



معهد البنك الإسلامي للتنمية
Islamic Development Bank Institute

ANNUAL REPORT 2022





About the IsDB Institute

The Islamic Development Bank Institute is the knowledge beacon of the Islamic Development Bank Group. Guided by the principles of Islamic economics and finance, the IsDB Institute is mandated to lead the development of innovative knowledge-based solutions to support the sustainable economic advancement of IsDB Member Countries and various Muslim communities worldwide. The Institute enables economic development through pioneering research and original economic analysis, human capital development, and knowledge creation, dissemination and management. The Institute leads initiatives to enable Islamic finance ecosystems, ultimately helping Member Countries achieve their development objectives.



Contents

About the IsDB Institute	3
Abbreviations	6
Acknowledgements	7
Letter of Transmittal	9
Message from the Director General	11
Board of Trustees	12
Management Team	13
Year-in-Review	14
2022 At A Glance	16

1: STRATEGIC ORIENTATION 18

1.1 Background	19
1.2 Strategic Objectives	19
1.3 Main Functions	19
1.4 Organisational Structure	20
1.5 New Brand Identity	21

2: THOUGHT LEADERSHIP 22

2.1 Economic Research & Analysis	23
2.2 Provision of Reliable Statistics	23
2.3 Knowledge Resource Centre Modernisation	24
2.4 Innovative Financial Solutions for the IFI	24
2.5 Knowledge Creation in Islamic Economics ..	25
2.6 Incentivising Knowledge Creation	25
2.7 Islamic Financial Engineering Lab	27

3: CAPACITY DEVELOPMENT 28

3.1 Nurturing Future Leaders	29
3.2 Country Capacity Development Programs (CCD)	30
3.3 Fee-based Training Programs	30
3.4 Bespoke Training Workshops	30
3.5 Massive Open Online Courses (MOOCs)	31
3.6 Customised E-Learning Courses	32
3.7 New Training Package	33

4: KNOWLEDGE SOLUTIONS 34

4.1 Innovative Fintech Solutions	35
4.2 Islamic Finance Grants Program	35
4.3 Islamic Finance Knowledge Pavilion	37
4.4 Awqaf Free Economic Zones	37
4.5 Smart Countertrade System	37
4.6 Digital Postal Islamic Financial Services	38
4.7 Islamic Finance Infrastructure Institutions ...	38
4.8 Knowledge Management	38

5: GLOBAL OUTREACH 40

5.1 Leveraging Partnerships for Delivery	41
5.2 Publications	42
5.3 e-Book Reader App	43
5.4 IsDBI Website & Blogs	44
5.5 Conferences & Knowledge Events	45

6: ENHANCING INSTITUTIONAL EFFECTIVENESS 48

6.1 Board of Governors	49
6.2 Board of Trustees	49
6.3 Managing Corporate Performance	50

ANNEXES 52

Abbreviations

AAOIFI	Accounting and Auditing Organization for Islamic Financial Institutions
ABS	Agent-Based Simulation
AMF	Arab Monetary Fund
BIBF	Bahrain Institute of Banking & Finance
BOT	Board of Trustees
CCD	Country Capacity Development
CIBAFI	General Council for Islamic Banks and Financial Institutions
CIF	Cooperative Insurance Fund
CPT	Corporate Performance Team
DoA	Delegation of Authority
EKTASP	Effective Knowledge Transfer and Sharing Platform
ESCWA	United Nations Economic and Social Commission for Western Asia
ESG	Environmental, Social and Governance
ERS	Economic Research and Statistics
GCC	Cooperation Council for the Arab States of the Gulf
GVC	Global Value Chains
ICRC	International Committee of the Red Cross
IFE	Islamic Financial Engineering
IFI	Islamic Financial Industry
IFN	Islamic Finance News
IFSB	Islamic Financial Services Board
IIFA	International Islamic Fiqh Academy
IPOS	Intellectual Property Office of Singapore
IsDB	Islamic Development Bank
IsDBI	Islamic Development Bank Institute
KHT	Knowledge Horizons Team
KLT	Knowledge Leaders Team
KSA	Kingdom of Saudi Arabia
KST	Knowledge Solutions Team
LIBOR	London Interbank Offered Rate
MCPS	Member-Country Partnership Strategy
MCs	Member Countries
MOOCs	Massive Open Online Courses
NASA	National Aeronautics and Space Administration
OECD	Organisation for Economic Co-operation and Development
OMS	Operations Management Solutions
OPHI	Oxford Poverty and Human Development Initiative
PECDAR	Palestinian Economic Council for Development and Reconstruction
RFR	Risk-Free Rate
SCMS	Smart Credit Management System
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
SV	Smart Voucher
TOSSD	Total Official Support for Sustainable Development
UNDP	United Nations Development Programme

Acknowledgements

The 2022 Annual Report of the Islamic Development Bank Institute was prepared by the Knowledge Horizons Team, with inputs from the business units, based on the overall guidance of the Institute's Management.

UNDER THE SUPERVISION OF:

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*We are counting on
the Institute to be
the knowledge beacon
of the IsDB Group.*

Letter of Transmittal

In the Name of Allāh, the Beneficent, the Merciful.

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

Assalāmu alaikum wa rahmatullāhi wabarakātuh.

In accordance with the Statute of the Islamic Development Bank Institute (IsDBI), I have the honour to submit to the esteemed Board of Governors, on behalf of the Board of Trustees, the Annual Report of IsDBI for the year ending 31 December 2022.

The Annual Report covers the Institute's activities and accomplishments in 2022. We are counting on the Institute to be the knowledge beacon of the IsDB Group.

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



Dr. Muhammad Al Jasser

Chairman, Islamic Development Bank Group
Chairman, IsDB Institute Board of Trustees



*Our major aspiration
going forward is on
priority projects based
on added value and
sustainability.*

Message from the Director General

The IsDB Institute is uniquely positioned to add superior value to our Member Countries. The Institute is distinctive in harbouring three critical functions for its role as a beacon of knowledge of the IsDB Group:

1. Economic analysis of the development challenges facing Member Countries.
2. Islamic finance advisory and capacity building, managing the Special Allocation Program to Support the Islamic Financial Industry.
3. Innovative technologies for new fintech applications to support financial inclusion and sustainable development.

These three functions work in harmony and synchrony, resulting in pioneering projects that hopefully will bring substantial value to the economic progress and prosperity of our Member Countries and communities. These projects include:

- Awqaf Free Zones, which aims to contribute to the long-term food and energy security of Member Countries. (Section 4.4)
- Smart Countertrade, which aims to enhance intra-trade among Member Countries using digital vouchers to support financial inclusion and economic integration. (Section 4.5)
- Digital Postal Islamic Financial Services, which aims to capitalise on the vast networks of postal services in MCs to support e-commerce and digital Islamic finance. (Section 4.6)

In all these projects, in addition to several others, the three major functions of the Institute work in seamless harmony and synergy to maximise the value and impact of our programs and activities. Moreover, these projects integrate state-of-the-art research and capacity building to formulate tangible solutions to challenges facing our Member Countries.

I am pleased to note that we benefitted immensely from the encouragement and guidance by H.E. Dr. Muhammad Al Jasser, the Chairman of the IsDB Group, and the Honourable Members of the Institute's Board of Trustees. In its 11th Meeting held in 2022, chaired by H.E. Dr. Al Jasser, the Board adopted the Institute's medium-term work program for the coming three years. Initiatives included in the work program were carefully formulated to maximise impact by prioritising areas of the Institute's comparative advantage.

Building on the successes of the past, our major aspiration going forward is on priority projects based on added value and sustainability, giving due preference to quality over quantity, and leveraging partnerships to scale up the impact. My colleagues and I look forward to continuous valuable engagement with our stakeholders as we strive to implement our important initiatives for the benefit of our communities.



Dr. Sami Al-Suwailem

Acting Director General, IsDB Institute
Chief Economist, IsDB Group

Board of Trustees



H.E. Dr. Muhammad Al Jasser
Chairman, IsDB Group
Chairman, IsDBI Board of Trustees



Hon. Abdulghafar Agil Al-Awadhi



Hon. Dr. Abdallah Souleymane



Hon. Dr. Bambang Susantono



Hon. Khalid Hamad A. Hamad



Hon. Dr. Kazim Niaz



Hon. Malick Ba



Hon. Rami Alkarmi



Hon. Dr. Mohamad Hammour



Hon. Dr. Sabina Alkire



Dr. Sami Al-Suwailem
Acting Director General, IsDBI
Secretary, IsDBI Board of Trustees

** Photos of Board of Trustees Members are arranged in alphabetical order of their first names.*

Management Team



Dr. Areef Suleman
Director, Economic Research & Statistics



Dr. Sami Al-Suwailem
Acting Director General



Dr. Rami Abdelkafi
Team Leader, Knowledge Leaders



Dr. Hilal M. Houssain
Team Leader, Knowledge Solutions



Habeeb Idris Pindiga
Team Leader, Knowledge Horizons



Basim Qasim Muhammad
Team Leader, Corporate Performance

Year-in-Review

The Islamic Development Bank Institute (IsDBI) is a thought leader spearheading the development of innovative knowledge-based solutions guided by the principles of Islamic Economics. As the knowledge beacon of the IsDB Group, the Institute has an expanded mandate that includes the role and functions of the Group's Chief Economist. The highlights of the Institute's major accomplishments in 2022 are as follows.

Economic Analysis, Data & Statistics

The Institute continued to produce evidence-based economic analysis to keep the IsDB Group updated on the implications of emerging global development issues to support effective decision-making and country engagement. In this respect, the IsDBI in 2022 published Country Diagnostic Studies (CDS) focusing on seven countries and Topical Issues papers covering issues on climate-related risk and vulnerabilities, boosting global financial resources, food security, and debt sustainability. The CDS published in 2022, for Suriname, Bangladesh, Azerbaijan, Sierra Leone, Nigeria, Jordan, and Iraq, analysed the countries' economic growth and development with the aim to contribute to the formulation of the IsDB Member Country Partnership Strategy (MCPS). Furthermore, the IsDBI was involved in the design of MCPSSs for seven MCs in 2022 namely, Indonesia, Niger, Turkmenistan, Malaysia, Bangladesh, Guinea, and Uzbekistan.

In the area of provision of reliable statistics, the Institute serves the role of the data custodian for the IsDB Group, collecting, systematising, and offering easy access to key data and information on MCs. The data is disseminated in the form of statistical publications that include the weekly comprehensive Country Fact Sheet, which presents MCs' status regarding IsDB financial relations and debt relief initiatives, and the quarterly IsDB Country Snapshot which provides timely and accurate information on IsDB MCs and non-MCs.

Capacity Development

The IsDBI delivered 15 training programs to various audiences both in the public and private sectors with the aim to support institutions to enhance their

capacity in Islamic Economics and Finance. Areas of focus in 2022 included Islamic banking and finance, Sukuk, awqaf, product development, and Shari'ah and accounting standards. These training programs were of considerable significance as they provided important avenues for transferring knowledge, skills, and experience. The IsDBI's online learning initiative also received a boost in 2022 with the development and launch of new Massive Open Online Courses (MOOCs) as a response to the increasing demand for easy access to knowledge in Islamic banking and finance worldwide. The new offerings, available on the edX platform, are the first-of-its-kind Arabic MOOC entitled "Conversion of Conventional Banks into an Islamic Bank" and the jointly provided online course "Islamic Finance for the Sustainable Development Goals."

Furthermore, the IsDBI continued to work with the Total Official Support for Sustainable Development (TOSSD) Secretariat at the OECD to host a series of capacity-building webinars on a new international standard for monitoring resources flowing into developing countries for their sustainable development.

Creative Fintech Solutions

As part of the development of innovative fintech solutions for the development challenges, the IsDBI signed an MoU with Beyond Limits, a firm specialised in Artificial Intelligence, to explore the transformation of IsDBI's fintech patents into solutions. The Institute completed the capitalisation framework and strategy aimed at capitalisation and commercialisation of the patented solutions.

The IsDBI further advanced the project to develop the Islamic Finance Knowledge (IFK) Pavilion, envisioned to be a blockchain-based platform serving as a marketplace for the supply and demand of consultancy, advisory services, and innovative solutions in Islamic Finance and economic development.

Developing Islamic Finance Ecosystems

IsDBI support over the past years has been crucial in the development of the Islamic Finance Services Industry as an essential component of the global financial landscape. In 2021, IsDBI supported a

number of MCs and institutions through grant projects of over US\$1.6 million, with the aim of developing Islamic Finance ecosystems.

