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CHAPTER 2

ADVANCING INCLUSIVE, GREEN, RESILIENT, AND SUSTAINABLE DEVELOPMENT

In 2024, the Islamic Development Bank remained committed to ensuring no one is left behind in its member countries' development. Prioritising education, infrastructure, health, environment, and gender equality, the Bank continues to drive inclusive, sustainable progress. Its initiatives align with the SDGs, fostering resilience and long-term growth across diverse communities.

2.1: CONTRIBUTING TO INCLUSIVE HUMAN DEVELOPMENT

2.1.1: EDUCATION AND HEALTH

In 2024, IsDB achieved significant progress in advancing health, education, and nutrition initiatives, aligning with SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 2 (Zero Hunger).

Four tranches of education financing were approved in 2024 for a total of US\$465.85 million, comprised of US\$330.34 million in IsDB financing (including US\$0.5 million in grants to support digital inclusion), US\$25.0 million from ISFD financing leveraged with US\$55.0 million in grants from the Global Partnership for Education (GPE), and US\$55.51 million from the Arab Coordination Group (ACG) partners.

Key project completions include the University of The Gambia Development Project, Islamic Higher Education Development Project in Indonesia, the National Malaria Prevention and Pre-Elimination Project in Senegal, the Al-Azhar Specialised Teaching Hospital Project in Egypt, and the Emergency Health Project in Jordan. These initiatives expanded higher education capacity, strengthened healthcare services, and improved disease prevention, contributing to long-term socio-economic resilience.

Education initiatives saw significant advancement through the ACG-GPE SmartED initiative, which secured US\$500 million in Phase 1 (Dubai, 2021) and US\$350 million in Phase 2 (Riyadh, 2024). This initiative supports educational development in Cameroon, Kyrgyz Republic, Uzbekistan, and future projects in Chad, Guinea, and Nigeria, promoting equitable access to learning.

The first operation with the GPE in Tajikistan was completed in 2024. The project, which was a blend of US\$15.0 million GPE grant funding with US\$45.0 million from IsDB and ISFD, and US\$8.0 million from OPEC in loan financing, has helped the government introduce a competency-based curriculum and updated its Education Management Information System. It has provided a crucial foundation for the transformation of the country's education system and improved learning outcomes.

Further contributions to education include the Expansion of Tarbia Watan Primary School in Thailand (US\$260,000) and the Leveraging Technology for Enhanced Academics Project in the USA (US\$252,520). In Benin, the School Feeding, Nutrition, and Education Project (US\$19.8 million) addresses malnutrition and enhances student retention. The Post-Earthquake Schools Construction Project in Türkiye (US\$165 million) is ensuring the ongoing provision of safe learning spaces in a post-disaster setting.



BOX 6: TRANSFORMING HIGHER EDUCATION IN UZBEKISTAN

The Support to the Development of Higher Education Project in Uzbekistan stands as a beacon of progress in educational reform, delivering monumental advancements to the nation's higher education landscape. Jointly funded by the Islamic Development Bank, the World Bank, and the Government of Uzbekistan, the project's mission was to modernise academic infrastructure, foster research capabilities, and enhance access to quality education.

This initiative achieved unprecedented results. Over 256 laboratories across 61 universities were equipped with cutting-edge technology, fostering a paradigm shift in teaching and research methodologies. These upgrades directly contributed to a fivefold increase in student enrollment, from 274,000 in 2011 to over 1.3 million by 2024. Nearly half of these new students were female, signaling strides toward gender equity.

The project's holistic approach also included intensive training for academic staff, equipping them to harness the potential of the new facilities. More than 400 types of advanced laboratory equipment were procured and deployed, enabling hands-on learning and impactful research in areas critical to Uzbekistan's economic and social development.

Beyond infrastructure, the project catalysed curricular reforms aligned with international standards, empowering institutions to produce graduates equipped for the global job market. The research and development capacity of universities significantly expanded, contributing to groundbreaking advancements in fields like clean energy and healthcare.

The journey was not without challenges. Delays in mobilisation, the COVID-19 pandemic, and supply chain disruptions tested the project's resilience. But the steadfast commitment of all stakeholders ensured that these hurdles were overcome.

Today, Uzbekistan's higher education institutions are vibrant hubs of innovation and opportunity. This transformation underscores the power of strategic investments in education, positioning the nation for sustainable economic growth and a brighter future. The story of this project is not just about success; it's a testament to what is possible when vision meets determination.



IN 2024, IsDB MOBILISED
US\$45.4 MILLION
IN GRANTS TO FINANCE HEALTH
AND EDUCATION PROJECTS.

In healthcare, major investments, totalling US\$221.2 million in IsDB financing, include the Health System Strengthening Project in Mozambique (US\$20.4 million) and the Improving Quality of Oncology Services in Turkmenistan (US\$158.9 million). Over US\$7.0 million in grants was allocated for cataract treatment campaigns in Djibouti, Burkina Faso, Mauritania, and Togo, alongside telehealth education in Afghanistan and obstetric fistula treatment programmes. These initiatives directly address healthcare accessibility and maternal health, improving quality of life across underserved regions.

A key milestone was the approval of the Health Impact Investment Platform (HIIP) in partnership with the World Health Organization (WHO), African Development Bank (AfDB), Asian Development Bank (ADB) and IsDB. HIIP aims to build climate-resilient and crisis-proof primary healthcare systems in low- and middle-income countries. With an initial US\$50.0 million grant and the potential to mobilise US\$1.5 billion, HIIP enhances healthcare infrastructure and preparedness.

In 2024, IsDB mobilised US\$45.4 million in grants to finance health and education projects. IsDB also contributed to the World Bank's MENA Human Development Report through the IsDB-World Bank Knowledge Series, reinforcing regional policy on human capital development.

The finalisation of the Nutrition Strategy marked a critical achievement in 2024, strengthening IsDB's role in combating malnutrition. Upcoming initiatives include the Pharma Industry Strategy and the International Finance Facility for Education (IFFEd) Initiative, reflecting IsDB's ongoing investment in health and education systems.

Through these initiatives, the IsDB remains committed to fostering inclusive growth, increasing access to education, and enhancing healthcare services, further solidifying its role as a leader in sustainable human development throughout its member countries.



