



IsDB Group Policy Compendium **2020**

IsDB Group Policy Compendium 2020

Published by:

Islamic Development Bank
8111 King Khalid St. Al Nuzlah Al Yamania Dist. Unit No.1, Jeddah 22332-2444
Kingdom of Saudi Arabia
Tel: (966-12) 6361400 – Fax: (966-12) 6366871
Email: idbarchives@isdb.org
Website: www.isdb.org

King Fahd National Library Cataloging-in-Publication Data

IsDB Group Policy Compendium 2020

©Islamic Development Bank

All rights reserved

IsDB does not guarantee the accuracy of the data included in this publication and accepts no responsibility for any consequence of their use.

By making any designation of or reference to a particular territory or geographic area, or by using the term “country” in this document. IsDB does not intend to make any judgements as to the legal or other status of any territory or area.

1- Policy 2- Islamic finance

332.121 dc 1441/7046

L.D. no. 1441/7046

ISBN: 978-603-8283-06-6



Table of Contents

Foreword	iii
Acknowledgements	v
Guide	vii
1. Introduction	1
Policy Development Process	1
Coverage of the Policies	2
2. Sector and Thematic Policies	3
Agriculture & Rural Development	5
Civil Society Engagement	7
Climate Change	9
Disaster Risks Management and Resilience	11
Education Sector	13
Energy Sector	15
Fragility & Resilience	17
Health Sector	19
Information and Communications Development	21
Regional Cooperation & Integration	23
Reverse Linkage	25
Science, Technology and Innovation	27
Transport Sector	29
Women's Empowerment	31
Youth Development Strategy	33
3. Fiduciary Policies	35
Disbursement	37
Project Financial Management	39
Project Procurement	41
4. Other IsDB Policies, Guidelines and Frameworks	43
IsDB Administrative Policies	45
IsDB Financial Policies	46
IsDB Human Resources (HR) Policies	50
IsDB Information Technology (IT) Policies	52
IsDB Operational Policies	56

5. IsDB Group Entities Policies

57

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) Policies ...	59
The Islamic Corporation for the Development of the Private Sector (ICD) Policies	60
The Islamic Research & Training Institute (IRTI) Policies	63
The International Islamic Trade Finance Corporation (ITFC) Policies	64

Foreword



In the same way that societies need laws to create order and common understanding, organizations require policies. They provide the underlying governing principles and intentions that dictate how an organization operates and how its staff members should conduct themselves to achieve institutional goals.

In the case of the Islamic Development Bank (IsDB) Group, these principles are shaped by the rules and regulations that govern the IsDB Group, its values and mission, along with the expectations of our stakeholders.

As highlighted by the ambitious agenda of the Sustainable Development Goals (SDGs) and subsequent global agreements, there has been a major shift in the global development dialogue. Operationalizing this global agenda requires the Bank to adopt a different business model to become more proactive, adaptive and agile. The President's 5 Year Program (P5P) places the new policies and strategies as the centerpiece of the Bank's new business model - which is based on strengthening the competitiveness of Member Countries in strategic industries in which they have a comparative advantage, creating local value chains while integrating them with global value chains.

The new business model demands a more transparent approach to ensure greater efficiency and more effective delivery. I would like to thank Dr. Mansur Muhtar, Vice-President, Country Programs Complex and the Global Practices for their efforts and support in taking the lead in the development of sector and thematic policies under the new P5P mandate.

The successful implementation of the operational policies is ultimately expected to raise income, maximize development impact, and help member countries achieve their development aspirations in the context of the SDGs.

This first ever Compendium of policies and guidelines produced at the IsDB Group is structured based on IsDB sector, thematic, fiduciary and group member specific policies. It also provides unique insights into the internal set of policies and guidelines. In the interest of transparency and accessibility all policies are available online on our website and via the QR code. This Compendium of updated, expanded and new policies will facilitate better understanding between the IsDB Group and its key stakeholders, specifically in the way we engage each other.

I would like to thank our stakeholders from Member Countries, fellow development institutions and agencies involved for their strategic contributions and participation in the formulation of these policies. I am confident that the IsDB Group will exert every effort to deliver on our mandate and support the development journey of our member countries.

Dr. Bandar M. H. Hajjar
Chairman
Islamic Development Bank Group

Acknowledgements

This “IsDB Group Policy Compendium” was initiated and developed under the auspices of H. E. Dr. Bandar M. H. Hajjar, Chairman of IsDB Group.

The Policies in this Compendium were prepared primarily by the Global Practices of the Country Programs Complex with the support of Mansur Muhtar, Vice President (Country Programs); Hayat Sindi, Senior Adviser of the President for Science, Technology and Innovation; Amadou Thierno Diallo, Acting Director General (Global Practices); and Acting Director, Communication & External Relations, and Diab Karrar, Acting Director Office of the President. It sets standards and provides strategic direction to IsDB on programming, planning, implementing, supporting and resourcing interventions classified under the new mandate of the President’s 5 Year Program (P5P). The Executive Business Oversight and Delivery Monitoring Division of the Office of the President, led by Intizar Hussain, provided guidance and facilitation in success fully preparing this key publication.

Team: Areef Suleman, May Ali Babiker, Mohammed Alsayed Ahmad, Syed Husain Quadri, Demba Diallo, and Abdul Rashid.

Focal Points: The team acknowledges the contributions from all entities and Departments of the IsDBG for the preparation of this Compendium, especially the focal points: Housseem Besbes, Mansur Noibi, Ezzeddine Nciri, Boubaker Tayeb, Abdourabbih Abdouss, Aamir Ghani Mir, Sami Faruqi, El-Bashier Sallam, Fatih Kazan, Sharif Abusaleem, Aziz Gulomov, Shakir Jasat, Zainol Mohamud, Maha Ibraheem Al Deairem, Husam Alakhal, Karim Ait Chabane, Zeeshan Aslam, Ahmed Farouk Diken, Nadia Macabanding, Ariful Chowdhury, Isatou Cham, Ahmadou Kane, Ibrahima Soumah, Adwaa Sami H. Melebari, Muhammad Iftikhar Afsar, Al-Tayeb Abbas Fadlallah, Dina Qudayh, and Abderrahmane Ferkous.