These included supporting the activities of the Global Islamic Finance and Impact Investing Platform (GFIIP), a joint initiative of the IsDB and UNDP, for sustainable and impact-oriented financing activities in Pakistan, Uzbekistan, Bahrain, Turkey, Afghanistan, and Kuwait. The IsDBI provided grants for various projects aimed at developing processes and systems for the IFI in Egypt, Morocco and the UK. A grant was provided to enable feasibility studies for the Islamic microfinance market in five IsDB MCs.

Another grant will facilitate a legal and market study for the IsDBI's Awqaf Free Zones project that seeks to address the pressing challenges of food and energy security. The Islamic infrastructure institutions also received IsDBI support through the contribution of IsDB's membership fees of US\$230,000 and participation in the institutions' activities.

Innovative Solutions for the Islamic Finance Industry

The IsDBI undertakes significant work in developing Islamic financial solutions for the benefit of MCs and the Islamic financial industry. In 2022, the IsDBI focused on developing the Sukuk Enhancement Fund, a product that aims to provide a protection mechanism to Sukuk without additional costs to issuers. It is built on the concept of cooperative insurance, whereby members contribute regular premiums and those who are affected will be compensated from the pool of contributions. This system will improve the access of issuers to capital markets and potentially attract a larger segment of Sukuk investors.

Publications

The IsDBI continued to strengthen its leadership in Islamic Economics and development publications. New publications released in 2022 included two new issues of the Islamic Economic Studies journal and several major reports prepared under various partnerships with the OPHI the ADB. Topics covered by the joint reports included multidimensional poverty in Egypt and Afghanistan, economy and trade,

macroeconomic vulnerabilities in IsDB MCs, and cash transfers and poverty alleviation.

The IsDBI Reader, a modern e-book reader app for smart devices, has continued to be the main gateway to access the Institute's publications. Significant user interest in the app was recorded following its launch in 2022, with near daily downloads of IsDBI e-books and other publications. Development of the cloud version of the app reached advanced stage during the year, with the main objective of enabling reading on larger screens including desktops, among other key benefits.

Incentivising Knowledge Creation

Three renowned professors were selected as winners of the 2022 IsDB Prize for Impactful Achievement in Islamic Economics for their immense contributions to the field of Islamic Economics and Finance. The winners, Prof. Habib Ahmed (first prize), Prof. Mansur Masih (second prize), and Prof. Tariquillah Khan (third prize), are internationally recognized academics who produced pioneering and impactful scholarly works.

Further, the Institute in partnership with the Saudi-Spanish Center for Islamic Economics and Finance, organised the Islamic Finance Changemakers Competition to support social entrepreneurs, innovators and business leaders seeking to create a better society. This edition of the competition attracted 90 projects from 25 countries.

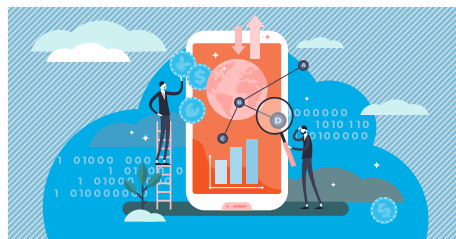
Enhancing Institutional Effectiveness

The Institute has been working to strengthen its internal governance processes and procedures to achieve greater operational efficiency and effectiveness. One of the key milestones in this area is the completion of the Islamic Finance Grants Programs Guidelines that set the procedure for preparing projects and accessing the grants. This is expected to enhance the efficiency and effectiveness of the program for the benefit of the IFIs in MCs.

2022

AT A GLANCE

FINTECH SOLUTIONS



3 patents obtained

1 new patent application

NEW INITIATIVES



Awqaf Free Zones

Smart Countertrade System

Digital Postal Islamic Financial Services

TRAINING PROGRAMS

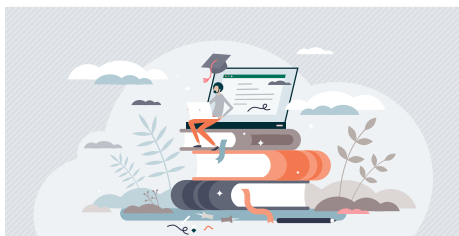


15 training programs

242 participants in CCD

154 participants in Fee-based

ONLINE LEARNING



2

number of new courses



total enrolment

2,561

108



number
of countries
of attendees

PUBLICATIONS



7

country
diagnostic studies

2



journals



3

flagship reports

statistical
reports



19

ISLAMIC FINANCE GRANTS



1.6

US\$
million

approvals

13

countries supported



IsDB PRIZE AWARDS



3

laureates



US\$

100,000

cash awards

CHAPTER 1

Strategic Orientation

This chapter presents the Institute's strategic objectives, functions, and organisational structure.

1.1 Background

As the knowledge beacon of the IsDB Group, the Institute leads the development of innovative solutions to support the sustainable economic advancement of IsDB member countries (MCs) and various Muslim communities worldwide. Established in 1981 as the Islamic Research and Training Institute (IRTI), the Institute was renamed in April 2021 as the Islamic Development Bank Institute (IsDBI) in order to better align with the IsDB Group's emerging priorities and to enable the Institute to lead the delivery of innovative knowledge solutions for sustainable development. With an expanded mandate and scope that includes the role of the IsDB Group Chief Economist, the Institute is a thought leader that guides evidence-based decisions and leads initiatives to unleash the potential of Islamic finance as an efficient tool for social and economic development.

1.2 Strategic Objectives

The Institute's strategic direction is formulated based on the "Blue Ocean Strategy." This means searching for fresh (blue) waters with the potential for delivering high value, while avoiding crowded areas (red water). In practice, this refers to the pursuit of opportunities and activities that create added value at minimum cost. The Institute avoids replication of the work of other organisations, and capitalises on its comparative advantages to uniquely position itself. In light of this strategy, the Institute adopted four Strategic Objectives as follows:

1. CREATING VALUE THROUGH KNOWLEDGE-BASED INNOVATIONS

The Institute primarily focuses on identifying innovative ways to make its business cost-effective, competitive, and client oriented. As the IsDB Group is fully committed to the SDGs, the Institute champions the implementation of the Global Goals according to the needs and priorities of the MCs. The Institute harnesses its intellectual expertise and teams up with leading industry partners to develop innovative, knowledge-based solutions that respond to member countries' (MCs') challenges. While guiding the innovation process toward maximum value for

MCs, the Institute continues to uphold the principles of Islamic Economics and Finance.

2. BUILDING HUMAN CAPITAL

The core of any sustainable development strategy is human capital. Therefore, the Institute employs frontier technologies, and applies a sustainable set of human values at the core of its business, to formulate unique programmes for building the next generation of knowledge leaders and entrepreneurs to lead the development of MCs. The Institute aims to lead in providing learning and capacity building to support MCs in achieving the SDGs.

3. ADOPTING A PROBLEM-SOLVING APPROACH

IsDBI adopts an up-to-date problem-solving approach to find authentic and real-time solutions to MCs' economic impediments. Hence, the Institute focuses on applied and productive studies, translating intellectual creativity to real-world applications. This will enable the Institute to distinguish itself from and complement academia, consulting firms, and related industry players.

4. CREATING STRONG PARTNERSHIPS AND NETWORKS

Over the years, the Institute has leveraged its accumulated knowledge and experience in Islamic Finance to collaborate with local and international development institutions. IsDBI continues to play a unique role in working with its stakeholders and future partners to support MCs' development via innovative systems and state-of-the-art technologies guided by the principles of Islamic Finance.

1.3 Main Functions

- Pioneering evidence-based research and economic analysis
- Synergising knowledge technologies with Islamic Finance
- Design of innovative solutions to address economic challenges

- Building human capital in Islamic Finance and development
- Nurturing future entrepreneurial leaders
- Publishing in Islamic Economics and Finance
- Fostering the development of Islamic Finance ecosystems

1.4 Organisational Structure

IsDBI has a flat organisational structure that promotes agility of decision making. The Institute has one Division and four Sections, namely the Economic Research and Statistics Division, Knowledge Leaders Section, Knowledge Solutions Section, Knowledge Horizons Section, and Corporate Performance Section. An overview of the business units is given below:

ECONOMIC RESEARCH AND STATISTICS DIVISION

The division is the focal point of all activities related to the role of the IsDB Group Chief Economist, a position held by the Director General of the Institute. The key responsibilities of the Division include:

- Undertaking and disseminating evidence-based economic research to develop state-of-the-art knowledge on development challenges to augment the ex-ante effectiveness of IsDB Group interventions.
- Undertaking Country Diagnostic Studies as part of the preparation of the Member Country Partnership Strategies (MCPS).
- Assisting the IsDB Group in anticipating emerging global risks and economic challenges and analysing their implications for the IsDB Group.
- Providing reliable macroeconomic and operational data and statistics to support the operations and research activities of the IsDB Group.
- Facilitating the strengthening of statistical capacities of MCs in collaboration with other international agencies and donors.
- Preparing flagship economic publications of the IsDB/IsDBI.

- Partnering with international and regional development organisations to address various socioeconomic and statistical challenges across MCs.
- Managing and enhancing the IsDB Group Library.

KNOWLEDGE LEADERS SECTION

This team is the focal point for all the Institute's capacity building and e-learning programmes. It is responsible for knowledge creation and dissemination in relation to Islamic Economics and Finance. The key responsibilities of the team include:

- Leading a problem-solving approach to knowledge creation and dissemination in Islamic Economics and Finance.
- Contributing to knowledge products aimed at capacity building and human capital formation, including books, manuals, training packages, and online courses that help the Institute achieve its objectives while maintaining sustainable revenue.
- Undertaking capacity building of future knowledge leaders in Islamic Economics and Finance who will lead the entrepreneurial development of MCs.
- Contributing to the development of the MCPS by providing input on the Islamic Finance Sector for the Country Diagnostics.
- Supervising and managing the development and delivery of innovative and effective learning and certification programmes in partnership with other institutions inside and outside IsDB MCs.
- Designing and implementing the Institute's e-Learning Programmes to enhance the knowledge and skills of individuals, institutions and stakeholders in IsDB MCs and non-MCs.

KNOWLEDGE SOLUTIONS SECTION

This team integrates and harmonises Advisory, Technical Assistance (TA), and Knowledge Management & Technologies across the Institute to lead the development of innovative solutions addressing challenges facing the Islamic Finance industry and MCs. The key responsibilities of the team include:

- Leading the design and structuring of innovative, knowledge-based solutions to the development challenges of MCs in line with the principles of Islamic Economics and Finance.
- Serving as a focal point for knowledge management and innovative technologies for the IsDB Group and MCs.
- Leading the development and execution of the Islamic Finance Knowledge Pavilion Platform, which aims to be the leading marketplace for advisers, consultants, and fintech experts in Islamic Finance and economic development.
- Revamping the Islamic Finance Technical Assistance Programme to be fully automated and integrated with the Pavilion Platform. Moreover, the TA Programme shall be on a cost-recovery basis and aim, inter alia, to enable the Islamic Finance industry to adopt innovative solutions serving the SDGs in MCs.
- Overseeing and coordinating the provision of intellectual property protection for the Institute's innovative solutions by way of patents and similar means, and capitalising on these patents to ensure the financial sustainability of the Institute.

KNOWLEDGE HORIZONS SECTION

This team is the focal point for the outreach, customer relations, and publishing activities of the Institute. The key responsibilities of the team include:

- Designing and implementing media and marketing programmes to enhance the visibility of the Institute and its knowledge products across target markets.
- Managing the Institute's publications process and dissemination to ensure effective and efficient production of high-quality, high-value publications.
- Leading e-publishing products and processes to maintain the leadership of the Institute in the domain of Islamic Economics and Finance and to contribute to the Institute's financial sustainability.

- Developing and maintaining the Institute's website and social media channels and ensuring their effective use in disseminating the Institute's messages and engaging stakeholders.

CORPORATE PERFORMANCE SECTION

This team is responsible for translating the Institute's strategy into measurable results. The key responsibilities of the team include:

- Leading and participating in the resource mobilisation function of the Institute to ensure sustainable funding for its programmes and activities.
- Coordinating the financial management of the Institute's Fund as per the Statute of the IsDBI and related regulations approved by the President.
- Administering the development of the Institute's financial plans and projections.
- Coordinating the IsDBI Islamic Finance grants program.
- Supervising and maintaining the proper implementation of the Rules and Regulations of the Institute.
- Establishing robust and agile systems and procedures for the Institute to ensure quality products and services to clients and stakeholders.
- Overseeing performance management for the IsDBI.

1.5 New Brand Identity

The IsDBI successfully completed and launched a new brand identity in 2022. The new branding is modern, accessible, and evokes the passion and curiosity that is at the centre of the IsDBI's solutions approach to research, collaboration, and development. Mirroring the IsDB's globe, the Institute's new logo represents a symbol of global presence and continued collective growth. The branding comes with dynamic shapes that embody the Institute's multifaceted functions, and vibrant colours that reflect clarity, progress, vitality, and wisdom.