BOX 7: ENHANCING THE GOVERNMENT OF MALDIVES' PREPAREDNESS FOR FUTURE PANDEMICS

From May 2020 to October 2023, the Islamic Development Bank (IsDB) provided US\$20.6 million in financing to the Government of Maldives (GoM) under the Strategic Preparedness and Response Programme (SPRP). This funding aimed to enhance the country's readiness to contain the COVID-19 pandemic and strengthen its preparedness for future outbreaks. The project was implemented in partnership with the United Nations Office for Project Services (UNOPS), leveraging emergency procurement procedures to secure essential medical supplies. This approach not only facilitated effective project implementation but also resulted in substantial cost savings of approximately US\$5.0 million, which were reinvested to procure additional medical equipment.

KEY ACHIEVEMENTS AND OUTCOMES

The project achieved several significant outcomes, including the strengthening of healthcare facilities, the provision of critical medical equipment, and improved healthcare access.

Five regional critical health facilities were enhanced through the installation of ICU equipment, and two medical drones were deployed to improve surveillance and access to remote areas. A total of 575 pieces

of medical equipment were supplied, including 42 medical-grade ventilators, 60 cardiac monitors, and 4 dialysis machines.

Additionally, 1,152 medical devices, 23 pre-selected items, and 142,516 laboratory equipment were distributed. To support frontline medical workers, the project supplied 2,189,660 personal protective kits and over 4 million consumables.

The intervention improved healthcare access for an aggregate population of 245,616 people, representing about 47% of the Maldives' total population of 516,000. The project also focused on training and capacity building for medical professionals, ensuring that the healthcare workforce was well-equipped to handle future health challenges.

Acknowledging the project's impact, H.E. the Minister of Health of the Maldives noted that it would have a lasting influence on the nation's healthcare system, describing the investments as critical for the country's long-term health resilience. This positions the IsDB as a major partner in strengthening the Maldives' healthcare infrastructure and enhancing its resilience to future pandemics. The collaboration with UNOPS and the effective use of emergency procurement procedures have not only contributed to the containment of COVID-19 but also prepared the nation for potential future outbreaks.

2.1.2: ECONOMIC EMPOWERMENT

IsDB's Economic Empowerment Knowledge Solutions (EEKS) programme was established in November 2023 to play a vital role in improving livelihoods, tackling poverty and fostering resilience across IsDB member countries (MCs) through capacity development.

In 2024, IsDB approved several groundbreaking projects through EEKS, totalling over US\$5.26 million. These initiatives reflect the Bank's commitment to empowering marginalised populations and advancing sustainable economic growth through innovative, Shari'ah-compliant solutions. The approved projects are as follows:

- In Algeria, the US\$1.10 million Herfati Project, approved in September 2024, marked IsDB's return to the country after many years. Set to be implemented by Al Salam Bank and endorsed by the Algerian government, the project aims to support small-scale artisans, entrepreneurs, and micro/small enterprises, particularly those run by youth and women, through Islamic financial services, capacity building, and e-commerce market access. It also catalysed Algeria's first Country Engagement Framework (CEF) ahead of the 2025 Annual Meeting.
- In Yemen, the US\$3.61 million Bina Business Incubator Initiative, approved in December 2024, aims to address barriers to financial services and resources for startups and microenterprises. Co-financed by multiple partners, this initiative aims to foster entrepreneurship and economic inclusion.
- A total of US\$295,800 was approved for regional projects to enhance SME capacity across seven OIC member states through online B2B matchmaking tools and cross-border trade.
- Finally, economic empowerment methodologies were mainstreamed in the HOPE Tunisia Project, focusing on empowering MSMEs in the agri-food sector, which was approved in December 2024.



2.1.3: WOMEN AND YOUTH

The Islamic Development Bank (IsDB) remains committed to empowering women and youth, integrating these efforts into key sectors such as health, water resources, transport, and SME development. In 2024, IsDB supported initiatives in Kazakhstan, Mozambique, Sierra Leone, and Tunisia, leveraging grants exceeding US\$ 1.1 million. These efforts enhanced access to health, water, and transport while promoting economic empowerment through SMEs. The Bank also advanced digitalisation for employability, financial inclusion, and STEM education in collaboration with AGFUND, CAWTAR, and UNDP.

Additionally, IsDB progressed with the We-Fi portfolio, processing two projects in Bangladesh and Indonesia, focusing on WASH (Water, Sanitation, and Hygiene) and Islamic Finance. These initiatives, valued at over US\$ 6.5 million, enhanced women's access to financing, capacity-building, and essential resources.

YOUTH-FOCUSED INITIATIVES

To bridge the digital skills gap, the WYE Division launched the Youth Digitalisation for Employability and Entrepreneurship Programme (Y-DEEP) in partnership with UNDP. Approved in December 2023, Y-DEEP supports youth entrepreneurs in Bangladesh, Indonesia, Maldives, and Pakistan through digital training, job-matching, and capacity development. In 2024, IsDB processed a dedicated Y-DEEP project in Indonesia to enhance youth employability and entrepreneurship via targeted digital skilling and access to job-matching platforms.

2024 YOUTH DEVELOPMENT FORUM

IsDB hosted its flagship Youth Development Forum (YDF) in 2024 under the theme "Youth Empowerment and Resilience at the Crossroads: Towards the Future We Want." Organised with Generation Unlimited (GenU) and the ILO, the forum engaged youth, policymakers, and development experts in high-level discussions on digital and green skills, employability, and resilience. Local NGOs and educational institutions showcased their contributions, emphasising the role of youth in driving societal progress, innovation, and inclusive development.





BOX 8: EMPOWERING SYRIAN REFUGEE WOMEN THROUGH “JASMINE”

Lara Shahin, a Syrian refugee who fled to Jordan in 2012, faced formidable challenges as she sought to rebuild her life and career. Determined to overcome the barriers before her and inspired to create opportunities for other women in similar situations, she founded Jasmine, a business specialising in handmade crafts such as soaps and skincare products. With support from the IsDB/ISFD Syrian Refugee’s Education Programme, implemented across Jordan, Lebanon, Türkiye, Iraq, and Syria, Lara transformed her vision into a flourishing enterprise. Today, Jasmine empowers 30 Syrian refugee women to achieve financial independence and dignity.

BARRIERS AND OPPORTUNITIES

As a Syrian refugee in Jordan, Lara encountered significant obstacles, particularly employment restrictions for non-Jordanian workers. This reality forced her to find alternative ways to support herself. While volunteering with international NGOs, Lara observed the untapped skills of Syrian refugee women in crafting handmade products. This insight inspired her to create a platform where these talents could flourish. However, Lara faced additional hurdles, including the lack of suitable workspaces, limited marketing strategies, and societal norms that restricted women’s participation in the workforce.

