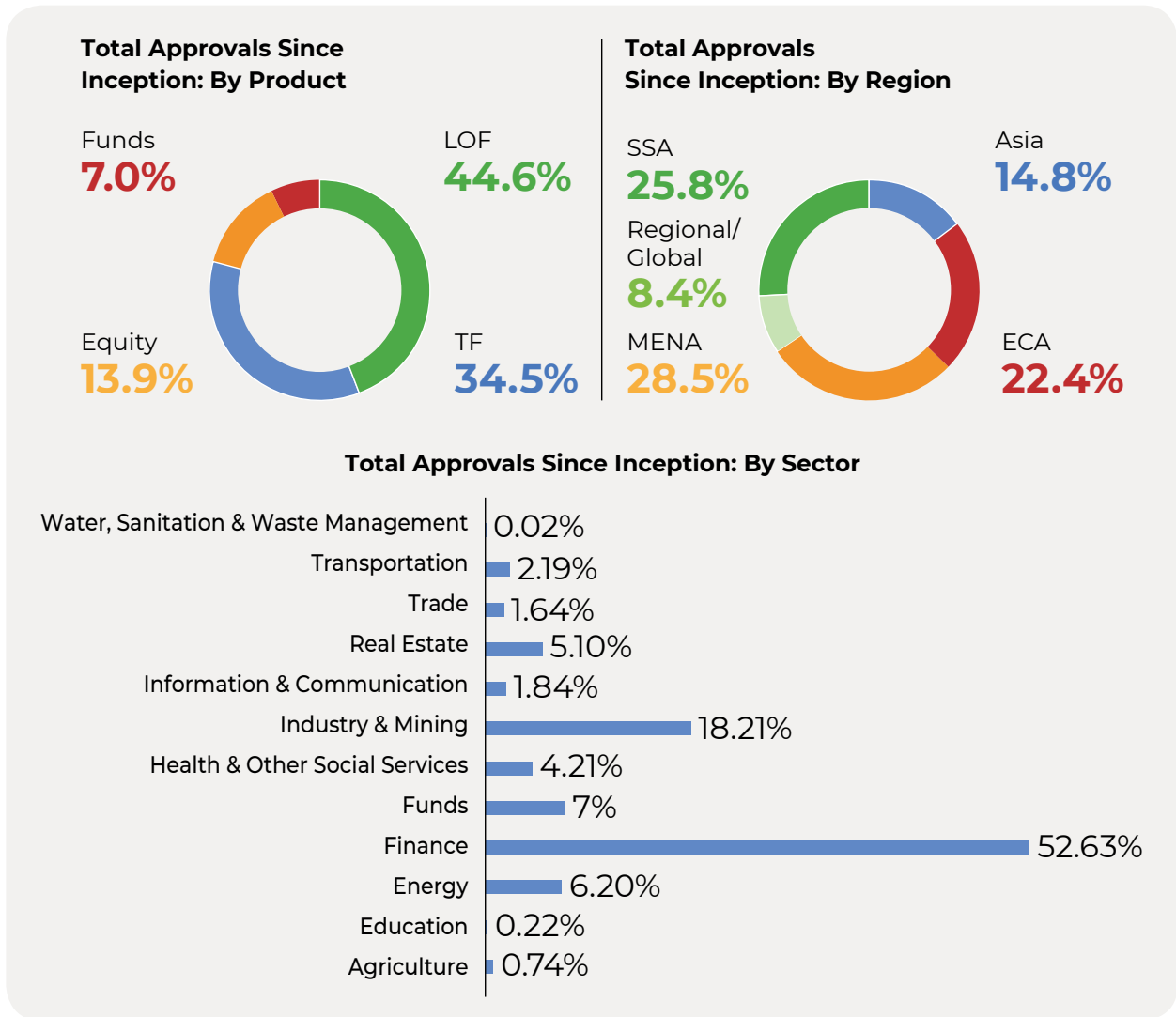
As of YE22, ICD has delivered almost USD 7.61 billion in cumulative approvals and more than USD 4.01 billion in disbursements since inception for PSD. Our approvals as of YE2022 include Line of Finance (LoF) projects valued at USD 3.39 billion, Term Finance projects valued at USD 2.62 billion, Equity projects valued at USD 1.06 billion and Funds projects valued at USD 532.85 million. To date, 79.2% of approvals have been allocated to credit financing (Term Finance plus Line of Finance), followed by 13.8% in Equity participation (institutional equity and corporate equity) and the remaining 7.0% in Funds.

Regionally, the Middle East and North Africa (MENA) region accounts for 28.1% of gross approvals, followed by Sub-Saharan Africa (SSA) with 25.9%, Europe and Central Asia (ECA) with 22.5%, and the Asia region with 14.9%. The share of regional/global projects covering several countries across different regions represents 8.5% of gross approvals.

Meanwhile, by sector, the largest share of approvals was allocated to the Finance sector (excluding funds), representing 52.4%, or USD 4.00 billion. The Industry and Mining sector takes up the second largest share at 18.1% with a gross approved amount of USD 1.39 billion. This is followed by Funds with 7.0%, and Real Estate, Energy, Health and Other Social Services, Transportation, Information and



Communication, and Trade, accounting for 21.6% of gross approvals. The remaining USD 74.38 million, representing 1.0% of cumulative approvals, is allocated to three economic sectors: Agriculture, Education, and Water, Sanitation, and Waste Management.



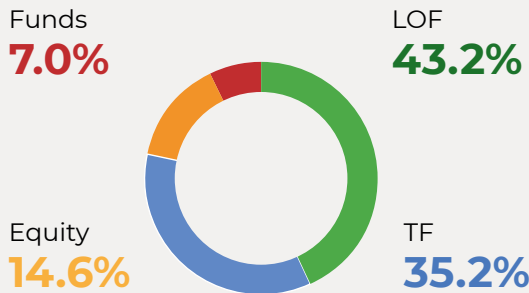
**Disbursements:**

With its significant role in driving inclusive and dynamic growth, PSD has been the primary focus of ICD since inception and our disbursements reflect this. ICD disbursements as of YE2022 include LoF projects valued at USD 1.76 billion, Term Finance projects valued at USD 1.43 billion, Equity projects valued at USD 594.83 million and Funds projects valued at USD 283.8 million. To date, 78.4% of disbursements have been allocated to credit financing (term finance plus LoF), followed by 14.6% in Equity participation (institutional equity and corporate equity) and the remaining 7.0% in Funds.

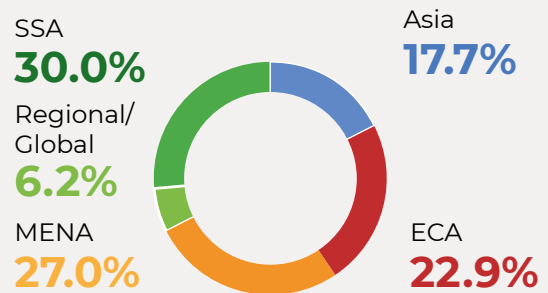
Regionally, the Middle East and North Africa (MENA) region accounts for 27.0% of total disbursements, followed by Sub-Saharan Africa (SSA) with 26.1%, Europe and Central Asia (ECA) with 22.9%, and the Asia region with 17.7%. The share of regional/global projects covering several countries across different regions represents 6.2% of gross approvals.

Meanwhile, by sector, the largest share of disbursements was invested in the Finance sector (excluding funds), representing 50.8%, or USD 2.07 billion. The Industry and Mining sector takes up the second largest share at 18.2% with a total disbursed amount of USD 740.46 million. This is followed by Funds with 7.0%, and Real Estate, Energy, Health and Other Social Services, Transportation, Information and Communication, and Trade, accounting for 21.9% of gross approvals. The remaining USD 85.3 million, representing 2.1% of cumulative disbursements, was invested in three economic sectors including: Agriculture, Education, and Water, Sanitation, and Waste Management.