Design, Cover Page & Type-setting: Aziza Abdullah Zarei

Guide

IsDB Group President's 5 Year Program (P5P) - 6 Performance Drivers

The emerging global development agenda, represented by agreement on the Sustainable Development Goals (SDGs) along with subsequent agreements (i.e., COP21 on climate change, Addis Ababa Action Agenda (AAAA), the Sendai Framework for disaster risk management, etc.) represent a trajectory shift in the global development dialogue. Operationalizing this agenda required the Bank to adopt a different business model to tackle these emerging global development challenges that emphasizes market-led growth, science, technology and innovation, and global partnership for development. IsDB New Business Model therefore shifts the global development narrative from scattered Band-Aid interventions addressing narrow and immediate pain points to tackling root causes hindering sustainable growth. To align with the new business model, IsDB is focusing on the following six corporate performance drivers, each constituting a critical change in the way the Bank operates and delivers value to member countries:



Awareness:

Improving the visibility of the Bank

Visibility can be enhanced by creating an integrated strategic communication model.



Linkages:

Crowding-in resources from the market

Partnerships are the best way of enhancing IsDB's competitive edge.



Competence:

Building organisational capabilities

IsDB should build capacities by accessing the knowledge of member country populations.



Delivery:

Decentralising functionally and geographically

IsDB projects should be implemented via crowdsourcing platforms by assessing project quality and by evaluating impact.



Funding:

Sustainable financial growth

IsDB must build a sustainable financial model based on self-financing.



Reinforcement:

Managing for development results

IsDB should adopt sustainable policies and supervisory mechanisms that protect, preserve, and ensure a sustainable development impact.

Sustainable Development Goals (SDGs)

The 2030 Agenda aspires to achieve 17 high level Sustainable Development Goals (SDGs) and 169 specific targets, encompassing the social, economic and environmental dimensions of development. These aspirations for human dignity, and 'to leave no one behind', is fully in line with the principles and objectives of development from an Islamic perspective (Maqasid Al-Sharia).



No Poverty



Zero Hunger



Good Health and Well-Being



Quality Education



Gender Equality



Clean Water and Sanitation



Affordable and Clean Energy



Decent Work and Economic Growth



Industry, Innovation, and Infrastructure



Reduced Inequalities



Sustainable Cities and Communities



Responsible Consumption and Production



Climate Action



Life Below Water



Life on Land



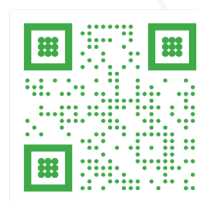
Peace, Justice, and Strong Institutions



Partnerships for the Goals

QR Codes:

Next to each policy, is a QR code that may be scanned for a quick access to the policy document.



QR Code

Introduction

The IsDB Group, under its Vision and 10 Year Strategy (10YS), reinforced by the President's 5 Year Program (P5P) aims to improve lives by promoting sustainable and inclusive social and economic development in its member countries; delivering impact at scale. Conventional approaches to tackling development challenges have yielded limited results. Despite some progress made worldwide in reducing poverty over the course of the last 25 years, IsDB member countries fall far behind on many dimensions of the universal SDGs. They have proved inadequate for providing innovative, sustainable solutions. A business as usual approach to tackling development challenges will not yield the desired outcomes. The need for a paradigm shift to keep our promise to the world – and help our member countries achieve the Sustainable Development Goals (SDGs) is evident more now than ever before.

In response to this, the Bank's new business model focusses on strengthening the competitiveness of its member countries in strategic industries (wherein they exhibit a comparative advantage), creating vibrant, competitive local value chains with a view to integrating them into global value chains (GVCs). This, by embedding science, technology and innovation into these industries, and leveraging innovative Islamic finance and partnership modalities.

The new business model demanded a different approach, greater efficiency and more effective delivery. This needed to be codified and provided in a transparent and structured manner. It is therefore not surprising that the IsDB Group recently prepared its first ever set of sectoral and thematic policies along with revising and updating its various Administrative, Financial, Operational, Human Resources, and IT Policies to better reflect the current global and institutional context.

The purpose of the policies captured in this Compendium, prepared primarily by the Global Practices of the Country Programs Complex, is to set standards and provide strategic direction to IsDB on programming, planning, implementing, supporting and resourcing interventions classified under the new mandate of the P5P. In addition, these Policies and Strategies are aligned with addressing the Bank's SDGs focus and areas to work in partnership with our peer organizations, development institutions, civil societies and fellow financiers. To operationalize and achieve the intended policy objectives, a set of operational implications, strategies and recommendations must be considered. As the only multilateral development institution specialized in the development of all OIC Countries, the IsDB has an important role and responsibility to help achieve complementarities between member countries.

Policy Development Process

At the level of the IsDB, policy development is undertaken in accordance with the Policy Management Framework and the Policy Development and Management Guidelines for the Country Programs Complex.

The Policy Management Framework and the Policy Development and Management Guidelines were developed to establish standards and principles for policy development, review and approval, implementation, monitoring and evaluation, and updating of policies in order to ensure that all policies are consistent and harmonious across the IsDB.

The overarching guiding principles for development of the ensuing Policies, Guidelines and Frameworks is to ensure consistency with the Islamic principles of Shariah, IsDB Articles of Agreement, IsDB 10 Year Strategy, and alignment with global development agenda (including SDGs). Based on these principles, the sector and thematic policy development followed a predefined process comprising initiation, drafting, consultation, approval, communication, implementation, monitoring and review.

Every sector and thematic policy presented here, therefore went through the above steps along with an extensive quality review mechanisms prior to its adoption. The quality review process consisted of:

- **Review by the Relevant Internal Committee/s:** According to the subject matter of the policy, all prepared policies followed their relevant standing internal committees including obtaining clearance at the Operations Committee and Executive Management Committee prior to their submission to the Board of Executive Directors for approval.
- **Internal and External Consultations:** Policies were also subject to a rigorous internal IsDBG- wide consultation and external stakeholder consultations at various member countries and bilateral/multilateral organizations.