TRANSFORMATIVE SUPPORT

Jasmine’s turning point came when it joined the SPARK programme, funded by the IsDB/ISFD Syrian Refugee’s Education Programme. This partnership provided Lara and her team with the resources they needed to overcome these challenges. Through the programme’s collaboration with the International Group for Training (IGIT), Jasmine received technical training to enhance product quality and streamline operations. The development of an e-commerce platform allowed the business to bypass traditional market barriers, while innovative solutions, such as enabling women to work from home, addressed cultural constraints. Training in finance and sustainability further empowered Lara to scale Jasmine from five to 30 employees.

The impact of this support has been profound. Jasmine has created jobs for 30 Syrian refugee women, equipping them with sustainable skills through workshops on soap-making, embroidery, and tailoring. The business has gained global recognition, with its products featured in Airbnb Experiences, where tourists participate in soap-making sessions. During the COVID-19 pandemic, the “Jasmine Survivors” campaign extended its reach, offering training and support to women affected by abuse and expanding operations into Syria with the launch of virtual stores.

Lara’s journey, made possible through the IsDB/ISFD Syrian Refugee’s Education Programme, exemplifies the transformative power of resilience and collaboration. Jasmine is more than a business—it is a symbol of hope and a source of sustainable livelihoods for Syrian refugee women, ensuring their skills and stories inspire countless others.



2.1.4: SCHOLARSHIPS

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

IsDB offers four distinct sub-scholarship programmes: the Scholarship Programme for Muslim communities in non-member countries (SPMC); the Merit Scholarship Programme for High Technology (MSP) for member countries; the Master of Science Scholarship Programme (MSc.) for 20 LDMCs; and the IsDB-ISFD Scheme for 21 LDMCs.

In 2024, the Bank awarded scholarships to 474 students from 57 countries, including 265 candidates from 22 Muslim communities in non-member countries, 28 candidates from 26 member countries for PhD study and post-doctoral research, 106 candidates from 19 LDMCs for the MSc. Scholarship Programme, and 75 candidates from 21 LDMCs for the IsDB-ISFD Scheme. Gender representation in overall selection stands at 63% male and 37% female.

Over the past four decades, the Bank has offered scholarships to 19,491 students and scholars from 56 member countries and 66 Muslim communities, with a male-to-female ratio of 70% to 30%.

As of December 2024, 14,044 have completed their studies and research in development-related fields and are actively contributing to their countries' progress through their knowledge and expertise. Additionally, the programme continues to support 1,276 students and scholars currently studying, while 675 students are in the process of securing admissions to commence their study programme.

The IsDB Scholarship Programme is a flagship initiative of the Bank, with a long history of equipping mid-career professionals with advanced knowledge, critical skills, international exposure, and the confidence to contribute effectively to their countries' development.

FIGURE 2.1: IsDB SCHOLARSHIP PROGRAMME BREAKDOWN SINCE INCEPTION



OVER THE PAST FOUR DECADES, THE BANK HAS OFFERED SCHOLARSHIPS TO **19,491 STUDENTS** AND SCHOLARS FROM 56 MEMBER COUNTRIES AND 66 MUSLIM COMMUNITIES, WITH A MALE-TO-FEMALE RATIO OF 70% TO 30%.



BOX 9: DR. HUSSEIN KISIKI NSAMBA'S STORY OF TRANSFORMATION AND IMPACT

Dr. Hussein Kisiki Nsamba, an alumnus of the IsDB Scholarship Programme from Uganda, exemplifies the far-reaching impact of education on individuals and communities. His journey demonstrates how scholarship programmes can uplift lives and drive sustainable progress through opportunity, empowerment, and knowledge-sharing.

After earning dual PhDs in Chemical Engineering from the University of Kuala Lumpur and Nottingham University, Dr. Hussein returned to Uganda determined to make a difference. He founded the Invention Plus Group, a company that now employs over 100 Ugandans and has created opportunities for more than 500 people. His contributions extend beyond entrepreneurship into academia, where he serves as a lecturer in industrial engineering at Makerere University, training graduate students and evaluating research on a global scale. Through these efforts, Dr. Hussein has become a beacon of hope and inspiration, combining innovation with community development.

Reflecting on his journey, Dr. Hussein says, "I always believed education was my way out, but I never imagined it would take me this far." His entrepreneurial vision is equally clear: "I wanted to create a place that empowers people to become self-reliant." For him, the most rewarding part of academia is seeing others

My testimony is that this scholarship is truly transformative. I wouldn't be who I am or where I am today without it. It gave me the tools, the confidence, and the platform to make a real difference.

inspired to follow their own dreams: "It's rewarding to see my work inspire others to pursue their dreams."

Dr. Hussein's achievements have also created a ripple effect within his family. He proudly shares how his success has established a new legacy of academic excellence: "It's something that never existed before – someone in our family earning a doctorate. I'm proud that my journey has motivated my siblings to aspire to academic excellence."

None of this would have been possible without the transformative support of the IsDB Scholarship Programme. Dr. Hussein underscores its importance, saying, "My testimony is that this scholarship is truly transformative. I wouldn't be who I am or where I am today without it. It gave me the tools, the confidence, and the platform to make a real difference." His story is a powerful reminder of how education can catalyse individual success and community growth, creating a legacy of empowerment for generations to come.

2.1.5: SPECIAL ASSISTANCE

The IsDB's Communities Outreach Programme (COP), established in 1981, has made significant contributions to community development, particularly in non-member countries (NMCs). To date, the programme has approved a total of 1,877 projects, amounting to US\$910.27 million. This includes 1,104 developmental projects aimed at fostering sustainable growth and 773 relief projects that provide immediate assistance. The COP has successfully delivered projects across 84 countries in eight geographical sub-regions, showcasing its extensive reach and impact.

In 2024, the COP approved eight new projects with a total funding of US\$2.270 million. These projects focus on critical areas such as education, health, technical and vocational education and training (TVET), and capacity development. Key projects include:

- Expansion of the Yetim Children Care Centre in Ethiopia: US\$0.26 million
- Expansion of Tarbia Watan Primary School in Thailand: US\$0.26 million
- Promoting Educational Quality at Pan Asia International School in Thailand through renewable energy: US\$0.26 million
- 100-Bed Multispecialty Teaching Hospital in Maharashtra, India: US\$0.50 million
- Upgraded Science Labs for Brighter Horizons Academy in the USA: US\$0.25 million
- Supporting University Education at Stellenbosch University, South Africa: US\$0.215 million
- Baraka Vocational Training Centre in Ethiopia: US\$0.26 million
- Integrated Mental Health Services for IDPs/Refugees in Kenya: US\$0.265 million

By addressing critical areas such as education and health, these projects aim to improve access to quality services, enhance human capital development, and strengthen social cohesion within these communities.