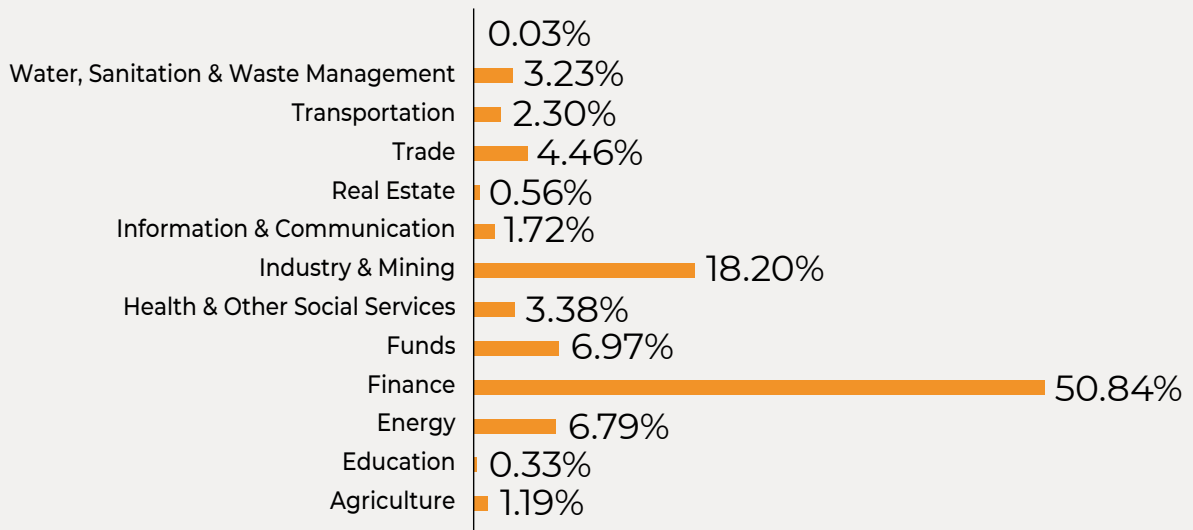
**Total Disbursements Since Inception: By Product**



**Total Disbursements Since Inception: By Product**






**Total Disbursements Since Inception: By Sector**



**b. Activity in 2022:**

Total approvals for 2022 were USD 525.8 million increasing by an impressive 115.8% from the previous year of 2021, where approvals amounted to USD 243.6 million, owing to the focused and determined character of ICD and its staff to reach new horizons and meet the challenges of its MCs head-on. The emphasis remained on PSD particularly the SMEs sector, as it is the main engine of growth in many of ICD MCs. Meanwhile, disbursements were up significantly to USD 310.5 million, growing by roughly 48.8% from 2021, where disbursements amounted to USD 208.7 million reflecting the need for economic activity to revitalize growth and opportunities in ICD MCs.

**Approvals, Disbursements (USD mn)**






		
Year	Approval	Disbursement
Since Inception (Total)	7,609.5	4,069.4
2021	243.6	208.7
2022	525.8	310.5
Growth Rate YoY (%)	115.8%	48.8%

The approvals were mainly in SSA with roughly USD 242.9 million or 46.2% of all approvals, followed by ECA at USD 182.9 million 34.8%, Asia was allocated USD 70 million, representing 13.3%, while MENA had USD 30 million at about 5.7% of 2022 approvals.

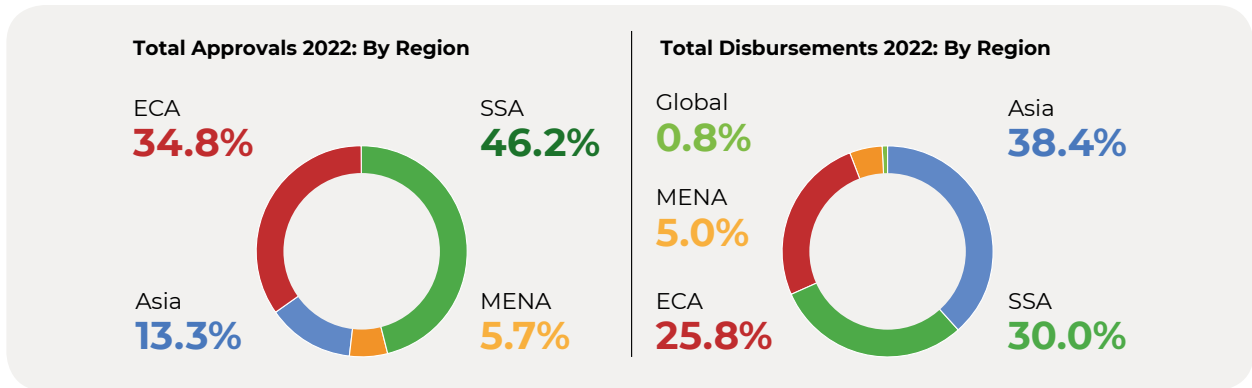
Regarding disbursements, the Asia region received the most amount at about USD 119.3 million roughly 38.4% of all disbursed amounts in 2022. SSA came in second with about USD 93.2 million or 30.0%, followed by ECA at USD 80.1 million or 25.8%, MENA received about USD 15.4 million or 5.0% and Global projects were allocated USD 2.5 million, or less than 1% of all disbursed amounts in 2022.



### Detailed 2022 Approvals and Disbursements by Region/Country (USD mn - %)





	Region/Country	Approvals	%	Disbursements	%
	<b>Sub-Saharan Africa (SSA)</b>	<b>242.9</b>	<b>46.2%</b>	<b>93.2</b>	<b>30.0%</b>
	Uganda	50.0	9.5%	-	-
	Regional SSA	50.0	9.5%	-	-
	Nigeria	45.0	8.6%	14.2	4.6%
	Senegal	26.5	5.0%	29.8	9.6%
	Mali	25.0	4.8%	-	-
	Cameroon	15.0	2.9%	22.8	7.3%
	Cote d'Ivoire Burkina Faso	31.4 -	6.0% -	- 26.3	- 8.5%
	<b>Europe &amp; Central Asia (ECA)</b>	<b>182.9</b>	<b>34.8%</b>	<b>80.1</b>	<b>25.8%</b>
	Uzbekistan	182.9	34.8%	70.1	22.6%
	Turkmenistan	-	-	10.0	3.2%
	<b>Asia</b>	<b>70.0</b>	<b>13.3%</b>	<b>119.3</b>	<b>38.4%</b>
	Bangladesh	70.0	13.3%	93.6	30.1%
	Maldives	-	-	10.0	3.2%
	Indonesia	-	-	13.3	4.3%
	Pakistan	-	-	2.4	0.8%
	<b>Middle East and North Africa (MENA)</b>	<b>30.0</b>	<b>5.7%</b>	<b>15.4</b>	<b>5.0%</b>
	Saudi Arabia	30.0	5.7%	-	-
	Kuwait	-	-	10.0	3.3%
	<b>Global/Regional</b>	<b>-</b>	<b>-</b>	<b>2.5</b>	<b>0.8%</b>
	<b>Total</b>	<b>525.8</b>	<b>100%</b>	<b>310.5</b>	<b>100%</b>

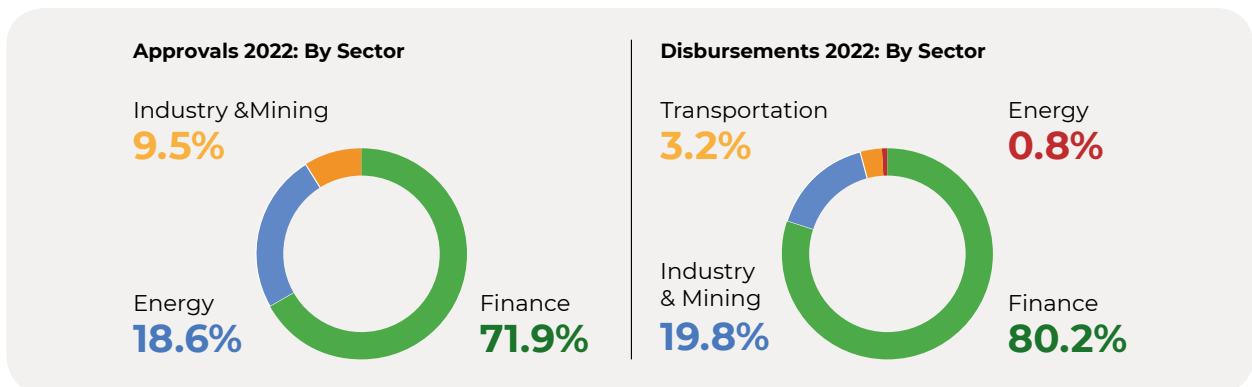




As in previous years, in 2022, ICD’s sectoral approval and disbursement portfolios were dominated by the Finance sector which accounted for about 71.9% of total approvals and 80.2% of total disbursements. Other new sectoral project approvals were in Energy at about 18.6%, and in Industry and Mining with 9.5% of total approvals in 2022. The Finance sector had the greatest number of projects with a total of 15 projects from the total nineteen (19) projects approved in 2022. There were two (2) new projects approved in the Energy sector and two (2) in the Industry and Mining sector.