CHAPTER 2

Thought Leadership

This chapter reports the accomplishments in the areas of economic research and analysis, data and statistics, and knowledge creation in Islamic Economics and Finance.

2.1 Economic Research & Analysis

The Institute has continued to build on the momentum of previous years in conducting solutions-focused economic research and analysis that facilitates evidence-based decision making. The objective is to keep the IsDB Group management and staff abreast on the implications of emerging global development issues to support effective decision making and country engagement.

Output of the research and analysis is presented in key publications. One of these are the Topical Issues papers, which dissect the latest developments in the global landscape. In 2022, the papers covered various issues germane to IsDB Group and its MCs, including climate-related risk and vulnerabilities, the power of Special Drawing Rights (SDR) in boosting global financial resources, the global chip shortage, food security, the inversion of the yield curve, transforming the global economic and development landscape, and the challenge of debt sustainability.

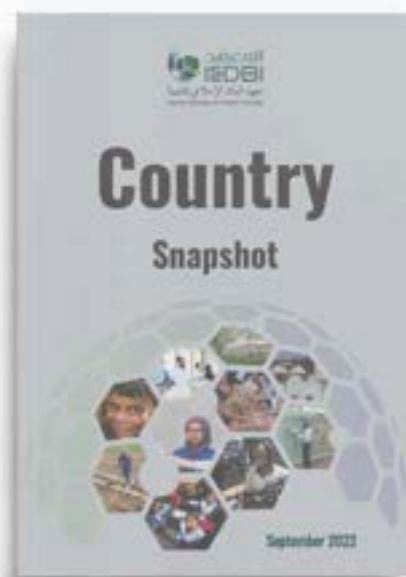
Another key activity in this area is the country diagnostic studies (CDS). These studies are aimed to contribute to the IsDB MCPS by analysing MCs' economic growth and development challenges. The studies have formed the basis of engagement in formulating development interventions in the MCs. In 2022, seven such studies were conducted on Suriname, Bangladesh, Azerbaijan, Sierra Leone, Nigeria, Jordan, and Iraq. Furthermore, IsDBI was involved in the design of MCPSs for seven MCs in 2022 namely, Indonesia, Niger, Turkmenistan, Malaysia, Bangladesh, Guinea, and Uzbekistan (see Chapter 5 for further details on these publications).

Moreover, IsDBI prepared and contributed to several research studies, a number of them together with partner organisations. The studies focused on topics that included multidimensional poverty, IsDB MCs' macroeconomic vulnerabilities, and cash transfers on poverty alleviation, among others (see Chapter 5 for further details on these publications).

2.2 Provision of Reliable Statistics

Provision of timely data and reliable statistics is important for evidenced-based policymaking both at IsDB Group level and in MCs. The Institute continues to serve as the data custodian and primary point of contact for all IsDB Group data and data on MCs. Providing accurate statistics and timely data are at the core of the smooth operation and reporting of the IsDB Group. The need for accurate and timely data has become even more important in a constantly changing global world than ever before.

In 2022, the IsDBI continued to make data and statistics available through a set of periodic publications on weekly, monthly, and quarterly basis. The IsDB Country Snapshot, a quarterly publication, aims to provide timely and accurate information on IsDB MCs' and non-MCs' macroeconomy, trade, socioeconomic development, government finance, governance, and cumulative IsDB Group interventions. This publication helps internal partners and management to get up to date with the latest data that can aid in creating specific strategies for working with MCs.



The weekly comprehensive Country Fact Sheet (CFS) presents MCs' status regarding IsDB financial relations and debt relief initiatives for the 57 MCs. It also provides management recommended actions in the short and medium term, given information on the Bank's portfolio and the overall relationship between the IsDB and its MCs.



2.3 Knowledge Resource Centre Modernisation

In 2022 the Institute reached key milestones in the exercise to modernise the knowledge resource centre, which started the previous year. As part of the exercise, IsDBI launched the new Library Information Management System and revamped the Library portal. The Arabic Library collection was enhanced while the "weeding" exercise continued. A survey was also launched to assess the overall level of satisfaction with the quality and efficiency of Library services provided.

The Sukuk Enhancement Fund (SEF) aims to provide a protection mechanism to Sukuk without additional costs to issuers.

2.4 Innovative Financial Solutions for the IFI

The Institute undertakes significant work in developing innovative solutions for the Islamic Financial Industry (IFI). The work in this area comes as part of the Institute's contribution for developing diversified financial solutions for the benefit of the financial institutions of IsDB MCs. In 2022, the IsDBI focused on developing the Sukuk Enhancement Fund (SEF), a product that aims to provide a protection mechanism to Sukuk without additional costs to issuers.

Global public debt reached around 99 percent of gross domestic product (GDP) in 2021. Debt vulnerabilities driven by widening fiscal deficits and lagging growth, increased sharply because of the impact of the COVID-19 pandemic. Although the development of domestic bond markets should contribute to fiscal and financial resilience, excessive sovereign borrowing from the domestic banking system can also exacerbate vulnerabilities through the sovereign-bank nexus.



Participants of the Workshop on Sukuk Enhancement Fund held in Jakarta, Indonesia on 18 November 2022

Against this background, the SEF mechanism is proposed on the concept of cooperative insurance, whereby members contribute regular premiums and those who are affected will be compensated from the pool of contributions in issuing Sukuk for financing. Since the fund is based on non-profit, social solidarity and risk sharing, rather than on commercial compensation, the fund therefore does not depend on an external guarantee, and members' contributions are sufficient to meet the protection requirements. The cooperative structure means that the SEF can be used to enhance the risk profile of Sukuk, regardless of its under-

lying structure and regardless of its issuer. Hence, the SEF, in principle, can accommodate sovereign, corporate, and SME issuers. This system will improve the access of issuers to capital markets and potentially attract a larger segment of Sukuk investors.

2.5 Knowledge Creation in Islamic Economics

The Institute continues its productive efforts for knowledge creation in Islamic Economics and Finance, through cutting-edge research that enables creative knowledge solutions and the development of the IFI. Work in this area focuses on identifying and addressing the contemporary challenges facing IsDB MCs in economics, finance, and banking activities, in line with Islamic principles. The output in 2022 resulted in several knowledge products focusing on different themes, including reports and research articles (see Chapter 5 for details on the publications).

2.6 Incentivising Knowledge Creation

ISDB PRIZE FOR IMPACTFUL ACHIEVEMENT IN ISLAMIC ECONOMICS

The IsDB Prize for Impactful Achievement in Islamic Economics, first instituted in 1408H (1988), has continued to be a premier award for incentivising knowledge creation and solutions development based on the principles of Islamic

Economics. The prize recognises, rewards, and encourages creative efforts of outstanding merit addressing the emerging development challenges facing IsDB MCs. Starting from 2021, the prize is being awarded in two categories in alternating years, namely:

- Development Solution Achievement Category:** This category aims to recognise and reward successful projects that solve important development challenges in IsDB MCs.
- Knowledge Contribution Category:** This category aims to recognise and reward significant contributions to knowledge in areas related to Islamic Economics that have the potential to solve major development challenges in MCs.

Both prize categories are restricted to projects/knowledge contributions made in the last seven years, to promote new and innovative ideas and achievements consistent with Islamic moral values.

In 2022, the Knowledge Contribution Category was awarded to three internationally recognised academics who produced pioneering and impactful scholarly works in the field of Islamic Economics and Finance. They were Prof. Habib Ahmed (first prize), Prof. Mansur Masih (second prize) and Prof. Tariqullah Khan (third prize). The awards were presented at a special ceremony during the 2022 IsDB Group Annual Meetings in Sharm El-Sheikh, Egypt. A complete list of the prize winners to date is in Annex 2.



Figure 2.1: Two categories of the Prize and cash awards.



BOX 2.1: ISDB PRIZE LAUREATES FOR 2022, KNOWLEDGE CONTRIBUTION CATEGORY



Prof. Habib Ahmed, the Sharjah Chair in Islamic Law and Finance at Durham University, Durham, U.K., was selected for the first prize in recognition of his pioneering and innovative work that pushed knowledge and influenced policy making.



Prof. Mansur Masih, a Senior Professor at UniKL Business School, Malaysia, won the second prize for his original and pioneering contributions to the field of Islamic Economics.



Prof. Tariqullah Khan, a Professor at the Faculty of Business and Management Sciences, Istanbul Zaim University, Turkey, won the third prize in recognition of his work to integrate Islamic Economics and Finance with sustainable development and circular economy, and raising their awareness and infusing them in higher education programs.

Following the successful completion of the 2022 cycle of the prize, the Institute opened nominations for the 2023 prize cycle, which is for the Development Solution Achievement Category. Nominations closed in December 2022, to be followed by the selection process. The winners will be announced in April 2023 and the awards presentation ceremony will be held during the IsDB Group Annual Meetings in Jeddah, Kingdom of Saudi Arabia, in May 2023.

ISLAMIC FINANCE CHANGEMAKERS COMPETITION

The Institute in 2022 continued the long-standing collaboration with the Saudi-Spanish Center for Islamic Economics and Finance to organise the Islamic Finance Changemakers Competition. The competition was established to encourage entrepreneurship and promote innovative projects with a tangible impact on society. It aims to support social entrepreneurs, innovators and business leaders seeking to create a better society. The 2022 edition of the competition attracted 90 projects from 25 countries from which three finalists were selected. Amer Siddiki, CEO of THEMAR (Saudi Arabia), won the first prize and was awarded with US\$15,000; Nuraizah Shamsul Baharin, CEO of MADCAT World (Malaysia), won the second prize (US\$10,000); and Haziratul Hamdan Marfiah, CEO of HALNEX (Malaysia), won the third prize (US\$5,000).



90
projects

25
countries



1st

15,000
US\$

Amer Siddiki
CEO of THEMAR



2nd

10,000
US\$

Nuraizah Shamsul Baharin
CEO of MADCAT World



3rd

5,000
US\$

Haziratul Hamdan Marfiah
CEO of HALNEX



IFE Lab at a Glance (2013-2022)

71
publications
in journals



61
conference papers



19
PhD theses



2.7 Islamic Financial Engineering Lab

The Islamic Financial Engineering (IFE) Laboratory, a joint project of the IsDB and Mohamed V University in Rabat, Morocco, is a one-of-a-kind research laboratory established in 2013. The objective of the laboratory is the modelling of complex problems and the structuring of innovative Islamic financial products, using high-performance simulation approaches such as agent-based modelling, and adopting new technologies such as blockchain.

Hosted by the Mohammadia School of Engineering at Mohamed V University, Morocco, the Lab runs a PhD programme where students develop state-of-the-art Agent-Based Simulation (ABS) models. The students also conduct research to develop, evaluate and test new Islamic financial instruments and systems, and explore their potential implementation to assist in the growth and development of the economy. The IsDB Institute is part of the advisory committee of the IFE Lab Project and manages the associated Islamic finance technical assistance.

The Lab provides a unique opportunity to explore innovative Islamic finance ideas and their implementation in simulated real-life settings. The hard work and dedication of the team and researchers at the laboratory since its creation resulted in several key accomplishments.

From January 2022 to March 2023, the following were accomplished:

- 2 PhD theses defended
- 6 Workshops organized
- 14 publications completed

The following is a list of workshops and PhD theses in the IFE Lab in 2022:

WORKSHOPS

- Workshop “Mathematical Modeling for Health Sciences”, Casablanca, Morocco, November 2022.
- AMMC Reward related to scientific research: a prize for research on economic and financial themes focusing on the Moroccan economy and the capital market, Khawla Dahani, a PhD student from IFE Lab won the prize for her research work devoted to the mathematical modeling of participatory finance, June 2022.

PHD THESES

- System Dynamics Modeling for Supply Chain: A Payment Delay Perspective, defended by Salah Eddine Mohamed Hicham.
- Study and Modeling Interurban Mobility in Morocco, defended by M Badraoui Mohamed.

CHAPTER 3

Capacity Development

Capacity development initiatives are at the core of IsDBI's operations. This chapter details the Institute's activities in training, learning, and capacity building.

3.1 Nurturing Future Leaders

IsDBI's capacity development activities aim to transfer the knowledge and skills of Islamic economic, finance, and banking industries to the different target audiences of various segments of IsDB MCs. The purpose is to satisfy their training and learning needs with the ultimate objective of nurturing future entrepreneurial leaders. The IsDBI collaborates with various institutions to set the agenda of learning and training programs, as well as develop and deliver the trainings materials. In 2022, the IsDBI conducted 15 training programs under the various categories, in addition to advancing its online learning offering.