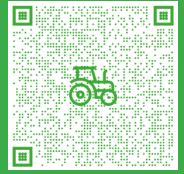
Coverage of the Policies

This Policy Compendium provides an insight into the depth and breadth of policies developed and revised over the past few years. Accordingly, this publication summarizes all recently prepared sector and thematic policies, its objectives, background, scope, key aspects of its framework, policy implementation mechanisms, internal strategic and SDG linkages, etc. This publication is a Compendium of all existing policies of the Islamic Development Bank Group, namely the Islamic Development Bank (IsDB), the Islamic Corporation for the Development of the Private Sector (ICD), the International Islamic Trade Finance Corporation (ITFC), the Islamic Corporation for Insurance of Investment and Export Credit (ICIEC) and the Islamic Research and Training Institute (IRTI). The Compendium is presented in five sections, following this introduction. Section 2 presents a short summary of the key Sector and Thematic Policies, along with link to the full policy (accessible via the QR Code in the header of each policy). Section 3 highlights a list of the IsDB Fiduciary Policies. Section 4 presents a list of the other IsDB Policies, Guidelines and Frameworks categorized based on their respective areas viz. Administrative, Financial, Human Resources (HR), Information Technology (IT), and Operational. Section 5 presents list of policies developed at the level of the Entities. It must be recognized that most of the policies presented in Sections 4 and 5 are internal IsDB Group policies and not publicly accessible. The entire report is available online and may be accessed via the QR Code in the Header of this section or on the back cover of the publication.

2. Sector and Thematic Policies



Agriculture & Rural Development



Policy Background and Purpose

The IsDB Agriculture and Rural Development Sector Policy is the first of its kind since the establishment of IsDB. The objective of the Policy is to promote sustainable, resilient and equitable agriculture and rural development by alleviating poverty and enhancing food security. Promoting public-private partnerships, and creating rural employment opportunities. It aims to provide strategic orientation and focus for the IsDB investment in agriculture and rural development of its member countries. The Policy articulates framework through which IsDBG entities support to member countries realize higher degrees of food security through effective sustainable rural and agricultural development that tends to promote rural economic growth and employment generation. The Policy promotes the commercialization of smallholder agriculture through the development of agriculture value chains with emphasis on private sector participation. The Policy recommends a regional differentiation approach to address disparities among member countries.

P5P Track



Awareness



Delivery



Linkage

Relevant SDG(s)



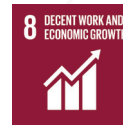
1 NO POVERTY



2 ZERO HUNGER



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER

Policy Framework

The following six policy Pillars recognize the diverse socio-economic situations, stages of development, and challenges and priorities in the 57 member countries:

- Build resilient and climate-smart agriculture: IsDB will encourage climate-smart agriculture that builds resilience and enhances agricultural productivity. IsDB will help improve the climate-adaptation capacity of smallholders through increased access to yield-enhancing technologies, infrastructure, and know-how.
- Improve access to markets: IsDB will support member countries to improve market infrastructure and support strong farmer–buyer links that facilitate the commercialization of subsistence agriculture. IsDB will support efforts to close the gap between women and men in the productive and social roles in supply chains.
- Promote inclusive, sustainable and integrated approaches: IsDB will support projects and programs that adopt an integrated approach to agriculture and rural development through improved access to basic services, infrastructure, and economic opportunities. IsDB will ensure the co-location of development interventions to create synergies towards greater outcomes and impacts in member countries through multi-sectoral and multidisciplinary opportunities.

- Promote access to Islamic microfinance: IsDB aims to improve investment in agriculture that generates sustainable growth among rural communities and to deepen Islamic rural financial intermediation. IsDB will encourage the development of Islamic microfinance products that cater to the needs of smallholders and small-to-medium enterprises involved in rural development
- Promote private-sector participation: IsDB will support private-sector participation and contributions throughout the project cycle to ensure sustainable impacts. IsDB will support member countries in attracting foreign investment to generate broad-based growth and to increase the numbers of higher quality jobs in rural areas. The Bank will support the development of the commercial agricultural sector and will encourage the private sector to develop value chains and mobilize finance.
- Building human and institutional capacity: IsDB recognizes the importance of capacity development for the success of its development financing. Capacity-building is an integral part of IsDB's evolution from being mainly a financier to be a knowledge provider and an honest broker of development solutions to its member countries.

The Policy will be guided by the following principles:

- Synergy and complementarity
- A value-chain approach and private-sector participation
- Innovation, science, and technology
- Regional differentiation

Policy Implementation

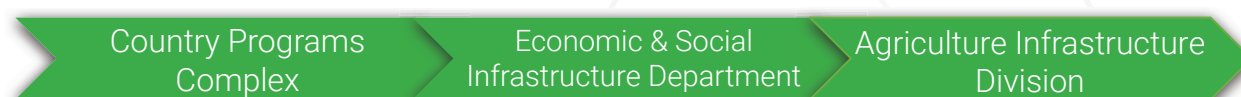
A 5-year implementation strategy, while not prescriptive, provides guidelines on how to operationalize the Policy. As an operational tool, the strategy is target-based. This will be guided by, among others, the level of achievement of the SDGs by the member countries, with a view to supporting rural economic growth. Given the importance of the sector for poverty alleviation and economic growth of majority of IsDB member countries, the Bank will exert efforts to mobilize resources for the implementation of the Policy including but not limited to launching of commodity-based funds (off-balance-sheet financing to increase the resource envelope available to member countries), crowding in other development financiers, co-locating investments with other IsDBG entities (e.g. ITFC, ISFD and ICD).

Related Policies

This Policy is aligned with: Making Markets Work for Development (Agri-business Industry); Climate Change Policy; Reverse Linkage Policy; Women Empowerment Policy; Youth Development Strategy; and Civil Society Engagement Policy.