**Approvals and Disbursements by Sector (USD mn - %)**

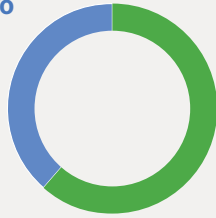
Sector	Approvals	%	# Projects	Disbursements	%
 Finance	377.9	71.9%	15	249.1	80.2%
 Energy	97.9	18.6%	2	2.4	0.8%
 Industry and Mining	50.0	9.5%	2	49.0	15.8%
 Transportation	-	-	-	10.0	3.2%
<b>Total</b>	<b>525.8</b>	<b>100%</b>	<b>19</b>	<b>310.5</b>	<b>100%</b>



The go-to product approved by the ICD in 2022 was the LoF product line with over 66.2% of total approvals in 2022. Term Finance had about 33.8% of total approvals. Regarding which product line was used for ICD disbursements, again the LoF had about 79.4% of all total disbursements followed by Term Finance with about 19.8% of total disbursements in 2022.

**Approvals 2022: By Product**

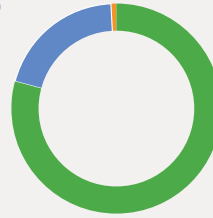
Term Finance  
**33.8%**



Line of Finance  
**66.2%**

**Disbursements 2022: By Product**

Term Finance  
**19.8%**



Equity  
**0.8%**

Line of Finance  
**79.4%**



Jerry Damian

## 2.4 2022 Annual Development Effectiveness Survey Results



**We in the Islamic Development Bank (Group) are not profit maximizers. We are impact and development maximizers**

As stated by ICD Chairman, H.E. Dr. Muhammad Al Jasser<sup>18</sup>

ICD continues to be guided by the 2030 Agenda for Sustainable Development, which frames its sustainability ambitions across the well-defined 17 SDGs. While the pandemic threatened to derail significant progress that has been made in this area, ICD remained steadfast in its pledge to contribute to the sustainable development agenda and continuously work with partners to improve lives in the communities where ICD has a presence.

### a. Aggregate Survey Findings

Positively, the latest ADER Survey yielded an 84% response rate. The results revealed that ICD's respected clients and partners supported over 86,350 jobs, with roughly 15,400 new jobs created in 2022. Moreover, a total of 2,256 SMEs benefited from ICD's financing activities. ICD-supported projects also resulted in export sales and government revenue generation totaling USD 543.7 million and USD 303.3 respectively in MCs, with USD 6.6 million spent on community development.

### Client Box 2 – Alfa Solar, Egypt



ICD financed Alfa Solar, a 50 MW solar photovoltaic plant, with a \$28.5 million debt facility. Located in the 1.8 GW Benban solar complex in the Aswan province of Egypt, Alfa Solar is one of the first utility scale solar plants in Egypt and supports the country in increasing its renewable energy capacity. Moreover, Alfa Solar has helped create roughly 150 new employment opportunities and will help reduce carbon emission by about 57,000 tons per year due to the utilization of latest technology.



Overall, the 2022 survey showed that, despite the prevalence of the pandemic, ICD continue to help its partners in achieving notable successes. The table below provides aggregate results of the survey results based on 84% response rate. Thus, it does not represent the aggregate magnitude of ICD's impact which would be much greater. Nevertheless, it suggests that ICD continued to contribute substantially to promoting Islamic financing practices, create employment as well as helping its partners to sustain their operations and opportunities in decidedly adverse circumstances. The focus on SMEs highlights ICD's commitment to poverty reduction.

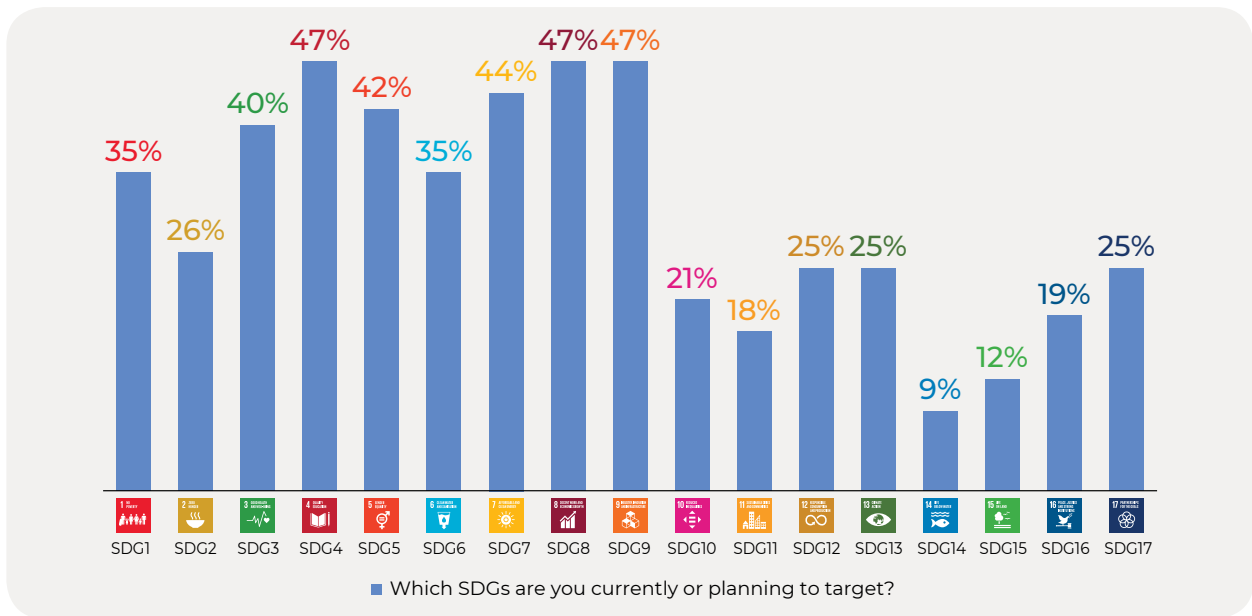
<b>ADER Full Highlights</b>	<b>2022</b>
Clients who gained access to Islamic finance since ICD intervention	647,400
New Islamic finance clients in 2022	74,524
Number of new clients who are Women	21,721
SMEs supported through ICD financing	2,256
Women led/managed SMEs funded	78
Total amount of funding to SMES	USD 172,178,291
Jobs Sustained	86,358
Women Jobs Sustained	23,538
New Jobs Created	15,464
New Women Jobs Created	3,956
Women in senior management positions	545
Export Sales Generated	USD 543,677,200
Government Revenues	USD 303,264,183
Community Development	USD 6,600,419
Total MWatt Energy Produced	1773382.822
Total MW Energy Capacity Financed	1,764
Total Patients Served	4,640,231
Total Students Enrolled	50,323
Total Farmers Reached	5,305
Total Housing Units	11,332
Number of people trained	3,566



86% of respondents stated that they have a Board approved policy for fair employee treatment. This is a constructive indication to the importance of having a just and positive work environment among ICD partners and clients. The aberrant challenge stems from the remaining 14% where there is no such policy in place.

		2022	2021	2020
Do you have a Board approved policy to compensate employees fairly and equitably?	Yes	86%	90%	87%
	No	14%	10%	13%

One encouraging aspect was the continuing alignment of ICD's activities with the achievement of the SDGs. Regarding the SDGs identified as ICD's priority goals, which are SDG7, SDG8 and SDG9, 44% of respondents preferred to target SDG7, 47% opted for SDG8 and equally 47% claimed that they were or are planning to target SDG9.



		2022	2021	2020
Which stage would you classify your institution in terms of alignment with SDGs?	No Alignment	19%	42%	40%
	Beginning	30%	19%	21%
	Basic	28%	21%	28%
	Alignment	16%	13%	9%
	Advanced	7%	5%	1%

Overall, 30% of respondents stated that they are at the “Beginning of alignment with SDGs”, claiming that SDG narrative was used in their corporate literature and/or operation over the past year. A further 28% stated that they consider themselves have “Basic” alignment with projects/transactions linked to SDG Goals.



Interestingly, when asked “How likely will your institution consider enhancing its SDGs framework over the short term (1-2 years)?”, 56% of respondents stated that they are “Likely” to consider enhancing their SDGs framework, illustrating the importance of SDG alignment towards the 2030 Sustainability Agenda.

How likely will your institution consider enhancing its SDGs framework over the short term (1-2 years)?	<b>Highly likely</b>	23%
	<b>Likely</b>	56%
	<b>Neutral</b>	21%
	<b>Not likely</b>	0%
	<b>Highly unlikely</b>	0%

Regarding, tracking their overall GHG emissions, close to 51% stated that they currently do not track these emissions, with 16% claiming that they are indeed tracking their GHG emissions. What is promising, is that 25% stated that they will consider doing so within the short term (1-2 years). Moreover, 51% of the respondents stated that they had Environmental, Social and Governance (ESG) policies in place. Of those that did not have a policy in place, 18% were considering it in the short term (1-2 years) and 9% in the mid-term (3-5 years).