IsDBI Training Programs



15

training programs

242



participants in CCD

154



participants in Fee-based



Participants of a training session in Uzbekistan in March 2022.



Staff of universities in Francophone West Africa attended a training program organized by IsDBI in Dakar, Senegal, in September 2022.

3.2 Country Capacity Development Programs (CCD)

As a continuous response to the COVID-19 pandemic in some IsDB MCs, the Institute in 2022 offered virtual and in-person programs to support institutions of IsDB MCs in meeting their training needs. The focus of those programs was mainly on subjects of Islamic banking and finance, Sukuk, awqaf, product development, and Shari'ah and accounting standards of IFIs. Ten training programs were implemented, half of them delivered online and the other half conducted face-to-face. Eight were classified as local training programs while two were regional training programs. The total number of the participants in all programs was 242. Annex 3A shows details of programs implemented in 2022 under this category.

3.3 Fee-based Training Programs

Apart from the CCD programs targeting member-country public sector institutions, the Institute offers on-demand capacity building support to private-sector organisations in training their employees in the principles and applications of Islamic Finance and banking. These fee-based training programs respond to the demand of private-sector organisations in fulfilling their training and learning needs. The programs are conducted in collaboration with specialised training centres in IsDB MCs. In 2022, five fee-based programs were delivered focusing on the fundamental concepts and applications of Islamic banking and finance, with a total of 154 participants from private-sector institutions. Details on the training programs delivered in 2022 under this category are in Annex 3B.

IsDBI's capacity development activities aim to transfer the knowledge and skills of Islamic economic, finance, and banking industries to the different target audiences.

3.4 Bespoke Training Workshops

The Institute delivers customised training workshops to specific audiences drawn from institutions in IsDB MCs. These workshops are of considerable significance because they provide an interactive training environment where participants and trainers share their knowledge, skills, and experiences in a practical setting. One such workshop was delivered in 2022 through a collaboration with the Indonesian Ministry of Finance and IsDB Regional Hub Indonesia. The workshop on the "Sukuk Enhancement Fund" was hosted by the Indonesian Ministry of Finance and attended by officials from the Ministry of Finance, Otoritas Jasa Keuangan (OJK), Bank Indonesia (BI), Bank Negara Indonesia (BNI), and PT SMI (Sarana Multi Infrastruktur) (see Chapter 2 for details on the Sukuk Enhancement Fund).



Online Courses (2022)



2

number of new courses



total enrolment

2,561

108

number
of countries
of attendees

3.5 Massive Open Online Courses (MOOCs)

IsDBI has remained the leader and pioneer in providing MOOCs in Islamic Economics and Finance. Since 2015 when the IsDBI pioneered MOOCs in this area, tens of thousands of learners have benefitted from the course offerings delivered through the edX platform. As a result of the growing interest, IsDBI in 2022 launched two new MOOCs.

The first is the first-of-its kind offering in Arabic language titled "Conversion of Conventional Banks into an Islamic Bank." This course introduces the concept of transforming conventional banks to operate in accordance with Islamic principles and rules by explaining all the practical and applied aspects of the transformation process. The course, by its design, brings theory and practice together in transforming the conventional banks to operate in Islamic compliance. Offered as a self-paced course, the program allows flexibility to learners to complete the modules at their convenience. Upon completion of the course, participants will understand the differences in the nature of activities and transactions, as well as products and services, between the conventional banking system and the Islamic banking system. A total 601 participants from 56 countries enrolled in the

course during 2022. The course is available for enrolment free on [IsDBI's edX portal](#).



BOX 3.1: IsDBI MASSIVE OPEN ONLINE COURSES (2015-2022)

IsDBI launched the Massive Open Online Courses (MOOCs) in Islamic Finance and Banking in 2015, in collaboration with online learning platform edX. The main purpose is to deliver MOOCs in Islamic Finance and Banking globally, as part of initiatives to expand access to knowledge in Islamic finance. The program has offered a total of 10 courses so far, with tens of thousands of learners benefitting. The ten courses offered so far are:

1. Islamic Finance and Banking
2. Islamic Banking: Principles, Practice and Management
3. Understanding Islamic Insurance and Investments
4. Islamic Finance and Banking: Modes of Finance
5. Islamic Money Markets and Sukuk
6. Islamic Finance and Capital Markets
7. Islamic Finance and Capital Markets: Structure and Trading of Sukuk
8. Principles and Practices of Islamic Insurance
9. Islamic Finance for the Sustainable Development Goals
10. Tools for Converting Conventional Banks to Operate in Accordance with Shari'ah (Arabic Language)

10



number of courses



160

countries or regions

44,487



number of attendees



The second MOOC offered in 2022 is “Islamic Finance for the Sustainable Development Goals.” This course, developed jointly by the IsDBI and the UNDP Istanbul International Centre for Private Sector in Development (IICPSD), was officially launched on the side lines of the 2022 IsDB Group Annual Meetings in Sharm El Sheikh, Egypt. The IsDBI and IICPSD developed the MOOC through a partnership with Durham University Business School, with support from IsDBI’s Science, Technology and Innovation Department.

This course is designed to engage development professionals and practitioners of Islamic Finance under the sustainable development umbrella and leverage modes of Islamic Finance to finance the SDGs. It brings together 27 internationally recognised subject matter experts from 11 countries across 3 continents as course instructors. Upon completion of the course, participants will understand which program design and policy requirements are needed to engage in Islamic Finance, identify projects related to the SDGs for which Islamic Finance is relevant, and develop blended finance solutions combining Islamic social and commercial finance tools with technology and innovation, and build effective dialogue and partnerships with Islamic Finance stakeholders. By the end of 2022, a total of 1,960 participants had enrolled in this course from 108 countries.

3.6 Customised E-Learning Courses

IsDBI fosters institutional learning within the IsDB Group through development of e-learning courses for staff. The Institute works closely with the IsDB’s Project Procurement and Financial Management (PPFM) Division to develop custom e-learning courses, which are part of the comprehensive Project Procurement Accreditation Program. Each course is first developed in English language, and later translated into Arabic and French languages, the two other official working languages of the Bank. In 2022, the Institute completed the development of two e-learning courses for the PPFM Division:

- Procurement Strategy & Procurement Plan (French and Arabic translations) – 4.5 learning hours each.
- Introduction to Contract Management (English) – 2 learning hours.

Two other e-learning courses currently under the development are:

- Introduction to Procurement Management
- Introduction to Contract Management (French and Arabic Translations)

Moreover, the Institute is working to support the development of e-learning courses for the following IsDB Departments:

- Strategy, Budget, and Corporate Performance Department
- Independent Evaluation Department
- Operations, Governance and Oversight Department

3.7 New Training Package

Training packages developed by the Institute are meant for knowledge development and sharing, for the execution of the Institute's training programs, and for the enhancement of trainees' understanding of Islamic financial services and products. In 2022, the IsDBI developed one training package titled "Principles and Contracts of Finance and Investment and their Execution Procedures in Islamic Banks." This training package comprises four chapters. The first and second chapters focus on providing a demonstration of the Shari'ah principles, teachings, and issues for the profound understanding of the nature of objectives, vision, mission, services, and applications of Islamic

Training packages are for knowledge development and sharing, execution of training programs, and enhancement of understanding of Islamic finance.

banks. The third chapter provides a clarification of the meaning, differences, Shari'ah standards, contractual engagements, and areas of application of the current applied modes of finance and investment in Islamic banks. The fourth chapter provides an authentic operational translation of all technical and practical procedures as adopted by modern Islamic banks, step by step, for the execution of their modes of finance and investment.



CHAPTER 4

Knowledge Solutions

This chapter deals with the Institute's work in developing creative solutions, guided by the principles of Islamic economics, to address challenges facing IsDB MCs.

4.1 Innovative Fintech Solutions

In line with its objectives to develop innovative fintech solutions for the socio-economic development challenges facing member countries (MCs), the Institute signed a Memorandum of Understanding with Beyond Limits, a firm specialised in artificial intelligence, to explore the transformation of the IsDBI's fintech patents into ready-made solutions.

The patented solutions, based on blockchain technology, are Smart Credit Management System, Smart Voucher, and Proof-of-Use. They were patented by the Intellectual Property Office of Singapore (IPOS). An application for a fourth patent, named Smart Stabilization System, has been submitted to IPOS for approval. Table 4.1 provides a brief on each of the four fintech solutions. Two of IsDBI's IPOS patents have already been recognised by the World Intellectual Property Organization (WIPO).

The Institute completed the capitalisation framework and strategy meant to identify, select, and manage partnership agreements for the capitalisation and commercialisation of the patented solutions. The framework formulation process took into consideration the intellectual property protecting and licensing models, revenue model, and technological assessments approaches.

In line with the capitalisation framework and strategy, the Institute developed the concept for the Hackathon. The IsDBI Hackathon will be an effective tool to explore potential real-world applications using IsDBI's existing patents for the Islamic finance industry to address real economic and financial problems. The Hackathon will serve as a bridge between Fintech, Islamic Economics and Finance practitioners and communities, as well as to connect start-ups and innovative individuals to Islamic fintech interests globally. Initial partnership discussions with some reputed institutions in Saudi Arabia and elsewhere were held towards signing of agreements for the Hackathon.

As part of stakeholder enlightenment on Islamic finance and fintech, the IsDBI partnered with the

Saudi Central Bank and the Bank Indonesia to organise a high-level seminar on Islamic Finance and Digitalisation, held on the side lines of G20 Summit in Indonesia. The IsDBI used the occasion to highlight its work in developing innovative fintech solutions for development (see the details in Chapter 5).

4.2 Islamic Finance Grants Program

As part of its primary functions, the Institute leads the development of Islamic Finance ecosystems, with the Islamic Finance Grants Program being the cornerstone of initiatives in this area. Through the program, the IsDBI supports countries and institutions with financial grants and in-kind assistance for the purpose of developing the Islamic Financial Industry (IFI). In 2022, the IsDBI supported a number of MCs and institutions through grant projects of over US\$1.6 million. The projects are highlighted below:

- i). A US\$245,000 grant in funding contribution for the activities of the Global Islamic Finance and Impact Investing Platform (GIFIIP), a joint initiative of the IsDB and UNDP, for sustainable and impact-oriented financing activities in Pakistan, Uzbekistan, Bahrain, Turkey, Afghanistan, and Kuwait. The contributed amount is in addition to in-kind technical support provided by IsDBI.
- ii). A project in Egypt supported with US\$200,000 for feasibility studies for holistic urban regeneration including the development of Shariah-compliant platforms for resource mobilisation and distribution.
- iii). A US\$280,000 grant to establish an information system for the supervision and regulation of participation banks in Morocco.
- iv). A grant of US\$270,000 for a set of feasibility studies for the Islamic microfinance market in five IsDB MCs. The IsDBI is working with the Organisation of Islamic Cooperation's (OIC) Islamic Chamber of Commerce, Industry and Agriculture (ICCIA) in this regard.

BOX 4.1: ISDBI'S FINTECH SOLUTIONS

The IsDB Institute has obtained three fintech patents, granted by the Intellectual Property Office of Singapore (IPOS), with one more fintech solution awaiting approval. The following is a brief description of each of the solutions:

1. Smart Credit Management System (SCMS)

Patent No. 10201907802Y

This is a blockchain-based system that integrates:

- Credit information and history
- Credit rating
- Credit insurance
- Credit incentives (pecuniary and non-pecuniary) for debtors to pay on time
- Verification incentives of the blockchain network

SCMS integrates these components seamlessly and efficiently. The integration provides synergies that would not be possible if each component were implemented separately.

2. Smart Voucher (SV)

Patent No. 10201908262Y

This blockchain-based voucher allows a regulatory authority to authorise selected goods and/or service providers (e.g., privatised enterprises, schools, and hospitals) to provide selected goods and/or services to eligible parties (e.g. beneficiaries). This can be funded through sales tax proceeds to provide such goods and/or services to disadvantaged groups or individuals, which makes SV serve as a tax-credit receipt, and subsequently, as a social impact bond.

3. Proof-of-Use

Patent No. 10201912999V

This is a method and system for transaction validation in a Distributed Ledger Technology (DLT) such as a blockchain network. The method is based on reciprocity: members validate the transactions of other members in return for others validating theirs. In this manner, only members who use the network to validate their transactions will have the right to validate others' transactions, and members are incentivised to offer reciprocal verification services for the DLT system to be sustainable, hence the name "Proof-of-Use."