BED No. / Date Approved: 328 BED (11 December 2018)

Focal Point



Civil Society Engagement



Policy Background and Purpose

The Bank's member countries face numerous socio-economic challenges, including poverty, fragility, violent conflict, and man-made and natural disasters. These challenges have generated humanitarian crises, which have led to increases in internal displacement and refugee populations. Despite significant economic growth in member countries, income inequality and unemployment have increased. Addressing these challenges require the consolidated and coordinated efforts of all development actors, including governments, civil society, donors and others.

Much has changed in international development since the IsDB non-governmental organization (NGO) programme was created in 1997. Prior to the 1990s, there was little discussion on civil society, and international donors and their partner countries did not need to consider civil society engagement in their operations and planning. Since then, there has been significant growth in the role of civil society. The official development assistance channeled through civil society organizations (CSOs) by the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) increased from US \$ 4.8 billion in 1997 to over US \$ 19 billion in 2016. Social infrastructure and services were the main sectors of intervention for bilateral official development assistance channeled through CSOs. Humanitarian assistance, or emergency response, became the second most important area of aid channeled through CSOs.

Several important meta-level changes have taken place in sustainable development programming and policymaking since 1997. Among these is an increase in funding for humanitarian and emergency relief, which has come about due to the growing number of countries in fragile, and conflict situations. The changes also include a greater focus on humanitarian assistance, resilience and social development.

The Policy is based on a technical policy study and on recommendations from a wide range of internal and external consultations with member countries, development partners, and CSOs. This Policy is also set in the context of the background described above, and recognizes the different types of CSO and the diverse needs, trajectories and stages of development of the 57 IsDB member countries.

The purpose of this Policy is to set the strategic direction of the IsDB for engaging systematically with CSOs. The objectives of the Policy are to: (i) create a framework of dialogue, consultation and partnership with CSOs to foster the sharing of knowledge, experiences and best practices; and (ii) Improve direct assistance through CSOs to local communities in member countries and to the Muslim communities of non-member countries.

P5P Track



Reinforcement

Relevant SDG(s)



Policy Framework

The Civil Society Engagement Policy is guided by the Sustainable Development Goals (SDGs) and by the Bank's 10 Year Strategy (10YS) and the President's 5 Year Program (P5P). The Policy takes into account the decentralized organizational structure and strategic priorities of the Bank. It benefits from the experience, best practice, and lessons learned by IsDB and MDBs more widely in civil society engagement. The Policy provides general guidance to the Bank to engage more effectively with civil society. It out-lines the way in which the Bank will mainstream civil society engagement in member countries and Muslim communities elsewhere, at the levels of Headquarters and the Regional Hubs. The Policy has the following four pillars:

- Pillar I: Mainstreaming of CSOs
- Pillar II: Engaging with CSOs as partners,
- Pillar III: Building capacity; and
- Pillar IV: Diversifying the source of financing

The Policy has also five guiding principles namely; country endorsement, innovation, partnership, selectivity, and solidarity and inclusiveness.

Policy Implementation

The Policy will be implemented through operational strategy, which will provide implementation mechanisms, frameworks, tools, and 5-year action plans.

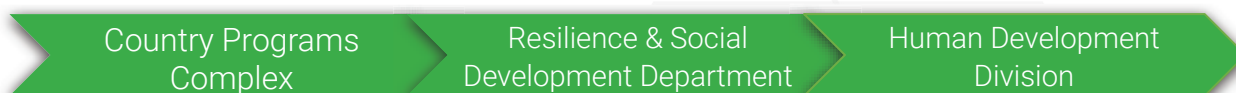
This Policy will adopt a range of options for mobilizing resources to support the Bank's commitment to engage with and, where appropriate, finance civil society actions. These include existing and proposed IsDB financing instruments, and innovative and non-traditional financing mechanisms.

Related Policies

The Policy is related to the sectoral and thematic Policies of the Bank namely: Agriculture, Education, Energy, Health, Transport, ICT, Women Empowerment, Youth Development Strategy, Fragility and Resilience Policy; Climate Change and Civil Society Engagement Policy.

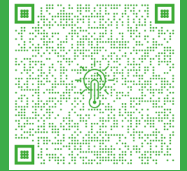
BED No. / Date Approved: 329 BED (24 February 2019)

Focal Point





Climate Change



Policy Background and Purpose

Climate change continues to pose significant threats to economic and social development at the global, regional, national and local levels. It has therefore become imperative to develop and implement coherent strategies to minimize the current and future impacts of climate change while at the same time meeting development objectives. The purpose of the IsDB Climate Change Policy (CCP) is to support member countries in the implementation of climate actions that will promote sustainable and climate-resilient development as stipulated in the Sustainable Development Goals (SDGs), the Paris Agreement and the national development priorities of member countries. The Bank is actively working to explore the opportunities provided by climate change to enhance resilience and climate-proof investments in its member countries.

P5P Track



Delivery



Reinforcement

Relevant SDG(s)



Policy Framework

Scope: This Policy recognizes that IsDB's member countries are diverse and are faced with different types of challenges. Therefore, a country-driven approach is imperative to ensure the objectives outlined in the policy are realized. The Policy scope is covered in the climate change policy pillars including:

- Mainstreaming Climate Action into Bank's Operations
- Promoting climate change resilience in member countries
- Supporting the transition to Green Economy in member countries
- Leveraging Resources to implement climate-related activities.

Enablers: The main enablers to actualising the objectives of the CCP include: (i) proactive upstream country dialogue for climate-friendly and sustainable projects, (ii) prioritisation of green and climate resilient investments, (iii) a sustained and growing pipeline of climate-related financing opportunities; (iv) increased allocation of resources (including human and financial) to implement climate-related activities in the Bank, (v) a sustained ability to mobilize additional resources and access to concessional sources of funding (including climate finance); and (vi) increased requests from member countries for these services.