Additionally, in 2024 the COP initiated the development of a 'Framework for Engaging with Muslim Communities in non-member countries.' This framework is designed to involve various stakeholders to better understand the specific needs and priorities of Muslim communities, ensuring that programmes are tailored to their unique contexts. The goal is to provide a structured approach for the Bank to effectively engage with these communities.

IsDB is making significant advances in addressing fragility and enhancing resilience through a multifaceted approach that includes capacity building, emergency response, strategic partnerships, and targeted flagship programmes.

2.2: DRIVING GREEN, SUSTAINABLE, AND RESILIENT GROWTH

2.2.1: FRAGILITY AND RESILIENCE

IsDB is making significant advances in addressing fragility and enhancing resilience through a multifaceted approach that includes capacity building, emergency response, strategic partnerships, and targeted flagship programmes. A focus on community empowerment and the integration of innovative solutions are central to the Bank's mission to foster sustainable development in fragile contexts.

In 2024, the Bank focused its efforts in this area on:

- **Knowledge Products and Capacity Building:** IsDB has developed a biennial Resilience Report in collaboration with UNDP, ICRC, and Qatar Charity, focusing on the intersection of climate change and fragility. The Bank is also conducting international capacity development training aimed at promoting the principles of Do-No-Harm and Conflict Sensitivity in fragile contexts.
- **Flagship Programmes:**
 - Skills, Training, and Education Programme (STEP): This programme has mobilised US\$62.0 million to support 12 active projects across Jordan, Lebanon, Türkiye, and Yemen, directly benefiting over 5,000 individuals and 600 small and medium enterprises (SMEs). Future plans aim to expand the reach to an additional 30,000 beneficiaries.
 - Tadamon programme: After five years of implementation, the assessment of the Tadamon programme revealed its positive impact on local communities, emphasising the importance of community ownership in development processes. Around 670,000 people in hard-to-reach communities in 34 MCs have gained access to basic medical services and over 3,000 deprived households have gained access to income generating activities. The second phase of the programme, Tadamon 2.0, aims to empower vulnerable populations through technology-driven solutions and financial inclusion initiatives.

- **Emergency Response Initiatives:** In response to escalating crises, IsDB allocated US\$4.0 million for humanitarian aid in Gaza and for Sudanese refugees in Chad, Egypt, and Libya. This initiative mobilised over US\$42.0 million in additional grants, providing essential food and medical supplies to those in need.
- **Strategic Leadership and Partnerships:** As the 2024 Chair of the MDB Coordination Platform, IsDB is leading discussions on integrating migration into development strategies. The Bank has also established an Operational Framework Agreement with the ICRC to enhance emergency response capabilities in conflict-affected areas.
- **Country Analytics and Assessments:** IsDB is conducting assessments in the Sahel region and Nigeria to identify drivers of fragility and resilience, which will inform future strategic engagements and programmes.
- **Monitoring and Reporting:** The Bank is actively monitoring and reporting on situations in Palestine, Lebanon, Syria, and the Sahel region to assess the impact of institutional changes and to adapt its strategies accordingly.



مؤسسة نداء للتنمية والتطوير
NEDA'A FOUNDATION FOR DEVELOPMENT

BOX 10: TRANSFORMING A LOCAL NGO IN YEMEN TO AMPLIFY IMPACT

In 2023-2024, the Nedaa Foundation for Development, a local institution in Yemen, embarked on a transformative journey to strengthen its operations and align with international standards. Confronted with structural and operational challenges, the Foundation initiated a strategic overhaul that included updating policies, refining its organisational structure, and enhancing transparency and efficiency to meet donor requirements.

A key component of this transformation was the Foundation's focus on building institutional capacity. Through targeted training, consulting, and participation in development forums, the Foundation reorganised its priorities, optimised performance, and cultivated a culture of continuous improvement. This shift enabled the organisation to address Yemen's critical needs in areas such as food security, water access, education, and economic empowerment, with an emphasis on sustainable development.

Over two years, the Foundation delivered tangible benefits to local communities by implementing 28 impactful projects across multiple sectors. These initiatives provided immediate relief while also ensuring long-term sustainability. By improving livelihoods, creating jobs, and offering essential services, the Foundation demonstrated its commitment to fostering meaningful change in Yemen.

Central to this success was the Foundation's ability to establish and strengthen partnerships with international organisations such as the International Islamic Charitable Organization (Kuwait), Al-Khair



OVER TWO YEARS, THE FOUNDATION DELIVERED TANGIBLE BENEFITS TO LOCAL COMMUNITIES BY IMPLEMENTING
28 IMPACTFUL PROJECTS
ACROSS MULTIPLE SECTORS.

Foundation (UK), and the Turkish Red Crescent. These collaborations not only provided funding but also offered valuable technical support, enabling the Foundation to elevate the quality of its projects. Additionally, the Foundation joined seven global donor platforms, leveraging these memberships to secure funding, participate in international conferences, and expand its global network. These efforts significantly enhanced the Foundation's capacity to drive impactful change.

The journey of the Nedaa Foundation stands as a testament to the power of strategic partnerships and adaptive leadership. By leveraging resources and fostering meaningful collaborations, the Foundation has positioned itself as a key player in advancing sustainable development and rebuilding Yemen.

2.2.2: SUSTAINABLE FINANCE

IsDB has made significant headway in enhancing its Sustainable Finance Framework, which has been upgraded to align with the latest standards established by the International Capital Market Association (ICMA). This upgraded framework is pivotal as it enables the Bank to issue green and sustainability Sukuk, thereby mobilising essential resources from global capital markets. The primary objective of these Sukuk is to finance or refinance projects that are not only environmentally friendly but also socially responsible, focusing on sustainability and resilience.

To date, IsDB has successfully issued over US\$5.0 billion in both green and sustainable Sukuk, which have been directed towards climate-friendly initiatives and social development projects within its member countries. This impressive figure underscores the Bank's commitment to fostering sustainable development and addressing climate change challenges. Furthermore, IsDB has plans for additional Sukuk issuances in the near future, indicating a continued dedication to expanding its impact in the realm of sustainable finance.