4. Smart Stabilization System

(Submitted for patent)

The Smart Stabilization System is an algorithm for stabilizing the value of assets or coins traded on centralized exchanges. The main idea of the System is that the gap between supply and demand can be managed to reduce the volatility of the price while maintaining the role of the gap in adjusting prices. The System is unique in several important aspects:

1. It is self-funded.
2. It acts before price changes.
3. It protects the rights of investors.

Simulation results show significant improvement in the stability of not only price but also the volume of transactions. The algorithm is currently patent pending with the Intellectual Property Office of Singapore (IPOS).

Islamic Finance Grants

13 
countries supported



1.6 US\$
million
approvals

- v). Assisting the National Waqf Fund of the UK in developing a digital awqaf fund management platform through a grant of US\$92,000.
- vi). A grant of US\$260,000 to facilitate a legal and market study for the Awqaf Free Zones project that seeks to combine the elements of Awqaf, free economic zones, and modern technology to address the pressing challenges of food and energy security (see Section 4.4. for details on this project).
- vii). The Islamic infrastructure institutions received IsDBI support through the contribution of IsDB's membership fees of US\$230,000, in addition to IsDBI participation in the institutions' activities. The beneficiary institutions are IFSB, AAOIFI, IIFM, IICRA, CIBAFI, and UAB (See Section 4.7 for additional details).
- viii). The IsDBI supported the 17th AAOIFI-IsDB Conference with an Islamic Finance grant of US\$60,000. The conference was held in Bahrain.

In addition, other Islamic finance grant projects are in the advanced stage of preparation or are being peer reviewed and are expected to take off in 2023. One of these is a proposal that explores opportunities for enhancing access to digital Islamic financial services through the postal network.

4.3 Islamic Finance Knowledge Pavilion

Related to the grants program is the Islamic Finance Knowledge Pavilion, a blockchain-based platform envisioned to serve as a marketplace for supply and demand of consultancy, advisory services, and innovative solutions in Islamic Finance and Economic development. In 2022, the Institute advanced the project to develop the platform. The procurement process was initiated and a request for proposals was shared with prospective vendors to develop the platform. The pavilion aims to be a one-stop-shop for crowd-sourcing advisers, consultants, and fintech experts in Islamic finance and economic development by MCs seeking Islamic finance grants.

4.4 Awqaf Free Economic Zones

The Institute is spearheading major initiatives to facilitate leveraging Islamic Finance for the sustainable development. One of these initiatives is the "Awqaf Free Zones" project that aims to revive the role of awqaf in mobilising sustainable finance to achieve social progress. The initiative proposes to combine the elements of awqaf, free zones, and modern technology to create Awqaf Free Zones in IsDB MCs to address the pressing challenges of food and energy security. Within the free zones, awqaf assets can be created to enjoy protective status suitable to the nature and requirements for preserving awqaf assets. This will help unlock the potential of under-utilised natural resources and alleviate poverty in the MCs.

Based on the proposal initiated in 2022, resources for building the Awqaf Free Zones will be mobilised through blockchain-based "Global Waqf Tokens" that allow the contributors (waqifeen) to monitor and verify the transactions of the waqf assets and revenues. Moreover, blockchain technology will be used to create, manage, and store the awqaf deeds, which enables independent validation and transparency. The free zones will also be equipped with the Internet of Things (IoT) for maximum transparency and verifiability of performance. Supported by a grant of US\$260,000, the concept is currently being validated through a legal and market study, to be followed by a business and operational plan.

4.5 Smart Countertrade System

This is a new project to assess the feasibility for developing an Organization of Islamic Cooperation (OIC) Member States Smart Countertrade System. Countertrade is a transaction involving exports and imports between countries that are settled through non-financial means. By utilising the Institute's existing patents such as Smart Vouchers, the digital system will aim to facilitate countertrade transactions between OIC Member States, operating under the guidelines of the UNCITRAL's Legal Guide on International Countertrade Transactions.

The feasibility report to be generated from this exercise will cover four critical aspects for the development of the Smart Countertrade System. These are market feasibility, legal and regulatory considerations, technological prototype proposal, and Shari'ah compliance and Islamic economics/finance perspectives. The report development process will be guided through a series of workshops/seminars inviting key stakeholders to identify the challenges, opportunities and interest in participation in establishing the countertrade system.

The project is aligned with the IsDB Institute's mandate focusing on designing and structuring innovative, knowledge-based solutions for the development challenges of MCs and Muslim minorities in non-MCs.

4.6 Digital Postal Islamic Financial Services

This new project aims to explore the possibilities and opportunities for offering Islamic financial services through the postal network in an increasingly digital world. The project will assess the postal services market landscape and operational models and conduct a pilot feasibility study for introduction of Digital Postal Islamic Financial Services in IsDB MCs. IsDBI has approved an Islamic Finance grant for this study.

Islamic finance has diverse set of instruments which are suited for different needs and ventures and are linked to the real economy, making them an attractive proposition to Small and Medium Enterprises (SME) and underserved communities. For example, postal networks can enter into Murabaha contracts with customers which do not have a bank account or are not willing to be part of the banking system and finance the purchase of goods on their behalf. The combination of digital solutions with Islamic finance can serve as an important tool towards reducing inequality (SDG 10) and enhancing financial inclusion and innovation (SDG 9).

This project is aligned with the IsDBG's Green, Resilient, Inclusive and Sustainable strategy as it supports the transformation of postal services, which is a key infrastructure institution in the IsDB

MCs, with the objective of enhancing financial inclusion through innovative digital solutions.

4.7 Islamic Finance Infrastructure Institutions

IsDBI is responsible for managing the IsDB's relationship with the Islamic infrastructure institutions, namely IFSB, AAOIFI, IIFM, IICRA, CIBAFI, and UAB. In addition to assigning representation on their boards and committees, the IsDBI also supported these institutions through the contribution of IsDB's membership fees and in-kind support for their various activities.

The IsDBI participated and provided technical inputs for the 41st Islamic Financial Services Board (IFSB) Council Meeting held on 15 December 2022. The council approved several regulations for the IFI including those related to the capital market, takaful, and re-takaful sub-sectors.

The IsDBI is also involved with drafting a number of technical documents including the joint IFSB-AAOIFI working group on Shari'ah governance, the Technical Note on Recovery and Resolution for Institutions offering Islamic financial services, and the Revised Guiding Principles on Corporate Governance for Institutions offering Islamic financial services (banking segment). In addition, the IsDBI submitted a contributory article on Islamic Finance, SDGs, and Climate Change for the IFSB Stability Report 2022.

The IsDBI is also involved with implementation of the Islamic Finance Country Assessment Framework (IF-CAF), which will serve as an instrumental diagnostic tool that aims to serve as a knowledge repository for the IsDB Group in relation to the IFI's progress, development, and challenges in various IsDB MCs. Two countries have already expressed an interest in piloting the IF-CAF, namely Uzbekistan and Kazakhstan.

4.8 Knowledge Management

In line with the aspiration of transforming the IsDB Group into a knowledge-based institution, the Institute in 2022 continued to build and enhance the Effective Knowledge Transfer and Sharing Platform (EKTASP). One of the major EKTASP

activities in 2022 was the development of the *Knowledge Solutions Project Management Centre*. The Centre facilitates monitoring of projects, tasks, and deliverables. The PM Centre is integrated with other internal systems to help enhance process efficiency.

Several knowledge-sharing workspaces were also developed and enhanced on EKTASP in 2022, as follows:

- Back to Office Report Centre
- IsDB G20 Knowledge Centre
- Economic Research & Statistics site
- IsDB Corporate Studies Centre
- IsDB Independent Evaluation Department's Systematic Tracking of Execution of Evaluation Recommendations (STEER) site

Support was also provided for online submissions for the 2023 IsDB Prize for Impactful Achievement in Islamic Economics. Ongoing EKTASP support and training were also provided to many departments and units across the IsDB.

In the efforts to maximize benefits and streamline the IsDBI functions, the IsDBI transferred the functions of EKTASP configuration and technical development, infrastructure, and business users' technical support to the IsDB Information Management & Disruptive Technology (IMDT) Department. The Institute will continue to be responsible for receiving knowledge-related requirements from user departments across the IsDB Group and translating those into the business requirements, and then submitting the translated requirements to IMDT to further design and development.

Moreover, as part of knowledge management, the Institute coordinated the IsDB Group compendium of accomplishments for 2022 titled 'Achievement Spotlights'. The Institute worked with authors across the IsDB Group to develop more than 11 success stories for the compendium covering 10 different countries in various sectors. 'Achievement Spotlights' is an excellent method for showcasing the successes of the Group which can be shared with the Board of Executive Directors, Management, and external stakeholders. This publication is expected to be released in early 2023.

BOX 4.2: THE EFFECTIVE KNOWLEDGE TRANSFER AND SHARING PLATFORM (EKTASP)

Vision

To pave the way for transforming IsDB into a knowledge-based institution by providing the effective tools, frameworks and processes for knowledge creation, sharing and collaboration and provide a centralised single point of truth for the organization's knowledge.

Goals

- Become the main Enterprise Knowledge Platform for the IsDBG structured around Sectors (e.g. education, energy, transportation, health, finance, water, climate change, etc.) and Thematic Subject Areas (e.g. Economic Empowerment, Knowledge and Learning, Economic Inclusion, Regional Cooperation and Integration, Poverty Development and Inclusive Growth) as well as other Labels/Tags e.g. COVID-19, Sustainable Development Goals (SDGs), Mode of Finance, etc.
- Serve as a one-stop shop for the knowledge and learning resources of IsDB Group that provides an effective Search Engine for staff to seek and explore their relevant knowledge (e.g. filter by Country, Thematic topic, Sector, Mode of Finance, SDG, User Labels, etc.) and aggregating content into various reports.
- Provide effective reporting and monitoring (e.g. through Dashboards) for both Management and Staff of the Follow-up Actions, Recommendations, Tasks that are related to Missions, Projects, Reports, etc.
- Provide other benefits like increasing efficiency, reducing work cycle time, improving process control, and providing more effective collaboration and knowledge-sharing.

Source: EKTASIP

CHAPTER 5

Global Outreach

This chapter reports on the global outreach initiatives that include media, partnerships, publishing, and knowledge events.

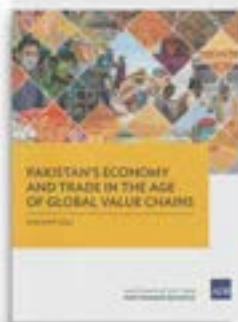
5.1 Leveraging Partnerships for Delivery

The increased use of partners to deliver greater impact in MCs has been one of the initiatives vigorously pursued in 2022. These collaborations are focused on enhancing evidence-based research and analysis, statistical frameworks, and methodologies. Some of the various collaborations are highlighted as follows.

- **IsDBI-ADB Conference on Economic Globalisation:** The IsDBI in collaboration with the Asian Development Bank (ADB) successfully hosted a conference on the System of National Accounts and Economic Globalization in Istanbul, Türkiye in August 2022. About 55 participants from 16 countries, along with 16 experts from the ADB, IsDBI, IsDB Regional Hub, Ankara, participated in the conference.



- **Pakistan's Economy and Trade in the Age of Global Value Chains:** This joint publication of IsDBI and ADB examines the economy and trade of Pakistan in the context of global value chains, or cross-border production networks. The report combines innovative analytical tools with the latest available data to explore Pakistan's involvement in global value chains. It produces indicators on factors including Pakistan's rate of global value chains participation, its patterns of specialisation, and the price competitiveness of its exports.



- **Economic Corridor Development in Pakistan: Concept, Framework, and Case Studies:** This publication, another product of collaboration with ADB, examines the potential of economic corridor development to support Pakistan's sustainable growth. It describes the country's effort to enhance domestic and international connectivity and includes some international good practices for economic corridor development in other countries. It concludes that political commitment at the highest government levels and coordination among diverse government agencies are essential to developing economic corridors.



- **Capacity Building on Monitoring Flows of Resources for SDGs:** The IsDBI and the Total Official Support for Sustainable Development (TOSSD) Secretariat at the OECD, with the support of the European Union, hosted a series of capacity-building webinars on a new international standard for monitoring resources flowing into developing countries for their sustainable development. The webinars for the IsDB MCs were held virtually, with over 60 participants from more than 30 IsDB MCs and organisations. The collaboration between the IsDBI and the TOSSD Secretariat will continue to build capacity, disseminate knowledge, and establish reliable systems to measure the progress of IsDB MCs toward the SDGs. As a result of the webinars, 5 IsDB MCs have requested support to start reporting on the TOSSD framework.
- **Oxford Poverty and Human Development Initiative (OPHI):** In late 2020, the Institute and OPHI agreed to collaborate in undertaking multidimensional poverty assessments in IsDB MCs. This partnership resulted in the development of a series of briefs on multidimensional

mensional poverty in IsDB MCs. The aim is to provide data-driven evidence and contribute towards the formulation of well-targeted interventions and efficient mobilisation of resources to deliver a greater impact on the lives of poor people in IsDB MCs. The series provides policymakers and development institutions with useful information on the nature and extent of poverty and vulnerability. Seven issues of the IsDBI-OPHI Briefs have been published so far, two of them in 2022 (Egypt and Afghanistan). The published briefs provide multidimensional poverty outlooks at the global, regional, and country levels.