		2022	2021
Do you track Green House Gas (GHG) emissions or any other carbons resulting from your business activity?	<b>Yes</b>	16%	23%
	<b>No</b>	51%	60%
	<b>No (1-2 yrs)</b>	25%	10%
	<b>No (3-5 yrs)</b>	9%	8%
	<b>Yes</b>	51%	52%
Do you have an Environmental, Social and Governance (ESG) Policy?	<b>No</b>	23%	27%
	<b>No (1-2 yrs)</b>	18%	19%
	<b>No (3-5 yrs)</b>	9%	2%



### Outlook for 2023









When asked, “How do you think business conditions for your company will be in 2023?”, 61% responded that conditions will “**Improve**”. Regarding overall general economic conditions in their respective countries, 60% of respondents stated that they too will “**Improve**”. And finally, when asked to offer their views on the overall outlook for 2023, 60% stated that they are “**Optimistic**” about 2023, an encouraging sentiment considering the challenges 2023 offers.

How do you think business conditions for your company will be in 2023?	<b>Improve Significantly</b>	18%
	<b>Improve</b>	61%
	<b>Stay Same</b>	18%
	<b>Worsen</b>	4%
	<b>Worsen Significantly</b>	0%
How do you think general economic conditions in your country will be in 2023?	<b>Improve Significantly</b>	4%
	<b>Improve</b>	60%
	<b>Stay Same</b>	30%
	<b>Worsen</b>	5%
	<b>Worsen Significantly</b>	2%
Thinking for a moment about your current business economic circumstances, do you generally have an optimistic or pessimistic outlook for 2023?	<b>Very Optimistic</b>	11%
	<b>Optimistic</b>	60%
	<b>Neutral</b>	26%
	<b>Pessimistic</b>	4%
	<b>Very Pessimistic</b>	0%

## b. Contributions in 2022: By Business Lines

### Line of Finance (LoF)

As in the past, ICD's portfolio was dominated by the LoFs in 2022. LOFs remain particularly relevant for economies with limited access to Islamic and/or affordable financing. Notable results (based on reports from responding ICD clients financed through an LoF) in 2022 were:

 <p><b>Employment</b></p> <ul style="list-style-type: none"> <li>- 2,588 new full-time employees (of which 920 were women) in the funded SMEs</li> <li>- 3,506 (1,225 women) new direct hires by the ICD partner network</li> <li>- 451 women in senior leadership positions</li> <li>- 95% have an approved policy to fairly compensate its employees</li> </ul>	 <p><b>Financial Output</b></p> <ul style="list-style-type: none"> <li>- 518 SMEs funded directly</li> <li>- 18 women led/managed SMEs funded through Islamic finance facilities</li> <li>- USD 107.4 million of new funding to SMEs</li> <li>- USD 327.0 million of goods and services purchased locally</li> <li>- USD 140.0 million of export sales</li> <li>- USD 110.9 million raised in government revenues</li> <li>- USD 4.5 million spent in community development</li> </ul>
 <p><b>A total of 274 individuals were offered training</b></p>	 <p><b>Health:</b> 2,010,599 patients served</p>
 <p><b>Education:</b> 500 total students enrolled</p>	 <p><b>Agriculture:</b> 248 farmers supported</p>
 <p><b>Housing:</b> 65 new housing units either mortgaged or financed</p>	 <p><b>SDG Alignment:</b> 55% at the beginning of or in basic alignment with the SDG</p>





## Direct Financing

ICD has prioritized high value-added sectors where its contribution can achieve the objectives of achieving a developmental impact in MCs, promoting Islamic finance and at the same time creating conditions for ICD to become self-sustainable. Below are the results reported by the ICD partners receiving direct financing and they were:



### Employment

- 3,004 new direct hires of which 245 were women
- 32 opportunities for women to hold senior management positions
- 92% have an approved policy to fairly compensate its employees



### Financial Output

- USD 116.7 million of goods and services purchased locally
- USD 345.8 million of export sales
- USD 147.3 million accrued in government revenues
- USD 1.2 million spent in community development



**SDG Alignment:** 58% at the beginning of or in basic alignment with the SDGs











**Energy:** roughly 1.77 billion of Kilo Watt Hours produced by the responding partners from 1,593 of Mega Watt financed by ICD



SP Sarmin



## Equity

Provision of equity financing is one of ICD’s key strategies to promote Islamic financing practices. It also promotes SME growth as a “funder of funds” by providing financing to SMEs through a domestic financial intermediary. ICD maximizes the development potential of its contribution by encouraging the creation of new jobs and transferring knowledge and technologies. ICD’s equity investment projects provide capital to set up or strengthen Non-Banking Financial Institutions (NBFIs), such as Ijara (leasing), mortgage and other financial entities. Development results in 2022 reported by responding clients in this sector included:

 <p><b>Employment</b></p> <ul style="list-style-type: none"> <li>- 1,026 new direct hires of which 267 were women positions</li> <li>- 62 opportunities for women for senior lead positions</li> <li>- 77% have an approved policy to fairly compensate its employees</li> </ul>	 <p><b>Financial Output</b></p> <ul style="list-style-type: none"> <li>- 1,195 SMEs funded directly</li> <li>- 60 women led/managed SMEs funded through Islamic finance facilities</li> <li>- USD 109.1 million of goods and services purchased locally</li> <li>- USD 57.8 million of export sales</li> <li>- USD 45.0 million of government revenue generation</li> <li>- USD 843K spent in community development</li> </ul>
 <p><b>Financial Inclusion:</b> 74,524 gained access to Islamic Finance of which 21,721 were women</p>	 <p><b>SDG Alignment:</b> 64% at the beginning of or in basic alignment with the SDGs</p>
 <p><b>Health:</b> 34,652 patients served</p>	 <p><b>Housing:</b> 11,246 new housing units either mortgaged or financed</p>
 <p><b>Education:</b> 938 total students enrolled</p>	 <p><b>A total of 1,880 individuals were offered training</b></p>

## Industry and Business Environmental Support (IBES) Advisory Services

IBES Advisory Services play a key role in the implementation of ICD’s two strategic pillars: fostering an enabling private sector environment and resource mobilization. The Corporation aims at providing advice to the governments of its MCs and private sector entities to help them improve their development potential and raise capital. Development results in 2022 reported by the responding IBES clients include:

 <p><b>Employment</b></p> <ul style="list-style-type: none"> <li>- 643 new full-time employees (of which 440 were new women positions) in the funded SMEs</li> <li>- 48,885 total students enrolled in education centers financed by ICD IBES partners</li> <li>- 1,389 people trained</li> </ul>	 <p><b>Financial Output</b></p> <ul style="list-style-type: none"> <li>- 543 SMEs funded</li> <li>- 7.5 million of new funding provided to SMEs</li> </ul>
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# 03

## A Special Report: New Horizons – New Determination







**Given the on-going financial shocks, economic setbacks, climate calamities and an overall global environment marred by inflation and conflict, ICD in cooperation with its MDB and DFI partners will work together to ensure continued support for a resilient global economic recovery. New ways of providing access to finance, enhancing business environments, developing export potential, attracting like-minded co-financiers, and promoting sustainability need to be utilized to foster a just and fair socio-economic impact and improve the lives of individuals within ICD MCs. Consequently, the role of the private sector becomes more critical in providing capital investment towards sustainable development and job creation.**

With the myriad challenges faced by countries, utilizing the specialised financial products and services of MDBs and DFIs, is a tested avenue of support that countries can leverage. By complementing banking institutions and acting as a strategic conduit to bridge the gaps in the supply of financial products and services to address specific challenges for the purpose of long-term economic development, the role of MDBs and DFIs cannot be ignored. However, at the same time, MDBs and DFIs are themselves being held back by key barriers related to governance, financial sustainability, and overall market risk dynamics. Rather than overlooking the importance of MDBs, we should instead, need to repurpose, renew, and better deploy the international development apparatus that we already have, and which has served us well over the past few decades. MDBs, by virtue of their size, reach and scope are the anchor of this framework. They play a major role in helping countries reduce poverty, increase living standards, and improve health and education with varying levels of success. To remain relevant, MDBs must have new missions and mandates, modernized governance, and reformed business and financial models to tackle the challenges of our new age.<sup>19</sup>

ICD's management has taken the decision to be on this road of change with new vigour and focus. ICD's ability to demonstrate to its shareholders that they can gain positive developmental impact from channeling their funds via ICD than in bilateral channels, will be the key to help drive change. As ICD is mandated with a unique proposition availing it the ability to access, leverage and mobilize resources towards the continued socio-economic development of its MCs. Coupled with shareholder support and reinforced with a new management that is eager to ensure ICD's status as a leading Islamic MDB, the aim then would be, to bolster ICD from within to help it offer innovative financial solutions to its MCs, thereby reaching **New Horizons with New Determination.**

<sup>19</sup> Center for Global Development (CGD), 2022, "MDBs for a Global Future"



### 3.1 Overview

According to several sources, including the World Bank and the International Monetary Fund (IMF), 2023 may well be one of the slowest years for global growth in decades. As such, ICD will not only need to deploy more finance and material support to meet MCs challenges, but also it needs to deploy them more efficiently, with demonstrable development impact, and in productive collaboration with other leading financiers. ICD has to continue supporting the private sector in its MCs to help introduce innovation, technology, employment opportunities, sources of revenue for governments, export sales and improvement of business environments and markets.