Guiding Principles: For this Climate Change Policy to achieve its objectives and be fully aligned with IsDB's core mission, these Policy Pillars are to be implemented in accordance with eight "Guiding Principles", including: (i) Country-Leadership/Ownership, (ii) Selectivity, (iii) Flexibility, (iv) Proactivity, (v) Capacity Building & Knowledge Sharing, (vi) Catalysing Private Sector Capital & Institutional Investors, (vii) Partnership for Climate Change Action, and (viii) Accounting for Climate Change Action.

Policy Implementation

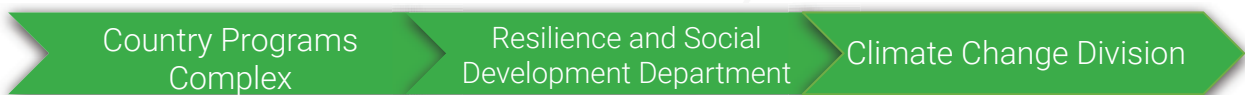
The implementation of the CCP is already underway as outlined in the Climate Change Policy Implementation Framework cleared by the Executive Management Committee (EMC). This CCP Implementation Framework was designed to operationalize the CCP across IsDB's operations, with a focus on integrating climate change into the Bank's investments, building awareness and capacity to understand and address climate risks and opportunities among key internal and external stakeholders and functions, each of whom can help to "mainstream" climate considerations into their activities. In 2019, climate change was mainstreamed in 33 appraised projects processed by the Bank. Similarly, the Bank issued its first Green Sukuk and mobilised Euro 1 billion in line with the Bank's Climate Change Policy. In order to demonstrate the Bank's commitment to increasing its climate action in member countries, the Islamic Development Bank has set its first climate finance target at 35% of its total financing commitments by 2025. This target will help reaffirm IsDB's commitment to its member countries long-term vision of a low carbon and climate resilient development. Also, under Pillar 4 of the CCP, IsDB will seek to establish and manage a dedicated Climate Change Facility as part of IsDB's strategic approach for mobilizing climate finance for its member countries and integrating the delivery of those funds into its climate operations which are consistent with IsDB's Climate Change Policy, its 10 Year Strategy (10YS) and the President's 5 Year Program (P5P).

Related Policies

The Climate Change Policy will have an impact on several IsDB policies and strategies, in part due to the cross-cutting nature of climate change and its impacts across sectors, countries, and operations of IsDB. For instance, the Policy is expected to impact sector policies (including energy, transport, agriculture, water and sanitation, health and education), country partnership strategies, country and project risk assessments, and thematic/cross-policies such as (i) Science Technology and Innovation; (ii) Poverty Reduction; (iii) Partnership Development; (iv) Resource Mobilization; (v) Women and Youth Empowerment; (vi) Capacity Development and (vii) Regional Cooperation and Integration Policy.

BED No. / Date Approved: 329 BED (February 2019)

Focal Point





Disaster Risks Management and Resilience



Policy Background and Purpose

Natural disasters pose major global developmental challenges affecting the lives of millions of people around the World. According to Global Assessment Report on Disaster Risk Reduction in 2019, the number of natural disasters caused by earthquake, landslide, floods, heatwaves, and climatological hazards continue to rise. Estimated future annual average disaster losses in the built environment in IsDB member countries has been estimated at US \$ 24.6 billion, equivalent to about 8 percent of the global total. If expected losses associated with extensive and agricultural drought risk are added, total average annual disaster risk in member countries could be as high as US \$ 70 billion. This risk manifests as increasing levels of loss and damage to educational and health facilities, roads, water, sanitation and energy infrastructure, public buildings, agriculture and livestock, which in turn affect livelihoods and the capacity of governments to provide essential services and guarantee long-term conditions of health, education and prosperity. Disaster risk is a challenge to lower-income member countries and those affected by conflict and fragility, reducing the potential for GDP growth and directly challenging the achievement of the Sustainable Development Goals (SDGs). In several member countries future disaster losses represent a significant proportion of social expenditure (health, education, social protection) or capital investment (infrastructure) budgets. In these countries, governments will be challenged to achieve social sector SDGs such as 1, 3 and 4 or infrastructure related SDGs such as 6, 7, 8, 9 and 11. At the same time, high levels of exposure and vulnerability to drought can challenge the achievement of SDG2. The purpose of the Policy is to set standards and strategic direction of IsDB to support member countries to manage risks and shocks of natural disasters and contribute to sustainable economic development in member countries.

P5P Track



Reinforcement

Relevant SDG(s)



Policy Framework

The Policy is guided by IsDB 10 Year Strategy (10YS) and President's 5 Year Program (P5P) and is coherent with its decentralized organizational structure, strategic priorities and a new business model of the Bank. The Policy will also contribute to de-risk the new Global Value Chain Development interventions of the Bank. The Policy is fully aligned with the Sendai Framework on Disaster Risk Reduction (SFDRR). It will contribute to the achievement of the goal, objective and seven Global Targets of the SFDRR and the disaster risk related targets of the Sustainable Development Goals (SDGs) in its 57 member countries.

IsDB develops its own framework for intervention that is centered on the dual challenges of managing disasters and building resilience. The Main Pillars of this Policy are:

- Pillar I: Managing Disaster Risks and Response;
- Pillar II: Supporting Post-disaster Recovery Planning;
- Pillar III: Investing in Resilient infrastructure and disaster risk-informed, and
- Pillar (IV) Financing Disaster Risks Management.

The Guiding Principles of the Policy are: An all-of-bank approach, innovation, evidence based, partnership, capacity building, inclusivity and solidarity, and triangular cooperation.

Policy Implementation

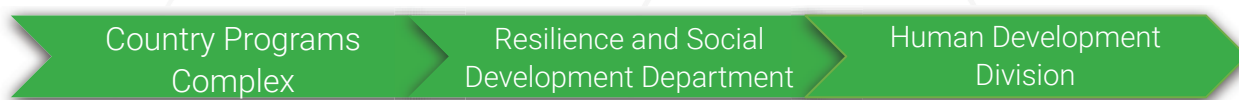
The Policy will be implemented through an operational strategy, five-year action plan and results-based development framework, tools and templates. The operational strategy will also provide resource plan to develop innovative financing tools to mobilize resources to support member countries to effectively respond to the risks and shocks posed by natural disasters. Building on its expertise on Islamic finance, IsDB will also seek to develop new and innovative sharia compliant takaful products for disaster risk financing. The Bank will develop an operational strategy which will have a resource mobilization plan that analyzes and maps the various financing sources (e.g. traditional and non-traditional donors, and international funds).