5.2 Publications

The Institute in 2022 issued several other publications in the form of flagship reports, research publications, statistical reports, and the Islamic Economic Studies journal. In line with the e-publishing objectives of the Institute, publications meant for public consumption are made available in e-book format and are accessible on the IsDBI eBook Reader app. Internal reports that are strictly for IsDB Group staff are accessible only within the internal networks of the Group. Highlights of some key publications are provided below, while a full list of publications completed in 2022 is in Annex 1A. In addition, professional staff of the Institute have continued to produce research articles published in refereed journals and contributory book chapters issued by reputable international publishers. These staff achievements are listed in Annex 1B.

COUNTRY DIAGNOSTIC STUDIES

The Country Diagnostic Study (CDS) series examines the outlook and prospects of MCs' economies to provide evidence-basis in formulating IsDB's development interventions. Each

study covers one country. In 2022, seven studies were completed and published for Suriname, Bangladesh, Azerbaijan, Sierra Leone, Nigeria, Jordan, and Iraq. The findings of these studies have helped the IsDB in identifying areas where it can have a greater impact and supported the development of the MCPS.



REACHING THE SDGS: PROGRESS OF THE IsDB MCs

This report is the 4th edition in the series that presents information about IsDB MCs' progress toward the SDG targets as a group and its Regional Hubs. The latest report finds that, similar to other parts of the world, IsDB MCs still have a long way to go if they are to reach the SDG targets by 2030. There is a wide variation among IsDB MCs in achieving the SDG targets, affected by different SDG priorities from country to country. This information reflects a need for the IsDB to adopt a more country-focused approach when assisting its MCs with their development initiatives toward attaining the SDG goals and increase its cooperation with MCs in identifying and tackling SDGs of specific concern to countries. The full report is accessible to the public on the IsDBI [website](#).



STATISTICAL REPORTS

In 2022, the IsDBI continued to prepare various statistical reports to support the Group with reliable data for evidence-based policymaking. Such reports include the IsDB Country Snapshot, a quarterly publication that provides timely and accurate information on IsDB MCs' and non-MCs' macro-economy, trade, socioeconomic development, government finance, governance, and cumulative IsDB Group interventions. It helps internal partners and management to get up to date with the latest data that can aid in creating specific strategies for working with MCs accordingly. Another statistical report is the weekly comprehensive Country Fact Sheet, which present MCs' status regarding IsDB financial relations and debt relief initiatives for its 57 MCs. It also provides management with recommended actions in the short and medium term, given information on the Bank's portfolio and the overall relationship between the IsDB and its MCs.

ISLAMIC ECONOMIC STUDIES JOURNAL

The Institute's *Islamic Economic Studies* (IES) journal publishes leading research across all fields of Islamic Economics and Finance. Established in 1993, it is one of the oldest and most respected scholarly journals in Islamic Economics and Finance. IES is a peer-reviewed journal targeted at professional and academic economists and students. Since 2020, the journal has been published in partnership with Emerald. In 2022, two issues of the journal were published and are available on the IsDBI [website](#).



ISLAMIC FINANCE COUNTRY ASSESSMENT FRAMEWORK

The IsDBI developed the Islamic Finance Country Assessment Framework (IF-CAF) to evaluate the



Islamic Finance ecosystem in IsDB MCs by implementing a transparent and reliable assessment methodology with a set of specific criteria. The assessment results enable the identification of any gaps and impediments for achieving a sustainable Islamic Finance Industry (IFI) in the assessed MC, and accordingly generate a set of tailored recommendations for the IsDB Group to assist the MC in creating the enabling infrastructure in order of priority needs of that specific market. The framework was developed over a period of two years and involved several rounds of rigorous consultation with experts from within the IsDB Group and external partner institutions, including central banks and international organisations. In the next phase, the IsDBI will pilot-launch the IF-CAF and conduct field assessments in a select group of MCs.

5.3 e-Book Reader App

Following the successful launch in early 2022 of IsDBI's new e-book reader app as the main gateway for its publications, the Institute began the development of a cloud version of the reader. This will be a cloud-based web application that allows customers to read IsDBI e-books on any compatible web browser using any type of device including personal computers.

The e-book app is dedicated to publications in Islamic Economics and development. It leverages innovative modern technologies and the Institute's long-standing publishing credentials to provide an innovative platform for enhanced reading experience. The app has been available on Apple Store and Google Play for smart devices. To provide an even better user experience, especially for readers who prefer using larger screens, the app's cloud version is being developed and is due for launch in early 2023.

The smart devices app and the cloud version are integrated with the IsDBI website, enabling users to purchase publications from the website and download them through the e-book reader app on their devices or on the cloud reader. Since the launch of the app, thousands of e-books have been downloaded by users from around the world.



BOX 5.1: KEY FEATURES OF THE CLOUD READER

- Enables reading on larger screens
- Synchronisation across user's devices
- Standard reading tools like bookmarking, search, highlight, dictionary, etc.
- Easy navigation
- Ability to create shelves
- Customisable settings



5.4 IsDBI Website & Blogs

The Institute's main website has continued to attract interest from audiences of IsDBI products and services. The website is the Institute's main platform for knowledge and information dissemination, and marketing and sale of the knowledge products. Following the migration of the website to the new domain (www.isdbinstitute.org) in 2021, a surge in visits and interaction have been recorded during 2022.

Meanwhile, the blog site has also grown in prominence as a platform for the exchange of innovative ideas and new insights on contemporary issues in Islamic Economics and Finance, sustainable development, and related matters. The blog is open to contributions from all IsDB Group professionals as well as invited external experts. Launched in mid-2020, the blog has continued to publish posts from experts covering a variety of areas that include Islamic Economics and Finance, fintech, and sustainable development. All articles on the blog site are available here: <https://blogs.isdbinstitute.org/>

Table 5.1: Articles Published on IsDBI Blogs in 2022

S/No	Title	Author
1.	Crypto GDP Sukuk, for Better Debt Servicing in Post-COVID-19	Mahmoud Bekri
2.	Inflation Dependence Structure in a Post-COVID-19 World	Mahmoud Bekri
3.	Systemic Risk and Islamic Banks: Lessons from the COVID-19 Pandemic	Dawood Ashraf, M. Suhail Rizwan, Ghufuran Ahmad
4.	Taming Inflation: An Islamic-Finance Perspective	Sami Al-Suwailem
5.	Climate-Related Risk and Vulnerabilities in IsDB Member Countries: The Role of Insurance/Takaful Sector	Muhamed Zulkhibri
6.	Global Chip Shortage and Implications for Developing Countries	Mustafa Yagci
7.	Exploring the Power of SDR in Boosting Global Financial Resources for Post-COVID-19 Recovery	Bukhari Sillah

5.5 Conferences & Knowledge Events

The IsDBI organises knowledge events and participates in high-level conferences to share knowledge and experiences for the advancement of the IFI and sustainable development. Some of the key events the Institute organised or participated in during 2022 are highlighted as follows.

16TH IsDB GLOBAL FORUM ON ISLAMIC FINANCE



Instituted in 2006, the annual IsDB Global Forum on Islamic Finance provides a platform for strategic policy dialogue on Islamic finance and development. The 16th IsDB Global Forum on Islamic Finance discussed the role of social innovation and entrepreneurship in confronting poverty and fostering shared prosperity in IsDB MCs. Themed 'Social Entrepreneurship for Shared Prosperity', the forum was held on 2 June 2022 in Sharm El Sheikh, Egypt, in conjunction with the 2022 Annual Meeting of the IsDB Group.

H.E. Dr. Muhammad Al Jasser, the President of IsDB, delivered the opening speech in which he called for novel approaches to fighting poverty and fostering shared prosperity. During the panel

sessions, prominent development practitioners and experts in social innovation discussed the intractable social problems facing humanity and some of the best ways to address the challenges. The forum also used Egypt as the case study to highlight innovative approaches to address the socio-economic challenges and achieve shared prosperity globally. The speakers and panelists included high-level government officials and development practitioners from various countries and institutions.

HIGH-LEVEL SEMINAR ON ISLAMIC FINANCE AND DIGITALISATION



In partnership with the Saudi Central Bank and the Bank Indonesia, the Institute jointly organised a high-level seminar on Islamic Finance and Digitalisation held in Bali, Indonesia on the side lines of G20 Summit. The seminar discussed the effects of digitalisation on economic and financial policies and stability, and also assessed the application of digital innovation in the IFI and Islamic social finance. The seminar had keynote speeches from H.E. Joko Widodo, President of Indonesia; H.E. Muhammad Al Jasser, President of IsDB; H.E. Fahad Abdullah Al Mubarak, Governor of Saudi Central Bank; and H.E. Perry Warjiyo, Governor of the Bank Indonesia. The seminar had two panel sessions, the first on digital transformation in Islamic Finance and the second on showcasing of digital products in the Islamic financial industry.



A panel session in progress during the 16th IsDB Global Forum on Islamic Finance in Sharm El-Sheikh, Egypt, June 2022.

PROMINENT ECONOMISTS' FORUM

The second IsDBI Prominent Economists' Forum was held with the theme "Special Drawing Rights: Implications for the Islamic Development Bank and its Member Countries." This forum was intended to guide the IsDB Group Staff and their counterparts on what are SDRs, their treatment, macroeconomic implications, implications on debt sustainability, and conditionality of access. Speakers during the forum were Dr. Bukhari Sillah (Senior Macroeconomics Researcher, IsDBI), Dr. Andreas Jobst (Global Head Macroeconomic and Capital Markets, Allianz, Germany), and Mr. Jukka Pihlman (Managing Director, Head of Official Institutions, Investment Banking Group, First Abu Dhabi Bank).

The Prominent Economists' Forum was initiated in 2021 to stimulate intellectual debate and discussion among experts on critical developmental issues confronting the economies of IsDB MCs. It provides a platform to cooperate with and learn from government officials and experts who have expertise and experience in various sectors, including innovation, the digital economy, and economic development, and to acquire insights from them.

17TH AAOIFI – ISDB ANNUAL CONFERENCE

Jointly organised by the IsDBI and AAOIFI, the 17th annual AAOIFI-IsDB conference was held in

The forum aims to stimulate intellectual debate on critical developmental issues confronting the economies of IsDB MCs.

Bahrain with the theme, "Economic Resilience and Governance in Disruptive Times." The conference had more than 700 delegates from more than 30 countries, in addition to a similar number of virtual participants.

The deliberations at the conference were spread over nine sessions with 40 speakers and keynote addresses. The speakers included industry experts, Shari'ah scholars, regulators, policymakers, bankers, and international services providers, who discussed various relevant topics, including the role of Islamic Finance in food security and climate change, Islamic social finance, alternative Islamic benchmark rates, takaful, capacity building, Islamic Finance windows and fintech.



IsDBI Acting Director General, Dr. Sami Al-Suwailem, delivers a speech during the 17th AAOIFI-IsDB Conference in Bahrain, November 2022.



Guest speaker Mr. Dong He from IMF (center), with IsDBI officials (from left to right) Dr. Sami Al-Suwailem, Dr. Rami Abdelkafi, Dr. Areef Suleman, and Dr. Hilal Houssain, during a seminar organised by IsDBI.

KNOWLEDGE SHARING EVENTS

The Institute attaches high importance to knowledge sharing among IsDB Group staff. The knowledge-sharing events highlight various developmental issues and take advantage of inputs from global and internal experts for the cross-fertilisation of ideas and knowledge enhancement. These events provide an environment for the IsDB Group experts to recognise and update the current knowledge base, lessons learned, and good practices in different priority areas and sectors. The events include those that originated within the Institute and others from other IsDB departments, as well as activities of the IsDB Group Communities of Practice (CoP). The CoPs are a critical part of the journey bringing together the experts of sectors and themes. In 2022 a total of 14 knowledge sharing sessions were organised covering various topics of interest (See Annex 4).

ACCOLADE FOR ISDBI: ISLAMIC FINANCE INDUSTRY RECOGNITION

The Institute received a resounding endorsement from the Global Islamic Finance Industry in 2022 by winning the **Best Islamic Research Firm Award** in the Islamic Finance News (IFN) Service Providers Poll. This was the third successive year that IsDBI won this award, thereby standing out among the most innovative thought leaders in the industry.