TO DATE, IsDB HAS SUCCESSFULLY ISSUED OVER

US\$5.0 BILLION

IN BOTH GREEN AND SUSTAINABLE SUKUK, WHICH HAVE BEEN DIRECTED TOWARDS CLIMATE-FRIENDLY INITIATIVES AND SOCIAL DEVELOPMENT PROJECTS WITHIN ITS MEMBER COUNTRIES.

BOX 11: LEVERAGING SUSTAINABLE SUKUK FOR IMPACTFUL DEVELOPMENT

The Guidance on Green, Social, and Sustainability Sukuk (collectively referred to as “sustainable sukuk”) was launched during the 2024 IsDB Annual Meeting and Golden Jubilee in Riyadh in April 2024. This guidance represents a collaborative effort between the International Capital Market Association (ICMA), the Islamic Development Bank (IsDB), and the London Stock Exchange Group (LSEG). Its purpose is to provide issuers and market participants with practical guidance on labeling Sukuk as green, social, or sustainability-aligned, based on the ICMA Principles announced at COP28 in December 2023.



IsDB also published its Sustainable Sukuk Impact and Allocation Report 2023 details the use-of-proceeds from three thematic Sukuk issuances: the Green Sukuk (November 2019), the COVID-19 Sustainability Sukuk (June 2020), and the second Sustainability Sukuk (March 2021). The report, covering activities up to December 31, 2023, highlights the tangible impact of these projects. Achievements include the installation of 2,742 MW of renewable energy, a reduction in CO₂ emissions by 410,971 tons, and improved sanitation access for 3,505,628 households. Additionally, the report showcases the construction of 44,440 classrooms, the development of 14,761 kilometers of roads, and support for 20,418 SMEs, all of which reflect significant contributions to sustainable development goals.

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BOX 12: GREEN FUND DIGITAL PHILANTHROPY - INDONESIA

The Tadamon platform, funded by the Islamic Development Bank (IsDB) and the Islamic Solidarity Fund for Development (ISFD) and implemented by the United Nations Development Programme (UNDP), is now in its final year. This platform offers a wide range of initiatives and training programmes designed to empower civil society organisations (CSOs) across the Organisation of Islamic Cooperation (OIC) community.

Among these is the Tadamon Crowdfunding Academy, a flagship programme that equips CSOs with the skills and knowledge needed to design and implement successful crowdfunding campaigns, helping them secure funding for their projects. To date, these campaigns have collectively mobilised US\$16.79 million, showcasing the tangible impact of the academy's efforts.

To celebrate these achievements and amplify the success stories of CSOs, the #CrowdfundingChampions series was launched. One such champion is Greeneration, an organisation from Indonesia that established the Green Fund Digital Philanthropy (GFDP) crowdfunding platform with support from the Tadamon Crowdfunding Academy.

Indonesia's lush green landscapes and sprawling islands face a pressing environmental challenge: villages in the Citarum River basin struggle with severe waste management issues, with plastic and trash clogging rivers and damaging ecosystems. However, innovation is helping to combat these challenges. With guidance from the Tadamon Crowdfunding Academy, Greeneration developed the GFDP platform to fund community-driven solutions. Within a year of joining the academy, Greeneration raised US\$224,090, connected with new potential partners, and successfully launched the platform to support green initiatives.

Through the GFDP platform, diverse projects empower local communities to recycle, reduce waste, and protect their environment. These efforts are demonstrating that collective action can drive meaningful change, paving the way for a cleaner and greener future for Indonesia.

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2.2.3: CLIMATE FINANCING

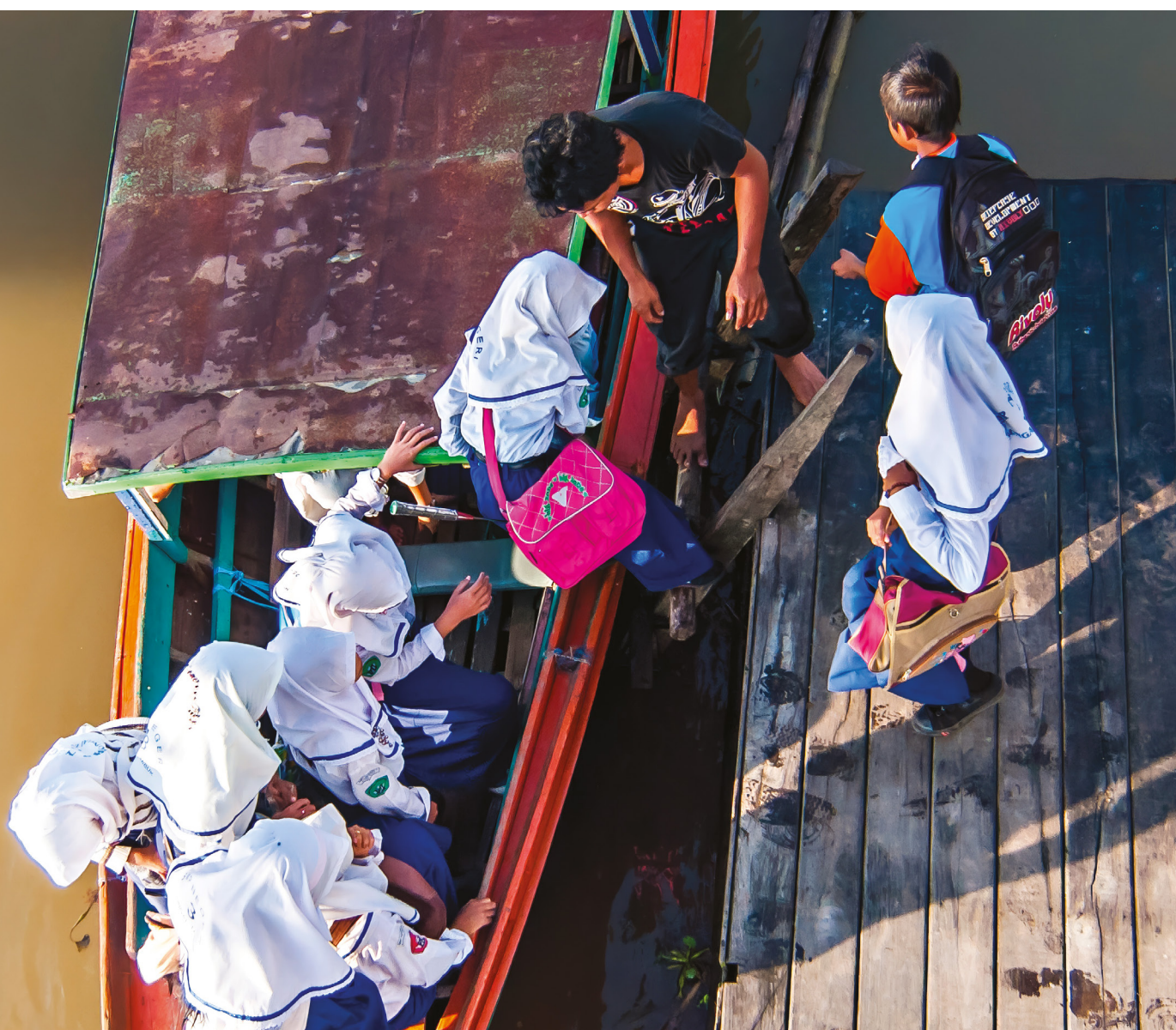
IsDB has been proactive in addressing climate change through substantial financial commitments, resource mobilisation, and collaborative efforts with member countries and international organisations, with the ultimate aim of achieving sustainable development and resilience against climate impacts. The Bank's initiatives and commitments towards climate change and environmental sustainability in 2024 continued to align with the Paris Agreement objectives and the need to enhance climate resilience across member countries. The Bank integrated climate change and green growth perspectives into all member country partnership strategies (MCPS/CEF) developed in 2024, including Azerbaijan, Côte d'Ivoire, Suriname, Uganda, Türkiye, Algeria and Brunei.