ICD will articulate the purpose of its new determination and focus by showcasing how it intends to:

- i. Help MCs deal more rapidly and effectively with the pressing and much larger scale needs associated with the on-going challenges that promise to set back socio-economic development by decades; and
- ii. Face global challenges with a set of financial instruments and incentives that can make a measurable difference on job creation, financial inclusion, overcoming health risks, and reducing fragility.

To address the challenges ahead and to help fulfill its commitments to its MCs, ICD's balance sheet will be well capitalized to unleash its full potential for scaling up the provision of long-term finance towards the support of its MCs. As ICD is witnessing a renaissance of refocus and determination, these purposes must be articulated in easy-to-understand terms that resonate with all of ICD stakeholders.

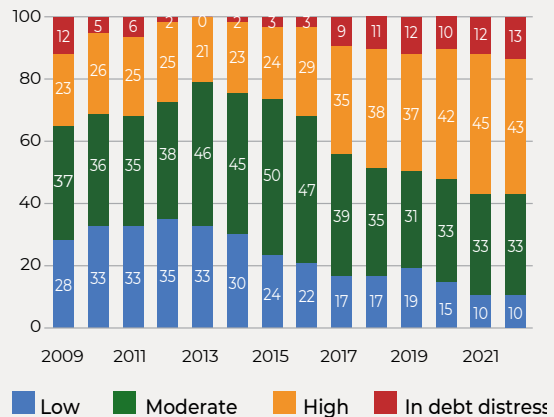
#### a. Debt Distress

Global challenges from climate change, pandemic preparedness, fragility, and conflict, are far from the only pressing issues facing the global economy. In addition to the pandemic backlog in health and education, many MCs now face serious cyclical risks stemming from higher interest rates, increases in asset prices and unemployment rates. Most MCs

## Rising debt risks

The proportion of countries in debt distress, or at high risk of debt distress, has doubled to 60 percent from 2015 levels.

(percent of DSSI countries with LIC DSAs)



Source: LIC DSA database.  
 Note: DSSI=Debt service suspension initiative.  
 LIC=Low-income countries.  
 DSAs=Debt sustainability analyses. As of March 31 2022



already face higher borrowing costs, and more than two-thirds of developing countries are at or near debt distress.<sup>20</sup>

As of November 30, 2022, and based on the most recently published data for Low-Income Countries (LIC) from the IMF, a total of 13 LICs are *In-Distress*, 43 LICs are at *High-Risk Stress*, while 33 LICs are at *Moderate-Risk Stress*, and only 10 LICs are at *Low-Risk Stress* of debt. Of those, a total of three ICD MCs are *In-Distress*, 10 MCs are at *High-Risk Stress*, while 10 MCs are at *Moderate-Risk Stress*, and only two MCs are at *Low-Risk Stress* of debt.

Risk Status	Total LICs	ICD MCs
In-Distress	13	3
High-Risk	43	10
Moderate-Risk	33	10
Low-Risk	10	2

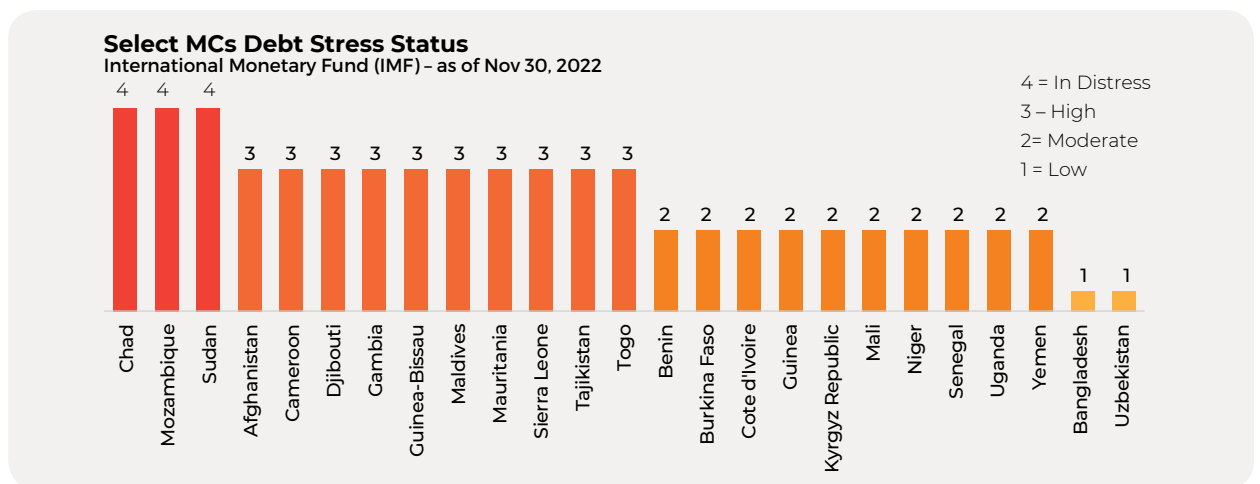
<sup>20</sup> Center for Global Development (CGD) November 2022 "CGD Note"



## b. Risks Materialize

Many downside risks are beginning to further materialise for many countries throughout the world, and ICD MCs are no exception. For example, the current cost-of-living crisis is steadily eroding economic, educational, and health-related gains in the wider population, with a growing divergence between advanced and developing countries. These risks will continue to spread financial and economical woes to all regions of the world, with per-capita income growth becoming slower than it was during the decade before COVID-19.<sup>21</sup>

According to the latest World Economic Forum Global Risk Report, *cost-of-living* will dominate global risks in the next two years while *climate action failure* will dominate the next decade. The next decade will be characterized by environmental and societal crises, driven by underlying geopolitical and economic trends. “*Cost-of-living crisis*” is ranked as the most severe global risk over the next two years, peaking in the short term. “*Biodiversity loss and ecosystem collapse*” is viewed as one of the fastest deteriorating global risks over the next decade, and all six environmental risks feature in the top 10 risks over the next 10 years.



<sup>21</sup> World Bank, January 2023 “Global Economic Prospects”

### Global risks ranked by severity over the short and long term

#### 2 years

1	Cost-of-living crisis
2	Natural disasters and extreme weather events
3	Geoeconomic confrontation
4	Failure to mitigate climate change
5	Erosion of social cohesion and societal polarization
6	Large-scale environmental damage incidents
7	Failure of climate change adaptation
8	Widespread cybercrime and cyber Insecurity
9	Natural resource crises
10	Large-scale involuntary migration

#### 10 years

1	Failure to mitigate climate change
2	Failure of climate change adaptation
3	Natural disasters and extreme weather events
4	Biodiversity loss and ecosystem collapse
5	Large-scale involuntary migration
6	Natural resource crises
7	Erosion of social cohesion and societal polarization
8	Widespread cybercrime and cyber Insecurity
9	Geoeconomic confrontation
10	Large-scale environmental damage incidents

**Risk categories:** Economic (blue), Environmental (green), Geopolitical (orange), Societal (red), Technological (light green)

Even if some MCs experience a softer-than-expected economic landing, the end of the low interest rate era will have significant ramifications for governments, businesses, and individuals. The knock-on effects will be felt most acutely by the most vulnerable parts of society and already fragile states, contributing to rising poverty, hunger, violent protests, political instability and even state collapse.

MC governments will continue to face a difficult balancing act between protecting a broad swathe of their citizens from an elongated cost-of-living crisis without embedding inflation. Moreover, meeting debt servicing costs as revenues come under pressure from an economic downturn, an increasingly urgent transition to new energy systems, and a less stable geopolitical environment, will strain government budgets for many MCs. The resulting new economic era may be one of growing divergence between rich and poor countries and will exacerbate erosion in human development for many around the world.