Related Policies

The Policy is related to the Sectoral and Thematic Policies of the Bank namely: Agriculture, Education, Energy, Health, Transport, ICT, Women Empowerment, Youth Development Strategy, Fragility and Resilience Policy; Climate Change and Civil Society Engagement Policy.

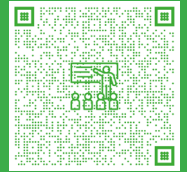
BED No. / Date Approved: 333 BED (15 December 2019)

Focal Point





Education



Policy Background and Purpose

Education is a fundamental factor in human development. Although significant gains have been made over the years against the MDG targets, in terms of increasing enrollment, reducing the number of out-of-school children and gender disparities, a lot of challenges remain and the World is not on track to meeting the SDG 4 targets with the current trends. The perennial challenges of inadequate financing, increasing use of Artificial Intelligence risking present employment across the globe, lack of political drive to implement reforms, poor governance, and planning, leading to a shortage of qualified teachers, poor learning environments, inadequate learning outcomes and outdated curricula amongst others. There are also emerging issues on the performance of the education systems and the lack of preparedness of learners for a rapidly changing World. The theme, 'Learning for human development' embraces the notion that the focus of education is not on schooling but on quality learning, and that learning is a lifelong endeavor. Cognizant of the diverse levels of attainment of the SDGs amongst member countries, the Policy adopts an integrated approach, with selectivity and flexibility, from primary to tertiary education including capacity development with a focus on enhancing the provision of basic education and post-basic education to meet the sector challenges in a holistic manner.

P5P Track



Delivery



Reinforcement

Relevant SDG(s)



Policy Framework

Scope: The Policy provides a non-discretionary framework of governing principles and intentions for all education-related investments and operations that IsDB and its partner organizations undertake in member countries. It is the main guide for achieving IsDB goals and objectives, and for making informed and consistent investment decisions in education and human development. The Policy framework consists of three pillars:

Enhanced provision of basic education encompasses interventions in early childhood care and development, primary education and literacy, and non-formal education. At the primary and lower secondary levels, interventions will focus on out-of-school children and the integration of the parallel Islamic education system with the formal system. Emphasis will be given to strengthening education systems to ensure that interventions have a transformative impact.

Post basic education provision includes support to upper secondary education, technical and vocational education and training (TVET), and tertiary/higher education. It will support the transitioning of learners from basic education with multiple pathways to success in academic pursuits and skills development in the digital world to enhance employability and gainful engagement of graduates. Advocacy and Advisory Services will entail advocacy for inclusiveness and equity through system reforms and targeted interventions. The IsDB will deepen its engagement with partners and stakeholders in the global aid architecture and discourse on education.

- Enablers: The six cross-cutting enablers of the Policy are: systems strengthening, inclusiveness; innovative financing, partnerships; capacity development, and integration of technology.
- Guiding Principles: This Policy shall be guided by the Islamic teachings that seeking knowledge is mandatory to all, and the injunction that all children (boys and girls) be accorded the right to live and thrive to their fullest potential. Its guiding principles are: build a foundation for human development; enhance human development; cultivate value-added partnerships; optimize education financing; and adopt one Bank Group approach.

Policy Implementation

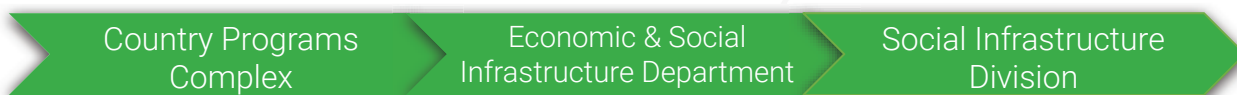
Guided by the need for selectivity and flexibility in its investment choices, an Education Sector Strategy and an Implementation framework are being prepared. It will be aligned with the policy investment choices, which highlight three levels of investments: imperative investments related to building the fundamentals of human development; desirable investments to support the enhancement of human development; and laudable investments entailing advocacy and advisory services. The magnitude of resource requirements and mechanisms of mobilization will be elaborated in the Strategy.

Related Policies

This Policy is anchored on the IsDB 10 Year Strategy (10YS) and the President’s 5 Year Program (P5P) objectives of providing inclusive quality and relevant education that ensures lifelong learning for sustained poverty reduction and shared economic growth. It is also attuned with the SDGs aspirations and is fully aligned with the OIC-2025’s priority area on education. The Policy is aligned with operational policies of the Bank Group and with the thematic cross-cutting policy and strategy documents notably on Science Technology and Innovation (STI), Women Empowerment, Youth, and Climate Change.

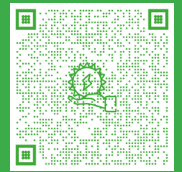
BED No. / Date Approved: 328 BED (3 December 2018)

Focal Point





Energy



Policy Background and Purpose

IsDB's constituency is spread over four continents and its member countries are facing diverse climate, environment and energy challenges. Hydro and solar energy have high potential, but so far under-exploited. Some IsDB member countries face energy scarcity on one hand, while others adopt wasteful usage on the other. There is an apparent disparity in access to modern energy services across member countries. The Energy Sector Policy establishes the overall directions to guide IsDB's future energy operations in member countries in line with IsDB Articles of Agreement, the IsDB 10 Year Strategy (10YS) and its reform agenda based on the President's 5 Year Program (P5P). The Policy addresses the said issues related to energy access, increasing the renewable energy (RE) portion in the energy mix given the high potential of RE in member countries and energy management consumption.