CLIMATE FINANCE COMMITMENT

- The Bank exceeded its climate finance target of 35% for 2025, achieving 46% of total financial commitments in 2024, amounting to approximately US\$2,397 million.
- This climate finance was made up of adaptation finance (51.4%, US\$1,233 million) and mitigation finance (48.6%, US\$1,164 million)

RESOURCE MOBILISATION

- The Bank mobilised US\$2.3 million from the Green Climate Fund (GCF) for the Maldives to enhance climate finance access.
- Accreditation to the GCF was secured, and the Bank mobilised US\$6.3 million for Uganda to improve its weather observation network.
- The Bank provided US\$1.1 million from the NDC Partnership to Pakistan for establishing climate-resilient systems.



CONFERENCES AND INITIATIVES

- The Bank engaged in multiple conferences, including COP29 and COP16, making significant commitments. At COP29, a joint statement with MDBs projected annual climate financing of US\$120 billion for low- and middle-income countries and US\$50.0 billion for high-income countries by 2030. And at COP16, IsDB pledged US\$1.0 billion for the Riyadh Global Drought Resilience Partnership and a joint ACG pledge of US\$10.0 billion for combating land degradation.

KNOWLEDGE PRODUCTS AND CAPACITY BUILDING

- The Bank developed various knowledge products, including tools for greenhouse gas accounting and climate risk management.
- Numerous training sessions and workshops were conducted to enhance staff and stakeholder understanding of climate finance and environmental safeguards.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

- Operationalisation of the Environmental and Social Safeguard Policy (ESSP) began, with awareness raised among operational staff and government officials.
- A safeguard capacity development plan for 2025-2029 was prepared to promote sustainable development across member countries.
- The Bank allocated US\$400,000 to support project readiness for environmental and social safeguard including implementation supervision of ongoing projects

2.2.4: INFRASTRUCTURE DEVELOPMENT

IsDB is committed to enhancing socioeconomic growth and sustainable development in its member countries through significant investments in agriculture, energy, transport, and water infrastructure, with a focus on sustainability, inclusiveness and climate resilience.

AGRICULTURE

IsDB recognises the agriculture and rural development sector as an important driver of the economy of many of our member countries, which is why the Bank continues to help its member countries achieve sustainable agricultural growth and enhance food security. In 2024, IsDB approved 12 agriculture and rural development projects with a total cost of US\$745 million. Notable projects in the sector include the Emergency Food Security Project - Phase 2, in Jordan (US\$200 million); the Poverty Graduation Project, in Pakistan (US\$118.40 million); and the Agricultural Transformation Project in the North of Senegal (US\$65.1 million).

The Bank is actively working on regional programmes to support member countries in addressing shared development challenges. Regional programmes under development are (i) the Africa Livestock Resilience Programme and (ii) the Regional Millet, Sorghum, Wheat Trade and Transformation Initiative.

IsDB continues to assess the effectiveness of its operations and the overall health of its portfolio in this sector. In 2024, the Bank conducted an agriculture, water resources and rural development Sector Portfolio Review in Guinea to i) provide an analysis of IsDB's existing agriculture, water resources and rural development projects; ii) identify gaps in the existing portfolio and iii) identify emerging trends and lessons learned in order to improve design and implementation.

ENERGY

The development of energy infrastructure in member countries has consistently been a top priority for IsDB. The Bank continues to implement its Energy Sector Policy based on four main pillars, (i) increasing the rate of energy access in MCs, (ii) promoting renewable energy, and (iii) increasing energy efficiency to manage energy consumption. Knowledge sharing among MCs in relation to energy also remains important.

Several flagship programmes and initiatives have been developed, including the Renewable Energy Cooperation Programme to Power Africa (RECPA), the Electrification of Rural Healthcare services using Renewables and Waqf (in partnership with UNDP), the active collaboration with Sustainable Energy for All (SE4ALL) in Africa, and the International Renewable Energy Agency – Energy Transition Accelerator Financing Platform (IRENA-ETAF)

In 2024, IsDB approved 9 energy projects worth US\$923.90 million. This includes US\$472.92 million for the El Menzel pumped storage hydropower plant

project, US\$47.68 million for the power transmission and distribution network in Suriname, US\$80.0 million for the construction of a 40 MW Thermal Power Plant in Kankan in Guinea, and €32 million in financing for a Rural Electrification Project in Benin.

IsDB funding to the sector used to focus on conventional power generation, which represented the highest portion of the finance in the sector. However, the Bank has recently focused more attention on regional electricity inter-connection projects to increase the efficiency of the sector in MCs and on promoting renewable energy projects.

Energy will remain one of the key sectors in IsDB's development agenda, and the Bank will continue to direct its investments in the sector towards promoting economic growth and improving the quality of life in member countries. It will do this through its conventional financing mechanism as well as the development of new innovative mechanisms and by leveraging partnerships.