Higher costs of food, energy, and housing, causing lower real incomes, will result in trade-offs in essential spending, worsening health, and wellbeing outcomes for communities. Both affordability and availability of necessities can stoke social and political instability. Last year, the increase in fuel prices alone led to protests in an estimated 92 countries, some of which resulted in political upheaval and fatalities, alongside strikes and industrial action. The impact of insecurity will continue to be felt most acutely in already vulnerable states, including ICD MCs such as Sudan, Syria, and Yemen but may also exacerbate instability in countries facing simultaneous food and debt crises, such as Tunisia, Pakistan, Egypt, and Lebanon.<sup>22</sup>

A combination of extreme weather events and constrained food and energy supply could lead the current cost-of-living crisis into a catastrophic scenario of hunger and distress for millions of people in import dependent MCs or turn the energy crisis towards a humanitarian crisis in some of the ICD MCs.

<sup>22</sup> WEF Global Risks Report 2023

### 3.2 Rationale for New Horizons and New Determination

The world needs a horizon of solutions and actors capable of embodying new forms of collective action, in support of development, to instill optimism and positive dynamics around sustainability<sup>23</sup> and to ensure no one is left behind. It is important then, that measures are taken to focus on developing the real economy, such as investing in impactful projects that create value and innovation, that drive long-term growth and boost competitiveness, while yielding employment opportunities and offering local development, rather than financial engineering risks derived from financial instruments.

Meanwhile, there is a growing recognition of the critical importance of a vibrant private sector in

sustainable, inclusive, and fair development. PSD involves improvements in features or functions provided by the private sector such as quality goods and services, resources and capital allocation, new and sustainable jobs, pays and compensations, fiscal budget revenues, market efficiency and productivity, innovation and knowledge transfers, competitive economy etc.<sup>24</sup>

ICD MCs face multiple, overlapping crises. Widening social and economic inequality, climate change, biodiversity loss, disruptive technological automation, and geopolitical conflicts are the hallmarks of our current global environment. Contradictory development trends, such as ESG investing versus infrastructure development, are leading us on a path toward unsustainable futures. While some countries are keen to “Go Green”, others still require basic services such as electricity and sanitation. The challenge is to ensure that all needs are addressed within the framework of sustainable development.

MCs poverty levels have fallen, but inequalities between and within countries have grown. The highest living standards coexist with the most gaping inequalities in history. According to latest report from Oxfam, the richest 1% own almost half of the world's wealth, while the poorest half of the world own just 0.75%. And a further, 81 Billionaires hold more wealth than 50% of the world combined. Meanwhile, technology has connected us more closely than ever yet is also contributing to social fragmentation and tensions. A global pandemic has further highlighted our many fragilities. Furthermore, climate and environmental disasters are accelerated by economic models depending on unsustainable and mismanaged levels of natural resource use.

Economic models that prioritize short-term profits and excessive consumerism are tightly linked with the avid individualism, competitiveness, and lack of empathy that are prevalent in many societies across the globe. The world's wealth has become intensely concentrated, and extreme economic inequalities are undermining the cohesion of our societies.<sup>25</sup>



Muhammad Kashif Khan

23 Jones, Marodon & Xu, 2020 “10 policy recommendations for decision makers on Public Development Banks”

24 Afandi, Nassar & Hassan, 2019 “Private Sector Development Index of OIC Countries”

25 UNESCO, 2021 “Reimagining Our Futures Together, A New Social Contract For Education”



Moving ahead, the main challenge will be to construct an economic model that leverages the very best of how finance and sustainable development can contribute to the betterment of ICD and its MCs. Merely expanding the current sustainable development model is not a viable route forward.

The challenges we face stem from how we manage the limited resources and means in a fair and sustainable manner that could yield the highest developmental impact to the greatest number of people and societies. Enhanced by the ICD boosting plan for 2023, this new way of thinking must be aligned with action to help expand the knowledge needed to initiate business ideas and private sector projects that serve the People, Planet and create Prosperity and Peace through meaningful Partnerships.

### 3.3 The Challenges

According to the UN Commission on Trade and Development (UNCTAD), achieving the SDGs will require between USD 3 trillion and USD 5 trillion in investment annually in developing countries alone. At today's level of public and private investment, the UNCTAD estimates an annual shortfall of about USD 2.5 trillion. It is widely acknowledged in the international community that the role of MDBs is key to closing the financing gap to achieving the SDGs.

Long-term finance plays a significant role in promoting long term economic growth and financial stability. However, one main challenge is that long-term finance is often in short supply. Such a deficit in the provision of long-term finance is particularly severe in developing countries because credit rationing is further exacerbated by underdeveloped financial systems, poor legal and institutional frameworks, and unstable political and macroeconomic environments. Moreover, commercial banks are often reluctant to provide long-term finance because they take deposits as their main funding source and hence suffer from maturity mismatch, liquidity risks, and potential runs.<sup>26</sup>

The growing needs of countries are seldom accompanied by the necessary resources to meet them. Particularly in the developing world, leaders repeatedly point to the lack of financing as one of the primary barriers to long term development.<sup>27</sup>

MDBs could decisively shape the speed and character of the global recovery. Despite the massive financing gaps for pandemic response, climate, and other global challenges, MDBs have not sufficiently scaled up investments to meet these daunting development and sustainability challenges. In practice, MDBs are overly constrained by mandates and a focus on protecting their capital base and achieving long-term sustainability. That model needs to be revisited to meet the global challenges.

Another main challenge argued by some is that financial assistance from MDBs to emerging economies is controversial. Critics point out that instead of using MDB resources, these countries should rely on their own resources, particularly countries which have substantial foreign reserves holdings and can easily get loans from private capital markets to fund development projects. MDB assistance, it is argued, would be better suited to focusing on the needs of the world's poorest countries, which do not have the resources to fund development projects and cannot borrow these resources from international capital markets.

Others argue that MDB financial assistance provided to emerging economies is important, because these countries have substantial numbers of people living in poverty and MDBs provide financial assistance for projects that address poverty alleviation. Additionally, MDB assistance helps address environmental issues, promotes better governance, and provides important technical assistance to which emerging economies might not otherwise have access. Finally, supporters argue that because MDB assistance to emerging economies takes the form of loans with market-based interest rates, rather than concessional loans or grants, this assistance is relatively inexpensive to provide and generates income to cover the MDBs' operating costs.<sup>28</sup>

26 Bo Hu, Alfredo Schclarek, Jiajun Xu, & Jianye Yan, 2022, "Long-term finance provision: National development banks vs commercial banks"

27 Annual Report on Investment Climate and Opportunities in OIC Countries, 2022

28 Congressional Research Service, February 2020

### Client Box 3 – Master Green Energy Limited (MGL) - Pakistan

MGL, a special purpose company incorporated in Pakistan with the sole objective of developing, building, and operating 50 MW wind power project. ICD provided a term finance facility of \$25 million to MGL. The company has contribute to 19 direct jobs and over \$1.3 million in domestic purchases from local suppliers. The project will add roughly 132,500 megawatt-hours of clean energy per year.



Jobs

19



Amount of Local Purchases

1.4 USD million



Kilo Watt Energy Produced 2022

149,988,520



Total Power Capacity

50 MW

SDGs



Other challenges according to the World Bank stems from poor corporate governance of national Development Banks (DBs). The World Bank argues that good corporate governance of DBs is difficult to establish in weak country-level institutional environments. Hence, the World Bank maintains that governments should refrain from making direct efforts to build DBs to fill the financing gaps in the provision of long-term finance. Instead, the World Bank recommends that governments need to focus on fundamental institutional reforms, including putting in place sound legal and contractual environments.