P5P Track



Delivery



Funding

Relevant SDG(s)



Policy Framework

This Policy will continue the transition in the energy sector portfolio of the Bank so that it is synchronized with the overall goal of poverty reduction. It will build on IsDB recognized strengths in energy practice, particularly in the areas of conventional power generation and transmission/distribution networks. However, all efforts will be made to use the cleanest and most efficient commercially available technology options for increased technical performance and optimized utilization of overall energy sources. At the same time, the IsDB's interventions will be more selective to bring about a balanced allocation of resources among the Policy pillars. The Policy framework includes four main pillars:

- **Increase Access to Modern Energy Services:** the IsDB will scale up its support to provide access to electricity through adding systematically an access component to conventional power projects; developing new business models to provide energy access through distributed generation, decentralized grids or consumer-based solutions; and gradually promoting modern form of energy services for basic needs of lighting, cooking, heating, etc.
- **Scale Up Renewable Energy:** IsDB intends to play a catalytic role in promoting renewables, in particular, solar energy as a part of its goal of sustainable energy development and as an alternative to fossil fuels.
- **Energy Efficiency:** IsDB will assist member countries in evaluating best practices in energy management; tailoring these practices to member countries' unique characteristics; and adapting policy frameworks and planning/management procedures for the adoption of new energy-related technologies.
- **Improve Knowledge Services:** Sector work and technical assistance are instrumental in helping member countries. The Policy will focus on a few and carefully selected activities to establish the IsDB as a recognized partner and provider/utilizer of high-quality knowledge to member countries.

- Enablers: There are four main enablers to stimulate the Policy: private sector development; innovative financing (energy efficiency/renewable energy/climate change); regional energy integration and building partnerships.
- Guiding Principles: The guiding principles of the Policy Country-focus and selectivity, Financing mechanisms including PPPs, Capacity, and advocacy.

Policy Implementation

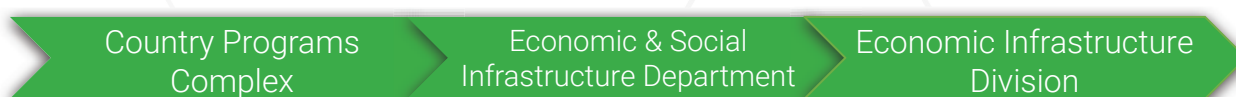
To strengthen energy sector dialogue and support country-focused selectivity, in each member countries with IsDB energy operations, the IsDB will prepare an Energy Sector Strategy to summarize its situation, needs, and priorities for future IsDB support. This will be followed by an implementation framework to provide an informed basis for discussing sector needs and financing priorities with the government.

Related Policies

The Energy Sector Policy is aligned with the Climate Change Policy in particular and other IsDB policies.

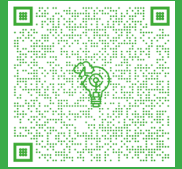
BED No. / Date Approved: 328 BED (3 December 2018)

Focal Point





Fragility & Resilience



Policy Background and Purpose

Conflicts have increased after decades of a relative decline. In 2016, there were 47 internal state-based conflicts, reaching the highest number in 20 years. In 2018, forced displacements have reached a record of 68.5 million persons. The majority of global refugees (57 percent) are coming from 3 countries, Afghanistan, Iraq, and Syria. Some of the most fragile and conflict-affected countries are within the IsDB member countries. Over fifty percent or 19 out of the 36 countries categorized as fragile and conflict-affected situations by the World Bank in 2018 are IsDB member countries. In addition, the OECD States of Fragility Framework identifies 58 countries experiencing a fragile situation in 2018. Of these, 29 are IsDB member countries. More concerning, out of these 29 countries, 14 IsDB member countries are in protracted fragility as they have been on every edition of the OECD list since 2008.

Moreover, 60 percent of the conflicts across the World takes place in the Organization of Islamic Cooperation (OIC) region, which is also prone to multidimensional fragility with grave human costs in terms of mass refugees flows and internally displaced people. When also considering the fact that without action, according to OECD's "States of Fragility" report, 80 percent of the World's most vulnerable will live in these fragile contexts by 2030. Accordingly, IsDB needs to pay great attention to conflict prevention and mediation efforts. Conflict within and between countries results in the loss of life, disability, displacement, the destruction of assets, the weakening of governance, and the breakdown of social cohesion. Inevitably, it reverses the gains of social and economic development. Equally, fragility traps hamper growth and prosperity and have negative effects at the institutional, social and economic levels.

The purpose of the Policy is to set standards and strategic direction of IsDB to strengthen institutions, build resilience and contribute to social cohesion and sustainable development in member countries. The Policy seeks to address the drivers of fragility ranging from social and economic exclusion and marginalization to unequal development. Drawing on the experience and challenges faced by other MDBs, the Policy accents a partnership approach especially in focusing on prevention and bridging the important transition between relief and development.

P5P Track



Reinforcement

Relevant SDG(s)



Policy Framework

The Policy is aligned with the third pillar of the Inclusive Social Development of the 10 Year Strategic Framework, where IsDB seeks to address needs of populations at risk of being left behind encompassing core areas such as health, education, employment, crisis support, building institutions, the empowerment of women and the alleviation of extreme poverty. The Policy is also aligned with the President's 5 Year Program (P5P) that calls for IsDB to be proactive and responsive to member countries' challenges, including fragility and conflict. The Policy takes into account the decentralized organizational structure and strategic priorities and business model of the Bank. The Policy is based on the best practices and lessons learned of other MDBs and international development actors. The main pillars of this policy are:

- Pillar I: Investing in Prevention;
- Pillar II: Transitioning Relief to Development;
- Pillar III: Supporting Recovery and Resilience; and
- Pillar IV: Mobilizing Resources for Resilience.

The Policy has the following six guiding Principles: Country Ownership, Adaptability, Solidarity, Selectivity, Context, and Conflict Sensitivity, and Partnerships.

Policy Implementation

The Bank is currently preparing an operational strategy, which sets strategic priorities, frameworks, standards, guidance notes and tools to operationalize the Policy. The Strategy proposes action plans and results-based management framework during the coming five years. The Strategy is not based on a rigid approach but rather a flexible and practical set of guidelines, tools, templates, and procedures to be adopted by the Bank as appropriate to the fragile and conflict-affected situations.