TRANSPORT

In 2024, IsDB prioritised "Sustainable Transport for Inclusion and Prosperity", emphasising enhanced connectivity as a driver of economic growth and regional integration. The Bank approved 12 transport sector projects totalling US\$2.71 billion, with IsDB financing of US\$1.50 billion (55.2%) and co-financing of US\$1.21 billion (44.8%). The approvals included US\$1.22 billion for roads/highways (10 projects), US\$15.0 million for a port, and US\$261.18 million for a railway. These initiatives aim to enhance access, efficiency, and resilience while reducing travel time and costs, fostering trade, and improving livelihoods in member countries.

The projects are contributing to regional and sub-regional connectivity, increased transit, trade, tourism, and job creation while addressing future travel demands. They align with UN Sustainable Development Goals (SDGs) such as SDG 1 (No Poverty), SDG 8 (Decent Work), SDG 9 (Infrastructure), and SDG 13 (Climate Action), among others.



THE PROJECTS ARE CONTRIBUTING TO REGIONAL AND SUB-REGIONAL CONNECTIVITY, INCREASED TRANSIT, TRADE, TOURISM, AND JOB CREATION WHILE ADDRESSING FUTURE TRAVEL DEMANDS. THEY ALIGN WITH UN SUSTAINABLE DEVELOPMENT GOALS (SDGs) SUCH AS SDG 1 (NO POVERTY), SDG 8 (DECENT WORK), SDG 9 (INFRASTRUCTURE), AND SDG 13 (CLIMATE ACTION), AMONG OTHERS.



BOX 13: FROM VISION TO REALITY: THE QAIA PPP SUCCESS IN TRANSFORMING AIR TRANSPORTATION

The Queen Alia International Airport (QAIA) expansion in Amman, Jordan, is a prime example of the transformative power of Public-Private Partnerships (PPPs). Supported by IsDB's US\$125 million financing, the project increased the airport's capacity from 3.5 million to 9 million passengers annually, with a scalable design targeting 12 million by 2025 and 16 million by 2032. The project's success stemmed from strategic partnerships, innovative design and advanced technologies, which enhanced operational efficiency and sustainability. The project generated over US\$1.82 billion in concession fees for the Jordanian government, supported US\$2.2

billion in annual economic activity, and created 40,000 jobs across sectors. With improved connectivity to over 100 destinations, QAIA has become a critical regional hub, boosting tourism, trade, and economic growth. QAIA's success demonstrates how PPPs can foster sustainable transport infrastructure solutions, regional connectivity, and long-term prosperity.

SUPPORTED BY ISDB'S

US\$125 MILLION

FINANCING, THE PROJECT INCREASED THE AIRPORT'S CAPACITY FROM 3.5 MILLION TO 9 MILLION PASSENGERS ANNUALLY, WITH A SCALABLE DESIGN TARGETING 12 MILLION BY 2025 AND 16 MILLION BY 2032.

The IsDB 50-Year Jubilee provided a great opportunity to explore the potential of sustainable e-mobility solutions in IsDB member countries in achieving IsDB's goals on climate action and sustainable development.

The Transport Practice also supported key strategic documents and reviews, including Member Country Partnership Strategies for Uzbekistan and Morocco and Country Engagement Frameworks for Türkiye and others. Completion reports were finalised for projects in Türkiye, Kyrgyz Republic, Nigeria, and Uganda, showcasing high-quality analyses.

In collaboration with global partners, IsDB organised events such as the webinar on "Accelerating the Transition to Sustainable E-Mobility", a roundtable on Financing Road Safety in the Arab Region, and workshops on Climate Finance and Cross-Border Connectivity. The sector's focus on sustainable solutions has fostered innovation, inclusion, and prosperity for vulnerable populations.

These achievements highlight IsDB's commitment to delivering inclusive, resilient, and impactful transport solutions that drive socioeconomic growth, regional integration, and poverty reduction across member countries. The IsDB 50-Year Jubilee provided a great opportunity to explore the potential of sustainable e-mobility solutions in IsDB member countries in achieving IsDB's goals on climate action and sustainable development. The round table discussed best practices for financing road safety at the global and regional levels and means of unlocking national opportunities for the sustainable financing of road safety policies and measures.

WATER, URBAN DEVELOPMENT, AND SANITATION

In 2024, IsDB strengthened its commitment to prioritising climate-resilient water infrastructure and efficient water use practices, recognising that water is a critical driver of development in its member countries (MCs). Based on its Water Sector Policy and Strategy, the Bank worked with MCs on transformative investment programmes, projects, strategic partnerships, and capacity development initiatives. This included integrating Technical and Vocational Education and Training (TVET) into the water sector development work carried out in MCs. The Bank also worked to ensure equitable access to water and sanitation and to enhance the role of water management in agricultural productivity, building resilience against climate change.

In 2024 IsDB approved US\$2.1 billion in water sector financing, showcasing its leadership in addressing critical challenges in water management in its MCs.

THE MOST PROMINENT OPERATIONS INCLUDED:

- The US\$1.15 billion Kazakhstan Climate Resilient Water Resources Development Project, involving the construction and rehabilitation of 11 seasonal water storage reservoirs and the modernisation of 3,400 km of irrigation networks, covering 350,000 hectares of cropland. The project also established a TVET programme to train over 1,000 water operators to better manage the canal SCADA systems.
- The US\$96.5 million Azerbaijan Maiden Tower Climate Resilient Water Project, developing an irrigation scheme covering 8,400 hectares, directly improving the livelihoods of 1.6 million people.

Additionally, IsDB has continued to support equitable access to urban services while focusing on the development of climate-resilient infrastructure. The Bank remains dedicated to fostering liveable cities by enhancing inclusive and sustainable urban growth and establishing pathways for long-term economic and social development.

For example, the Bank approved US\$37.10 million for Phase 2 of the Ouagadougou Suburban Areas Development Project in Burkina Faso. This initiative aims to sustainably improve the living conditions of over 4.7 million residents of Grand Ouagadougou (i.e. the capital city and its suburbs), including internally displaced people. The project focuses on enhancing urban flood protection through climate-resilient rainwater collection and drainage systems, improving solid waste management, and strengthening the technical and operational capacities of municipal services in sanitation and urban planning.

IsDB also organised a hands-on capacity development programme on City-Wide Inclusive Sanitation and Fecal Sludge Management in collaboration with the Global Water and Sanitation Centre (GWSC) at the Asian Institute of Technology (AIT), bringing brought together 20 participants from National Sanitation Executing Agencies and IsDB operational staff from 10 member countries within the Asia region.