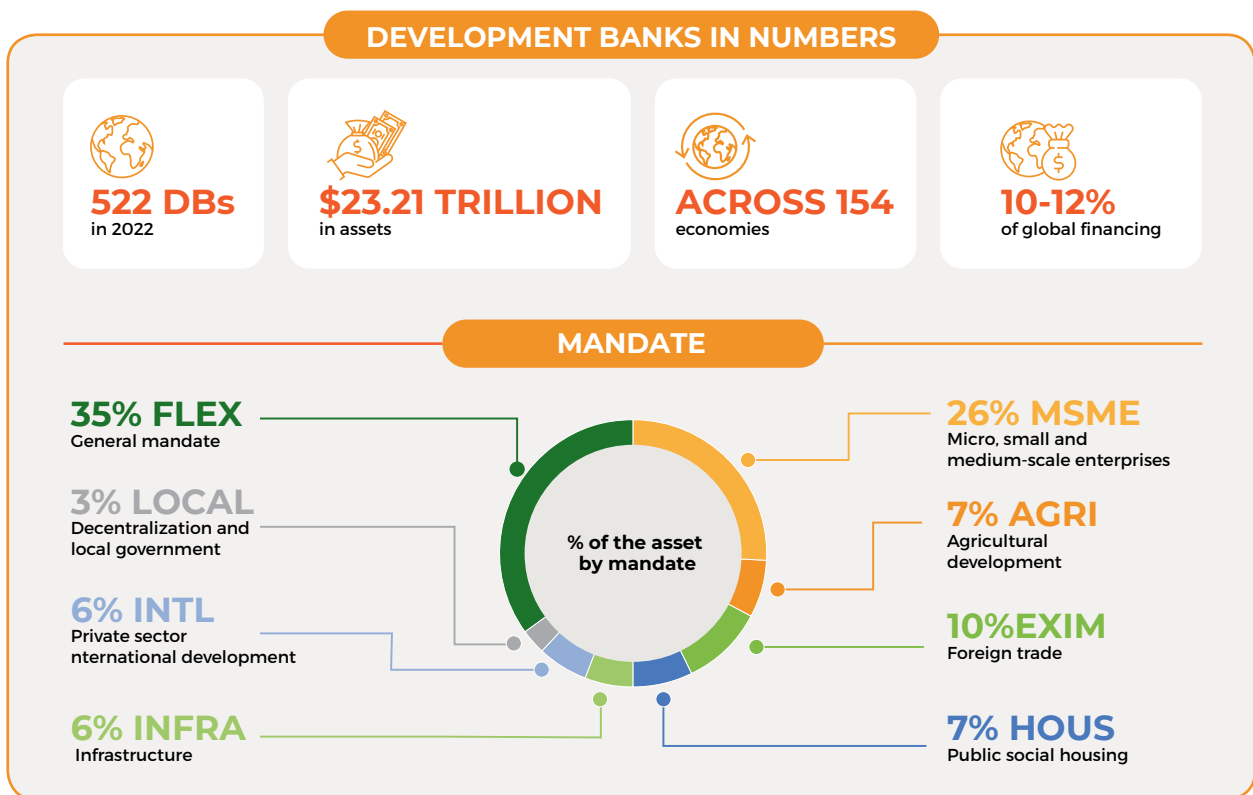
### 3.4 Role of Development Banks

DBs are public financial institutions initiated by governments to proactively achieve public policy objectives. They are potentially useful policy

instruments for fixing market failures, incubating markets, coordinating public policies with stakeholders, and promoting economic structural transformation in an equitable and sustainable manner. Unfortunately, little known by the public and seldom covered in the media, the more than 520 DBs around the world play a major role in the global economy, accounting for more than 12% of annual world investment. With government finances worldwide hampered by financial constraints and debts, DBs can bolster efforts to foster sustainable development and a just, green transition.<sup>29</sup>

DBs are a vast family of institutions at the intersection between finance and public policy. They share four characteristics:<sup>30</sup>

- DBs enjoy independent legal status and financial autonomy.



29 Agence Française de Développement (AFD)  
30 Finance in Common 2022

- DBs are controlled or supported by central or local governments.
- DBs execute a public mandate, addressing market inconsistencies, notably for the financing of small and medium enterprises, essential infrastructures, local financial markets, housing, small agriculture, and regional and international trade.
- DBs are not engaged in commercial banking, individual bank accounts or consumer credit.

A combination of pragmatic solutions is needed to face the debt issue and give countries room to make the policy choices and investments that will also lay the foundations for resilient recovery, putting people and nature at the heart of economic growth and development. Development Banks whether, multilateral, regional, national, or sub-national, have at their disposal instruments to provide fresh financing through specific lines of credits or programmes during the crisis, and can therefore supply an important boost to stimulus packages, recovery efforts and long-term structural transformation.<sup>31</sup>

DBs play an important role because the commercial financial sector is at times reluctant to finance certain sector or projects for purely commercial considerations, whereby MDBs can provide the finance needed to support rapid economic development in different sectors and for an array of projects. As such, there are four main ways DBs can complement the commercial financial sector:<sup>32</sup>

- Directing finance to strategic sectors or regions;
- Building the financial sector, by filling gaps in credit supply or demand;
- Promoting economic stability, by playing a countercyclical role;
- Improving standards, by insisting on, for example, social or human rights safeguards.

DBs can play a vital role not only in minimising economic decline and supporting recovery, but also in financing structural transformation, helping



**Development Banks have a key role to play in reorienting existing investment patterns towards and facilitating increased investment in sustainable development.**

### **Finance in Common**

to lay the foundations for a financial model that is conducive to an equitable and sustainable growth, in line with the 2030 Agenda's Sustainable Development Goals. DBs could adapt their roles to changing development needs at different stages of development. Thus, DBs are not only better suited for carrying out countercyclical lending during a crisis but are also particularly suited to reignite growth after a crisis.<sup>33</sup>

Multilateral and Regional Development Banks are important sources of financing, especially for emerging and developing countries. By making use of their credit and lending instruments and by providing non-reimbursable technical cooperation resources, they allow governments to access new funding at preferential rates and terms. For example, to support the fight against COVID-19, ICD allocated special funding as part of the Strategic Preparedness and Response Programme (SPRP) to offset the impact of the COVID-19 pandemic among its MCs and offered a 12-month grace period to most of the recipients to avail to them favorable debt-financing tenures.

Furthermore, according to the IDFC, of which ICD is a member, DBs through extensive measures and systemic solutions to local financial systems, ensure their countercyclical mandate. By providing financing facilities, guarantees, and by massively reallocating funding and putting in place easing measures, DBs support most affected sectors and contribute to maintaining jobs.

<sup>31</sup> The Institute for Sustainable Development and International Relations (IDDRI)

<sup>32</sup> EURODAD, 2017 "Public development banks: towards a better model"

<sup>33</sup> Brei, M. & Schclarek, A., 2019, "Public Bank Lending in Times of Crisis"



### 3.5 The Opportunities

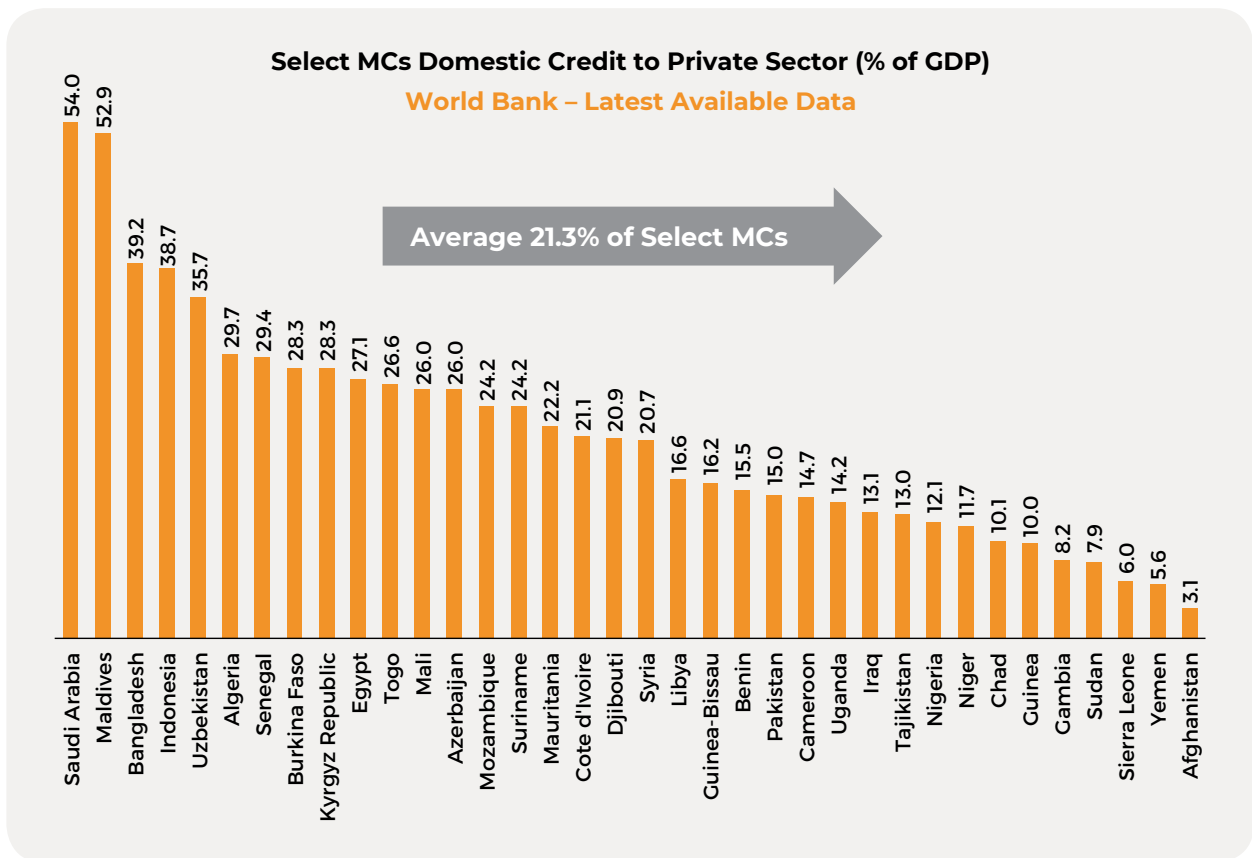
Due to the financial backing of their member country governments, DBs are able to borrow money in world capital markets at the lowest available market rates, generally the same rates at which developed country governments borrow funds inside their own borders. DBs are able then to relend this money to their borrowers at much lower interest rates than the borrowers would generally have to pay for commercial loans, if, indeed, such loans were available to them. As such, the DBs' non-concessional lending windows are self-financing and even generate net income.