The Institute's commitment to innovation and a problem-solving approach has gained wide recognition, with several awards and honours received in recent years from premier award-giving organisations. To win the **Best Islamic Research Firm Award**, the IsDBI gained the most industry stakeholders votes against other high-profile institutions. Winners of the annual IFN Service Providers Poll are voted for by the Global Islamic Financial Industry and IFN readers in recognition of the best and leading players in the industry and their contributions to Islamic Finance.



CHAPTER 6

Enhancing Institutional Effectiveness

This chapter covers the Institute's programmes and activities related to enhancing internal governance and operational effectiveness.

6.1 Board of Governors

Following the adoption of the new Statute of the IsDB Institute in April 2021, all powers of the Institute are vested in the Board of Governors. Article 7 of the Statute provides that the Board of Governors of the Institute shall be composed of Governors or Alternate Governors of the IsDB. Furthermore, the Board of Governors delegates powers to the President for the general operations of the Institute. The Board shall hold an annual meeting, in conjunction with the Annual Meeting of the Bank, and such other meetings as may be deemed necessary by the President.

6.2 Board of Trustees

The Board of Trustees is an advisory organ of the Institute mandated to provide guidance and direction to the Institute on its strategy, medium-term work programme, and budget. The Board meets at least once a year. In 2022, the Board was reconstituted following the expiration of the term of the members. After the reconstitution, the Board conducted its 11th meeting, chaired by H.E. Dr. Muhammad Al Jasser, Chairman of the IsDB Group. The Board discussed the Institute's

medium-term work program for 2023-25, which is aimed at maximizing impact by prioritising areas where the Institute has a comparative advantage.

In his remarks, Dr. Al Jasser welcomed the new and reappointed Board members. He noted that as the knowledge beacon of the IsDB Group, the Institute has a critical role in providing and enhancing the soft-skills needed to achieve the Bank's strategic objectives over the next three years. The Board members thanked H.E. the Chairman for the opportunity given to them to serve on the Board. They also observed that the Institute's medium-term work program sufficiently focused on key priorities that would help in confronting the challenges of the member countries.

In a brief on the Institute's medium-term work program, Dr. Sami Al-Suwailem, IsDBI Acting Director General, explained that the focus is on priority projects based on added value and sustainability; quality over quantity; strategic initiatives; and leveraging partnerships to maximise impact. The Institute looks forward to having continuous active engagement with the Board members in implementing its initiatives.



IsDB Group chairman, Dr. Muhammad Al Jasser (middle), led the 11th meeting of the IsDBI Board of Trustees, in Jeddah, KSA, December 2022.

6.3 Managing Corporate Performance

In 2022, the IsDBI went through an ongoing self-evaluation to measure its achievements and outcomes. The Institute's business units worked together to develop, review, and recommend policies and procedures for institutional effectiveness. The Corporate Performance Team (CPT) coordinated and participated in institutional development, performance evaluation, assessment, and planning. CPT shared timely information accurately with the management. In line with its emerging priorities, the Institute focused more on its internal resources and designed its strategic priorities and other growth areas, such as reducing costs and improving decision-making and accountability. Some of the key initiatives in 2022 aimed at fostering institutional effectiveness are highlighted as follows.

The Institute's business units worked together to develop policies and procedures for institutional effectiveness.

ISLAMIC FINANCE GRANTS PROCESSES

The IsDBI developed a monitoring framework to screen the quality of the projects at different levels, e.g., under implementation, a new initiative, ready for closure, etc. The Results-Based Logical Framework for the projects (strategic actions, outputs, outcomes, and impacts) has also been identified to make the projects meet their optimal goals. During the year, the operations management process for Islamic finance grants was firmed up in coordination with the business units using the quality and productivity of the Institute's resources. All teams participated in planning, organising, and supervising processes of the Islamic Finance grant projects. Islamic Finance grant projects were also standardised and adjusted to be in line with the Institute's strategic goals.

In 2022, the Institute harmonised all the projects with IsDB's digital application, the Operations Management Solutions (OMS) system, with its own Project Management System (PM Center). Henceforth, the OMS system and PM Center will be the co-source for Islamic Finance grant projects. Within both systems, the Institute will be able to reduce the life cycle of the projects and deliver effective coordination with the other relevant departments of the IsDB Group. Furthermore, the Institute initiated a new methodology for the pipeline, under implementation, as well as "need to be closed" projects. During the year, the CPT managed the business and OMS processes for the entire portfolio of the Institute. The CPT also reviewed and cleared the deliverables, disbursements, amendments of the Islamic Finance grant, capacity building, and awareness projects.

Integrating into the IsDB Group operations and creating its project management system helped the Institute generate the highest possible efficiency level internally. In addition, the following benefits have also been achieved.

- More performance measurements have been developed to improve project management and effectiveness
- The quality of the project deliverables has been improved
- Project life cycles have been shortened, boosting productivity
- Possible project complications have been minimised
- Dedicated teams have enhanced the integration process, and effective project execution and completion have been achieved

Ultimately, the Institute has operated its projects more cost-effectively from their creation up to their culmination.

NEW DELEGATION OF AUTHORITY (DOA)

As part of the processes to harmonise the Institute's functions and structures, a new Delegation of Authority (DoA) matrix was proposed. The new DoA sets out the distribution of mandates and decision-making responsibilities within the Institute from the level of the individual staff through the

layers of authority. Based on the proposed new DoA, Team Leaders will have the responsibility and authority to accomplish delegated tasks. This will make the Team Leaders fully responsible for their staff and tasks, thereby promoting effectiveness, efficiency, and accountability within the Institute. The proposed new DoA framework will also contribute to enhancing governance in line with the best practices. The DoA was finalised during 2022 and is now being reviewed by the appropriate authorities.

ISDBI FUND REGULATIONS DOCUMENT

The new Statute of the IsDB Institute approved in April 2021 provides for the establishment of a “Special Fund for the IsDB Institute” to finance the expenses of the Institute and ensure its financial sustainability. When the fund is established, all financial resources for the Institute will be deposited in the fund, managed by a committee of experts drawn from within the IsDB Group and externally. The first concept draft on the establishment of the fund has been submitted to the Management for further action. When fully established, the fund is expected to facilitate the improvement and scale-up of the Institute’s products and services while ensuring the financial sustainability of the Institute.

QUALITY ASSURANCE

The Institute standardised and modernised its internal quality assurance mechanism in 2022. The Special Allocation Guidelines (SAG) have been developed to manage the Islamic Finance grants mechanism. SAG guides the Institute and IsDB Group staff in administering the Special Allocation for the Development of the Islamic Financial Services Industry (“Special Allocation”). It details the roles, responsibilities, and possible arrangements, considering the unique nature of the Islamic finance grant projects funded by the Special Allocation. The SAG will be used as a reference in the execution of the mandate of the development of the Islamic financial services industry for any existing and future special alloca-

The guidelines will aid the implementation of the mandate of the development of the Islamic financial services industry for existing and future special allocations.

tions approved by the IsDB Board of Governors. During 2022, the checklists have actively been used for project amendments, extensions, peer reviews, and scope changes. Additionally, new workflow structures have been introduced for institutional KPIs. Internal guidelines and manuals were updated or generated to improve corporate governance. The project disbursements were also centralised to expedite the administrative process.

RESOURCE MOBILISATION GUIDELINES

One of the core components of the Institute’s new strategic direction is achieving financial sustainability. Resource mobilisation is one of the key channels to support the financial sustainability objective. To facilitate the resource mobilisation initiatives, a draft Resource Mobilisation Guidelines document was prepared and submitted to the Management. The guidelines explain the necessary steps and procedures for resource mobilisation, and also encourage the business units to step up their resource mobilisation activities. The new guidelines will streamline business processes and create effective communication between teams and staff. The new approach will help ensure the availability of sufficient resources to support the activities of the IsDBI and the continuous improvement of products and services for clients.

Annexes

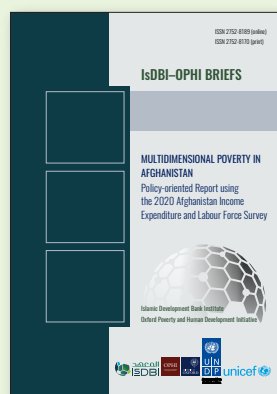
ANNEX 1A: PUBLICATIONS



Country Diagnostic Studies



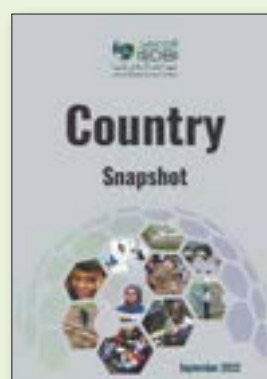
Reaching the SDGs: Progress of the IsDB Member Countries



ISDBI-OPHI Briefs (No. 6 & 7)



Economic Effects of Cash Transfers on Poverty Alleviation



Country Snapshot



Knowledge Review, Vol. 9 No. 1



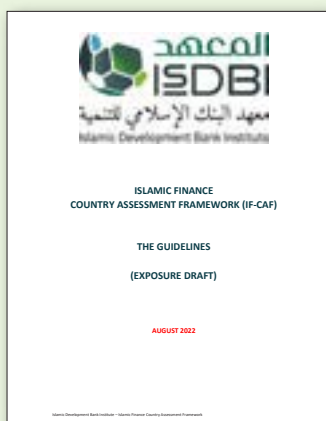
Islamic Economic Studies Journal
(Vol. 29 Issue 2 & Vol. 30 Issue 1)



IsDB Annual Report 2021
(Arabic, English, and French)



IsDBI Annual Report 2021
(Arabic, English, and French)



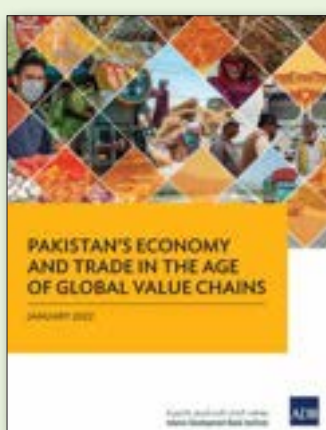
Islamic Finance Country Assessment Framework (IF-CAF)



IsDB Member-Country Macro-Perspectives



Study on measuring international digital trade in the Arab region



Pakistan's Economy and Trade in the Age of Global Value Chainsregion

ANNEX 1B: STAFF ACHIEVEMENTS IN PUBLICATIONS

In 2022, a number of staff of the Institute recorded various professional accomplishments. Such accomplishments include authoring articles, research papers, and book chapters. The table below lists these publications.

S/No	Title	Publication	Author(s) ¹
1	Macroeconomic Analysis for Economic Growth (edited book)	Macroeconomic Analysis for Economic Growth, IntechOpen Limited, UK	Musa Jega Ibrahim (Editor)
2	Empowering the Poor through Financial and Social Inclusion in Africa	Pacific-Basin Finance Journal, 69, 101423	Abd Elrhman Saaïd
3	Raising Capital Amid Economic Policy Uncertainty: An Empirical Investigation	Financial Innovation 8 (1), 1-32	D. Ashraf , M. Khawaja, M.I. Bhatti
4	Loan Portfolio Composition of Islamic and Conventional Banks Pre-and Post-Covid-19 Pandemic? Case of Indonesia	Journal of Islamic Monetary Economics and Finance 8 (3), 407-428	D. Ashraf , M.S. Rizwan, D.H. Adiwirowo, R.I. Yusan
5	Russia-Ukraine War and Systemic Risk: Who is Taking the Heat?	Finance Research Letters, 103036	A Qureshi, M.S. Rizwan, G. Ahmad, D. Ashraf
6	Islamic Equity Investments and the COVID-19 Pandemic	Pacific-Basin Finance Journal 73, 101765	D. Ashraf , M.S. Rizwan, G. Ahmad
7	Environmental, Social, and Governance Integration: The Case of Microfinance Institutions	Accounting & Finance 62 (1), 837-891	D. Ashraf , M.S. Rizwan, B. L'Huillier
8	Systemic Risk, Islamic Banks, and the COVID-19 Pandemic: An Empirical Investigation	Emerging Markets Review, 100890	M.S. Rizwan, G. Ahmad, D. Ashraf
9	An Exploratory Study to Investigate the Role of Supervisory Authority in Promoting Equity Finance: A Case of Central Bank of Sudan	International Journal of Economic Studies, Nov 2022	Abozer Magzoub Mohamed
10	Shariah Cooperative Outreach: Evidence from Kenya	Knowledge Review, 9 (1), July 2022	Abd Elrhman Saaïd
11	Repositioning Islamic Finance as Development Finance	Knowledge Review, 9 (1), July 2022	Hylmun Izhar, Turkhan Ali Abdul Manap, Rami Abdelkafi
12	Promoting Digital Finance to Improve Financial Inclusion	Knowledge Review, 9 (1), July 2022	Sharjeel Ahmed, Najmul Hoda
13	Green sukuk market yet to take off to fund climate change action	Knowledge Review, 9 (1), July 2022	Turkhan Ali Abdul Manap

¹ Names of authors from the IsDBI are marked in bold.