Finally, IsDB participated in the World Urban Forum 12 (WUF12) in Cairo, Egypt from 4 to 8 November, where the Bank organised a side event on Housing Rehabilitation in Historic Urban Settlements in the Arab region.

BOX 14: MAKING ISDB'S VOICE HEARD GLOBALLY IN THE WATER SECTOR

One Water Summit (OWS) held in Riyadh, Saudi Arabia, on the margins of the COP 16. IsDB played a transformative role in advancing global water security by delivering a joint statement on behalf of nine Multilateral Development Banks (MDBs) at the OWS. In the statement, IsDB President reaffirmed the collective commitment of MDBs to address global water challenges and emphasised water as a critical priority for sustainable development.

Over the past five years, the MDBs have collectively committed US\$50 billion to the water sector, benefiting over 400 million people through financing and technical assistance. Building on this progress, the MDBs pledged to significantly scale up support for water sector investments from 2025 to 2030, focusing on universal access to safe drinking water and sanitation, scale up irrigation to increase food security and improve livelihoods, enhance flood management, and advance the sustainable management of water resources.

The One Water Summit served as a critical platform for strengthening MDB collaboration, enhancing co-financing opportunities, and streamlining project implementation processes. This milestone event

highlighted IsDB's leadership in unifying the efforts of MDBs to tackle global water challenges. By bringing the collective voice of the development community to the forefront, IsDB continues to champion innovative, inclusive, and sustainable solutions to secure a resilient water future for its member countries and beyond.

In addition, IsDB's contributions at the 10th World Water Forum (WWF10) in Bali, Indonesia, further underscored its leadership in tackling global water challenges. The Bank delegation actively participated in more than 30 sessions, through keynote speeches, panel discussions. Strategically, IsDB used this opportunity to strengthen its partnerships with ADB, AfDB, World Bank, OECD, etc., while discussing collaborative mechanisms including climate finance to support water-stressed regions.

OVER THE PAST FIVE YEARS, THE MDBs
HAVE COLLECTIVELY COMMITTED

US\$50 BILLION
TO THE WATER SECTOR, BENEFITING OVER
400 MILLION
PEOPLE THROUGH FINANCING AND
TECHNICAL ASSISTANCE.



2.2.5: SCIENCE, TECHNOLOGY AND INNOVATION

The Science, Technology, and Innovation (STI) programme has been a pivotal initiative since its inception, aimed at fostering collaboration and the sharing of scientific knowledge among member countries. Over the years, the programme has successfully approved a total of 112 standalone grant operations, amounting to US\$15.52 million. These grants have played a crucial role in enhancing the scientific and technological capabilities of individual countries by providing essential equipment, training, and opportunities for knowledge exchange.

In 2024, the STI programme continued to evolve, with the approval of eight new projects that integrate STI components to tackle sector-specific challenges. These projects focus on deploying digital technologies across various fields, including agriculture, health, education, and micro, small, and medium enterprises (MSMEs), with a total funding of US\$1.85 million. The introduction of these digital technologies is expected to significantly improve the quality of service delivery, enhance monitoring processes, and ultimately lead to better outcomes for the interventions.

A notable project under the STI programme is the expansion of telehealth services in Afghanistan, which involves a partnership with the Afghanistan Humanitarian Trust Fund (AHTF). This initiative, funded by US\$300,000 from KS Relief and US\$50,000 from technology partner Educast, aims to improve access to quality healthcare across 20 provinces. The project focuses on training at least 3,500 healthcare providers in telehealth technology, thereby enhancing the digital literacy of existing Afghan doctors and enabling them to deliver clinical services through teleconsultation.

Additionally, in 2024 the STI published a comprehensive report on agricultural technologies, in collaboration with the Food and Agriculture Organization (FAO) and International Fund for Agricultural Development (IFAD). The report highlighted 120 viable climate-smart food security technologies across 10 countries, including Bangladesh, Brazil, and Nigeria, showcasing innovative solutions that are both affordable and transferable.

The STI programme has also produced various knowledge and advocacy products, such as the Green Climate Smart Technology Assessment Tool (GC-STAT), blended learning initiatives in the CAREC region, and case studies presented at the UN STI Forum. These resources aim to further promote the understanding and application of science and technology in addressing global challenges.



BOX 15: OPERATIONALISATION OF THE TECHNOLOGY DEPLOYMENT COOPERATION PROGRAMME (TDCP)

The Technology Deployment Cooperation Programme (TDCP) was launched to facilitate the transfer and deployment of cost-effective technologies that address development challenges in member countries. Since its approval in August 2023, IsDB has secured US\$120 million in grant pledges to blend with its own resources, focusing on three key areas: innovative soil stabilisation technologies for rural road construction, the development of the aquaculture industry, and digital agricultural technologies.

In 2024, the programme took significant steps toward implementation with two technology evaluations. The first focused on innovative soil stabilisation technologies for road construction, carried out in collaboration with Morocco's Ministry of Water and Equipment. The second evaluation examined advanced aquaculture industry technologies, conducted in partnership with the United Nations Food and Agriculture Organization (FAO).

One major milestone under the TDCP was the approval of the Reconstruction of the Kambia-Tomparie-



Kamawkie Road project in Sierra Leone. This project operationalised a grant of €8.10 million from TDCP technology partner Probase, enabling the deployment of their innovative soil stabilisation technology. Blended with IsDB financing, this grant unlocked an additional €62 million in concessionary funding to construct 105 km of rural roads. By using Probase's technology, construction costs are expected to be reduced by approximately 35%, and the roads will include a 10-year maintenance guarantee.

In 2024, IsDB also received a US\$35.0 million pledge from Doktor Technologies to deploy their farm management digital solutions, designed for smallholder farmers. To advance this initiative, a technology familiarisation visit was organised in Türkiye, bringing together senior experts from Sierra Leone, Togo, and Uganda. The visit generated significant interest and discussions on how these digital agricultural technologies could enhance agricultural productivity and competitiveness in their respective countries.

Through the TDCP, IsDB will continue facilitating the deployment of technologies by matching their needs with available and appropriately sized technologies that can address development challenges and enhance economic growth.



Technology Demonstration Workshop with Doktor Technologies in Türkiye with representatives from Togo, Sierra Leone and Uganda.

IN 2024, ISDB ALSO RECEIVED A
US\$35 MILLION PLEDGE
 FROM DOKTOR TECHNOLOGIES TO DEPLOY
 THEIR FARM MANAGEMENT DIGITAL SOLUTIONS,
 DESIGNED FOR SMALLHOLDER FARMERS.