Meanwhile, the private sector is widely considered the engine of economic growth. It has, among other things, contributed to technological advancements in key sectors, such as energy and transportation, increased life expectancy through innovation in


health care, and helped over a billion people escape living in extreme poverty.<sup>34</sup>

Moreover, according to the World Economic Forum, the private sector is responsible for nearly 90% of the jobs available in the world right now, which means that the private sector has an opportunity to tackle many of the challenges that the world is facing today. For instance, creating jobs has a direct impact on poverty reduction (SDG1) and gender equality (SDG5). Additionally, by implementing inclusive hiring practices and promoting diversity in their workplaces, businesses can contribute to the overall reduction of inequalities (SDG10). Finally, decent jobs allow people to thrive (SDG8).

The private sector has long played an integral role in poverty reduction and economic development, a role that extends well beyond finance. Private companies create 90% of jobs (the most effective way





 The Bright Pixels

to lift people out of poverty) in the developing world and facilitate improved efficiency, technological adoption and innovation, and the distribution of goods and services.<sup>35</sup>

The private sector accounts for over 60% of GDP in most countries, similar to dynamic emerging markets in other regions. In this light, it appears that the slower growth is not a result of the size of the public sector, rather a reflection of constraints that impact the dynamism of the private sector.<sup>36</sup>

Intensifying these constraints, and as per the latest World Bank data, on average only 21.3% of all domestic credit is allocated to the private sector to selected MCs in the diagram below. Domestic credit to private sector refers to financial resources provided to the private sector by financial corporations, such as through loans, purchases of nonequity securities, and trade credits and other accounts receivable, that establish a claim for repayment.

With the annual funding gap for the SDGs in many trillions of dollars, the only way to close that gap is with the help of the private sector by encouraging

companies to account in their decision-making for sustainability issues relevant to the SDGs. ICD can offer a core financial additionality by playing a key role as a catalyst, drawing private capital into long-term projects in countries and sectors where significant development results can be expected. To achieve its full potential, the ever-changing constraints facing the private sector need to be identified and addressed in coordination with MCs governments and private sector institutions.

### 3.6 The Way Forward


It is essential that ICD embed the key lessons gained from its previous experiences into its new determination to meet challenges of its MCs. ICD operations have long been centered on achieving development goals aligned with the SDGs. In its operations and lending, ICD routinely finances investments and spending to contribute towards the Visions and the overall SDGs commitments of its MCs. Additionally, ICD can enhance its services by offering long term finance solutions to fill the financing gap and avoid competition with commercial banks to fulfill the private sector objectives among its MCs.

34 International Institute for Sustainable Development, 2021, Brief #12

35 Mahmoud Mohieldin, UN Climate Change High-Level Champion, COP27

36 International Monetary Fund (IMF)



 Nazmus Sakib

These efforts will continue in 2023 and beyond with further increases in the number of green financing projects, with a focus on renewable energy and issuance of Green Sukuk. Moreover, greater focus on the finance, infrastructure, and agribusiness sectors where ICD's experience and know-how has proven successful both in terms of financial return and developmental impact. There will be plans to expand on the Youth Entrepreneurship programs, Women Empowerment programs, and the Financial Institution partner network and channels. Capitalization of regional office staff to ensure timely feedback to concerns from clients and partners will also be key to foster an inclusive communication medium to help identify promising projects and interventions, with priority given to enhance synergy and co-financing within the IsDB Group.

Major global concerns, including climate change, debt distress, unemployment, higher costs-of-living, and geo-political conflicts call for very large-scale concerted action at all levels. The challenge is to favor major structural transformation of all economies to achieving higher productivity, while becoming low carbon and more inclusive. DBs, whether at a local, national, or international level, are key in helping governments finance the rapid

recovery from the financial and health crises and achieve long-run transformation of existing economic models to ones that serve people and planet far better. By providing direct public financing and mobilizing private finance, DBs can transform themselves with tools and indicators that allow them to proactively select and support long-term productive investments, emphasizing low-carbon operations, as well as those that support poorer regions and people and help maximize development impact while ensuring financial sustainability. They must also ensure that none of their financing encourages activities that run against the requirements of SDGs.<sup>37</sup>

ICD with its **New Horizon** aspirations supported with its **New Determinations** will enhance its position by addressing the following factors:

1. **Articulate a Clear Development Mandate:** Derived from the Articles of Agreement (AoA) of the institution, linked to development outcomes. ICD must drive the activities and clearly focus its investment decisions, to target sectors and projects that promise to deliver sustainable development outcomes, avoiding vague or dual mandates. ICD should equip

<sup>37</sup> Jones, Marodon & Xu, 2020 "10 policy recommendations for decision makers on Public Development Banks"

itself with the necessary analytical tools to allow monitoring and accountability for the impacts of its financing.

2. **Operational Strategy:** ICD should continue to invest in ways that ensures its development mandate takes precedence over generating financial returns. By targeting regions, sectors or clients that are most in need, or that have the highest development impact this can be done, for example, through increased domestic resource mobilization and crowding-in finance from international financiers.
3. **Financial Sustainability:** ICD should produce its work a financial sustainable way, to deliver its development mandate in the long term. This does not imply maximizing commercial profitability. It simply means ensuring sufficient cost recovery and surplus to remain commercially viable, while focusing on delivering development outcomes.
4. **Good Governance:** The internal decision-making processes must exhibit democratic and Islamic norms by being open, inclusive, transparent, and accountable. This requires examining who makes decisions, and how decision-makers are held accountable.
5. **Participate in Leading Development Associations:** ICD should be continuing to work with leading DBs committed to the transition for sustainable development. Cooperation is crucial, and networking better will secure a better access to the international system of grants and global funds. This will help in financing more projects with positive development impact. ICD should actively engage in discussions on challenges and best practices with other international organisations, commercial banks, private investors, and businesses who are part of sustainable investing and SDG alignment initiatives.

The **New Horizons** of ICD should be enhanced in (i) supporting MCs that lag in both the PSD and in the SDGs; (ii) increasing financial inclusion; and (iii) financing infrastructure investments. ICD needs to re-envision the way it finances development, by relying more on its ability to partner and work

with other stakeholders and private financial actors, underpinned by strategic partnerships, blended finance, or other financial mechanisms best suited for greater development impact.

Moreover, since a big part of the ICD operations are “on-lending” facilities, ICD should be more proactive in its relations with its financial intermediaries by:

- raising awareness of key sustainable development concepts;
- reinforcing incentives, capacity, and SDG culture; and
- following up to ensure that they are not ruling out SME projects that may be strategic for the SDGs and overall local development impact.

A newly reinvigorated ICD with **New Determination** and focus on **New Horizons**, at the while being centred on its core mandate whilst aligned with its MCs aspirations, supported by its stakeholders, and led by a group of committed managers and staff will help ensure the active role of the private sector within the economies of ICD MCs.





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**MOROCCO**



**PALESTINE**



**EGYPT**



**CAMEROON**



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**BURKINA FASO**



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**SENEGAL**



**SUDAN**



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2022 Annual Development Survey Respondents



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**INDONESIA**



**MALAYSIA**



**KYRGYZSTAN**



IJARA COMPANY  
KYRGYZSTAN

**YEMEN**



**SRI LANKA**



**BAHRAIN**



**KUWAIT**



**UZBEKISTAN**



**BANGLADESH**



**PAKISTAN**

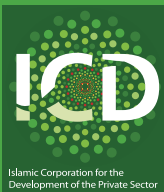


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