ANNEX 2: ISDB PRIZE LAUREATES

Year	Branch of Prize	Laureate	Citizenship/Country
1408H/ 1988	Islamic Economics	Prof. Khurshid Ahmad	Pakistan
1409H/ 1989	Islamic Banking and Finance	Dr. Sami Hasan Ahmad Homoud	Jordan
	Islamic Economics	Dr. Muhammad Umar Chapra	Saudi Arabia
1410H/ 1990	Islamic Banking and Finance	Tabung Haji	Malaysia
	Islamic Economics	Dr. Muhammad Anas Zarqa	Syria
1411H/ 1991	Islamic Banking and Finance	Dr. Ziauddin Ahmad	Pakistan
	Islamic Economics	Dr. Yousuf Abdullah Al-Qaradawi	Egypt
1412H/ 1992	Islamic Banking and Finance	Dr. Sabahuddin Zaim	Turkey
1413H/ 1993	Islamic Economics	Centre for Research in Islamic Economics	Saudi Arabia
1414H/ 1994	Islamic Banking and Finance	Dr. Ahmad Mohammed Ali	Saudi Arabia
1415H/ 1995	Islamic Economics	Dr. Muhammad Omar Zubair	Saudi Arabia
1416H/ 1996	Islamic Banking and Finance	Cheikh Saleh Abdullah Kamel	Saudi Arabia
1417H/ 1997	Islamic Economics	Dr. Abdul Rahman Yousri	Egypt
		Dr. Rafic Al-Misri	Syria
1418H/ 1998	Islamic Banking and Finance	Dr. Tanzilur Rahman	Pakistan
1419H/ 1999	Islamic Economics	Sheikh Dr. Mohammed Al Habib Ibn Al Khoja	Tunisia
1420H/ 2000	Islamic Banking and Finance	International Institute of Islamic Economics	Pakistan
1421H/ 2001	Islamic Economics	Dr. Monzer Kahf	USA
		Dr. Syed Muhammad Hasanuzzaman	Pakistan
1422H/ 2002	Islamic Banking and Finance	Sheikh Saeed Ahmed Lootah	UAE
		Prof. John Presley	UK
1423H/ 2003	Islamic Economics	Dr. Abbas Mirakhor	Iran
		Dr. Mohsin Khan	Pakistan
1424H/ 2004	Islamic Banking and Finance	Dr. Mohammad Ali Al Qari	Saudi
1425H/ 2005	Islamic Economics	Dr. Shawqi Ahmed Dunya	Egypt
1426H/ 2006	Islamic Banking and Finance	Prince Mohamad Alfaisal Al Saud	Saudi Arabia
1427H/ 2007	Islamic Economics	Dr. Abdussalam Dawoud Al-Abbadi	Jordan
1428H/ 2008	Islamic Banking and Finance	Sheikh Mohammed Mukhtar Al Salami	Tunisia
		Sheikh Abdullah Bin Sulaiman Al Manee'	Saudi Arabia

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Year	Branch of Prize	Laureate	Citizenship/Country
1429H/		[Withheld]	
1430H/ 2009	Islamic Economics	Dr. Zubair Hassan	India
1431H/ 2010	Islamic Banking and Finance	Prof Rifaat Ahmad Abdul Karim	Sudan
1432H/ 2011	Islamic Economics	Islamic Foundation	U.K.
1433H/ 2012	Islamic Banking and Finance	Tan Sri Dr. Zeti Akhtar Aziz	Malaysia
1434H/ 2013		[Withheld]	
1435H/ 2014	Islamic Banking and Finance	Sheikh Taqi Usmani Prof. Rodney Wilson	Pakistan UK
1436H/ 2015	Islamic Economics	Dr. Saif El din Ibrahim Taj El din	UK
1437H/ 2016	Islamic Banking and Finance	Prof. Mohammed Kabir Hassan	USA
1438H/ 2017	Islamic Economics	[Withheld]	
1439H/ 2018	Islamic Banking and Finance	Dr. Ahmed Ali Abdullah	Sudan
1440H/2019	Islamic Economics, Banking and Finance	Dr. Mabid Ali al-Jarhi	Egypt
1441H /2020	Impactful Achievement in Islamic Economics	[Not Awarded]	
1442H /2021	Impactful Achievement in Islamic Economics	LaunchGood (first prize) Seed Out (second prize)	United States Pakistan
1443H /2022	Impactful Achievement in Islamic Economics	Prof Habib Ahmed (first prize) Prof. Mansur Masih (second prize) Prof. Tariqullah Khan (third prize)	USA Australia Pakistan

ANNEX 3: TRAINING PROGRAMMES

ANNEX 3A: COUNTRY CAPACITY DEVELOPMENT TRAINING

#	Title	Venue	Language	Partner Institution	No. of Beneficiaries
1	Principles and Contracts of Islamic Finance	Libya (Virtual)	Arabic	Development Bank-based Libya	25
2	Principles and Contracts of Islamic Finance	Libya (Virtual)	Arabic	Development Bank-based Libya	25
3	Technical and Operational Aspects of Sukuk	Tunisia (Virtual)	Arabic	Ministry of Economy and Planning	31
4	Technical and Operational Aspects of Sukuk	Yemen	Arabic	Central Bank of Yemen	19
5	Capacity Building for Islamic Finance Product Development	Kenya	English	Company for Habitat and Housing in Africa (Shelter Afrique)	21
6	Capacity Building for Islamic Finance Product, Ijarah and conventional leasing	Jeddah	English	THIQAH Office	22
7	Introduction to Islamic Finance	Dakar Senegal	French	PTCI-Economics	17
8	Shari'ah Standards for Islamic Financial Institutions	Libya (Virtual)	Arabic	Development Bank-based Libya	25
9	Awqaf Project Management	Palestine	Arabic	PECDAR	17
10	Accounting Standards for Islamic Financial Institutions	UAE (Virtual)	Arabic	Arab Monetary Fund (AMF)	40

Total No. of Beneficiaries: 242

ANNEX 3B: FEE-BASED TRAINING PROGRAMMES

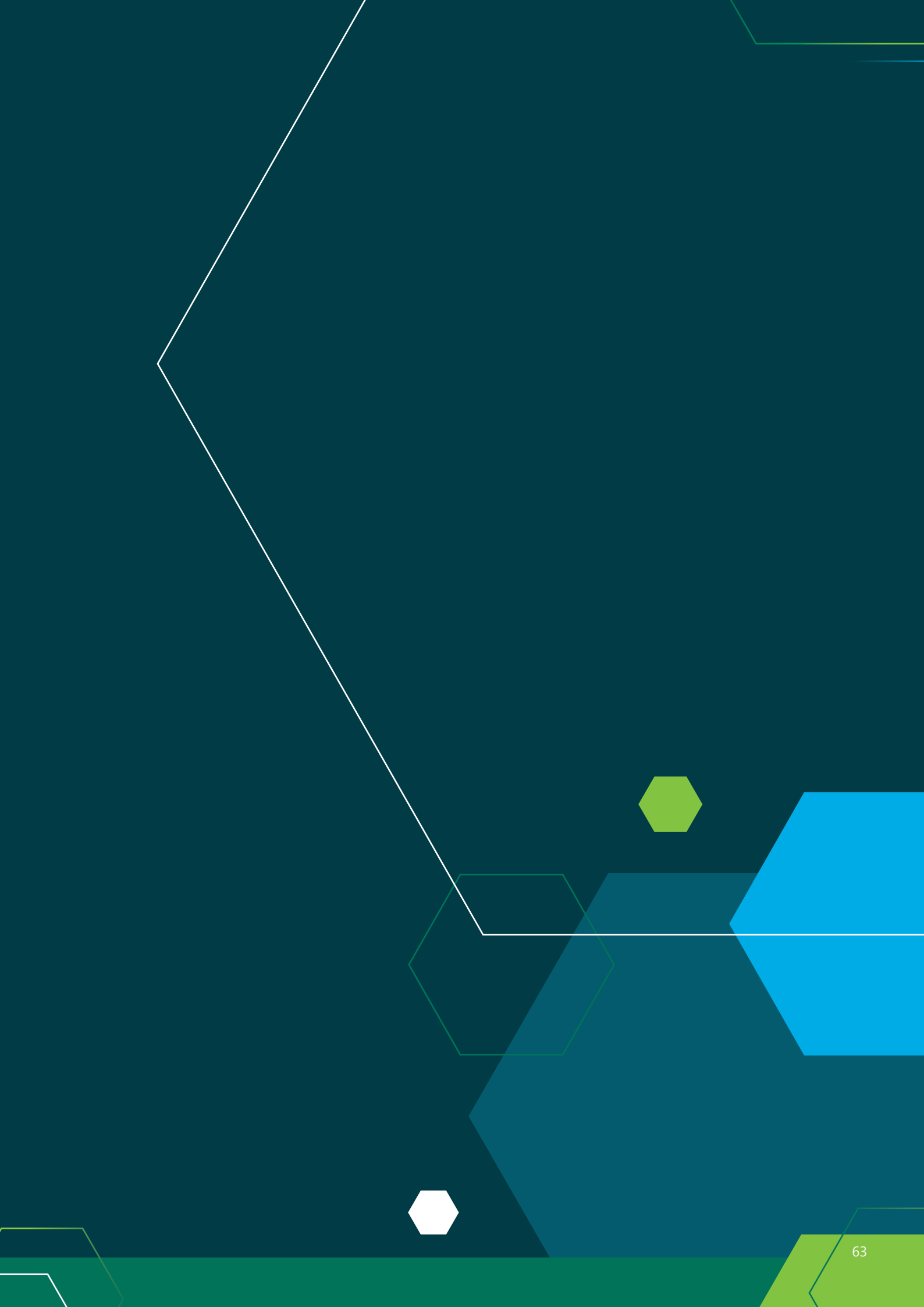
#	Title	Venue	Language	Partner Institution	No. of Beneficiaries
1	Islamic Banking and Finance: Fundamental Concepts and Applications	Tashkent, Uzbekistan	Local Training English	FinansBank/ICD	27
2	Islamic Banking and Finance: Fundamental Concepts and Applications	Tashkent, Uzbekistan	Local Training English	Turonbank/ICD	35
3	Islamic Banking and Finance: Fundamental Concepts and Applications	Tashkent, Uzbekistan	Local Training English	XalqBank/ICD	30
4	Islamic Banking and Finance: Fundamental Concepts and Applications	Tashkent, Uzbekistan	Local Training English	Kapitalbank/ICD	33
5	Islamic Financial Services: Fundamental Concepts and Applications – Uzbek Leasing International	Tashkent, Uzbekistan	Local Training Uzbek	ICD	29
Total No. of Beneficiaries: 154					

ANNEX 4: KNOWLEDGE EVENTS

S/No	Title	Organisers/Partners
1	The 16th SDGs Open Dialogue: What is next after COP 26? – Mainstreaming Climate Action and Green Growth at IsDB to Achieve SDG 13 in Member Countries	IsDBI and SDGs CoP
2	The 17th SDGs Open Dialogue: Gender Resilience at the Centre of Post Covid-19: A Better Normal for a Better Future	IsDBI and SDGs CoP
3	The Impact of the East European Crisis on IsDB Member Countries	IsDBI
4	Economic Outlook for the Middle East and Central Asia Regions	IsDBI and IsDB Global Practice & Partnerships Directorate
5	Global Food Security and Macroeconomic Impacts on Member Countries	IsDBI and Fitch Solutions
6	2021 IsDB Prize Laureates Lectures	IsDBI
7	Seminar on Digitalisation of Money and Finance	IsDBI and Global Practice & Partnerships Directorate
8	2023 MENA Economic Outlook and Sub-Regional Overview	IsDBI and Fitch Solutions
9	Inflation Pressures and Monetary Tightening: Impact on the MENA Region	IsDBI and IHS Markit of S&P Global
10	Brown Bag Session - Reaching the SDGs: Progress of IsDB Member Countries in 2022 (4th Edition)	IsDBI and SDGs CoP
11	Country Diagnostic Study: Iraq	IsDBI
12	19th SDGs Open Dialogue - Under the Shade of Multiple Crisis: A Dialogue with Prof. Jeffrey Sachs on the Future of Sustainable Development	IsDBI and SDGs CoP
13	2022 IsDB Prize Laureates Lectures	IsDBI
14	The Economic Challenges and Impacts of The New IMF-Backed Loans in Egypt	IsDBI

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