The IsDB seeks to leverage its resources and impact in situations of fragility and conflict by partnering with other relevant humanitarian and development actors, decentralizing decision-making, and using global platforms for crowd-sourcing and other participatory methods to maximize knowledge, innovation, resource mobilization, and coordination. One of the potential financing instruments, which can be used, includes the Fragility Financing Facility (Triple F), an innovative quick-disbursing financing mechanism that makes grants and concessional financing available to support prevention, transition, recovery, and resilience.

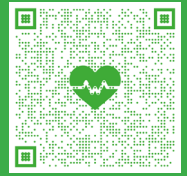
Related Policies

The Policy is related to the Sectoral and Thematic Policies of the Bank namely: Agriculture, Education, Energy, Health, Transport, ICT, Women Empowerment, Youth Development Strategy, Fragility and Resilience Policy, Climate Change and Civil Society Engagement Policy.

BED No. / Date Approved: 329 BED (24 February 2019)

Focal Point





Policy Background and Purpose

The IsDB Health Sector Policy (HSP) is intended to guide all IsDB health programs and operations, focusing on the need to attain Universal Health Coverage (UHC) in member countries within the context of delivering Primary Health Care (PHC). The UHC will remain the cornerstone of program development within the IsDB member countries to align with the international consensus. It will engender the Bank to explore new and innovative means to financing health and achieve impact using the new global value chain approach to make “Markets work for Development”. The Policy is centered on the theme: “Affordable quality health services for human development” and highlights the IsDB’s vision for the health of the population in member countries, framed within the core Sharia principles of ‘doing no harm’ and capitalizing on the inherent advantage of our Islamic identity to provide health programs in member countries. The Health Policy is articulated on six pillars, promoting SDG-3 and contributing to the realization of related targets in SDGs 1, 2, 4, 5, 6 through a focus on socio-economic determinants on health and Health in All Policies. These objectives are in alignment with the current broad strategic objectives of the Islamic Development Bank, especially the President’s 5 Year Program (P5P) which focuses on competency, linkages, innovation in financing and results in delivery.

P5P Track



Delivery



Reinforcement

Relevant SDG(s)



Policy Framework

The HSP is articulated on six pillars, promoting SDG-3 and related targets, and contributing to its realization. All the pillars are directly supporting the OIC Strategic Health Program of Action (SHPA), the President’s 5 Year Program (P5P) and 10 Year Strategy (10YS):

1. Targeting Vulnerable and Poor Populations: This pillar focuses on health system performance issues, disease prevention, and control, MNCH, and financial risk protection among low income and vulnerable populations including women, children, displaced, refugees, minorities, and people with special needs.
2. Strengthening PHC delivery and prevention, with limited and exceptional support for Tertiary Care and Specialized Hospitals: PHC is the cornerstone of a sustainable health system and health-related SDGs, to reduce inequalities and contribute to the improvement of well-being and socioeconomic development as well as social stability and security in all countries.
3. Support National Health Financing Initiatives to Achieve UHC: IsDB is committed to supporting government programs to achieve the globally recognized objective of financial risk protection (FRP) through UHC.
4. Innovate Financing for Health Projects and Programs: The current IsDB innovative financing tools and mechanisms including ISFD, Triple-win innovative financing, Lives, and Livelihoods Fund (LLF) have provided an opportunity for additional concessional financing, though limited, through grants and soft loans for member countries. The Bank should also consider promoting the uptake of the current Islamic modes of financing i.e. Micro-Takaful, Waqf, Zakat for health.

5. Achieve Impact Investment through support for other Sectors and thematic Policies: This HSP will mainly support the Bank's GVC orientation through three types of initiatives: 1) enabling other major investments by addressing issues of occupational health, and communities' health where the investments occur, 2) promoting national economic development in Health sector industries that can gain comparative advantages such as the local pharmaceutical industry, medical tourism, vaccines, and other health commodities production, and 3) leveraging the five GVCs selected industries for member country partnership strategy (MCPS) towards creating health sector initiatives to serve the ecosystems and populations (human capital) who would benefit from such GVCs, hence aligning with human capital development with respect to health and education.

6. Improve IsDB Governance and Capacity Building for Health: Specialized capacity development will be required for both internal and external stakeholders including the member countries to avail of a critical mass of staff with strong technical abilities and experience in the health sector in both the Bank and member countries. Relevant staff to be held accountable for achieving objectives and reaching performance indicators

Enablers: The enablers are (i) Equity to "leave no one behind", (ii) Partnership and improved Collaboration within the IsDBG entities to ensure internal coherence of operations, (iii) Public-private-partnership (PPP) for inclusiveness and resource mobilization; and (iv) Capacity Building for IsDB staff and key partners at member countries level.

Policy Implementation

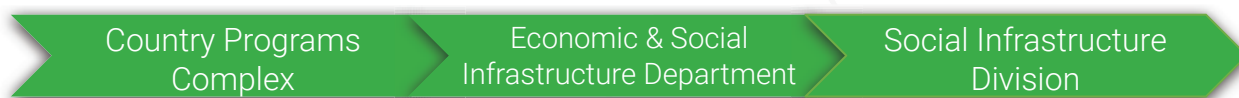
The Social Infrastructure Global Practice (SI GP) will prepare the Strategy for HSP and ensure quality review of the documents related to health operations, alignment with the global practices i.e. SDGs relevant goals, the policy pillars, and objectives. The health Operational Team Leaders (OTLs) based in the Regional Hubs (RHs) will be responsible for overseeing the project implementation in line with these Policy Guidelines/ Strategy as well as those for procurement and disbursement of funds. Support for project design, preparation, appraisal, and evaluation is also a central role of the SI GP Health team. Monitoring the implementation of the Strategy is the role of the relevant GPs. Stakeholders, including national and international partners, will collaborate on investments based on comparative advantages. Key quality indicators to measure the levels and type of partnerships engagement will be built into these types of engagement during the implementation of the HSP.

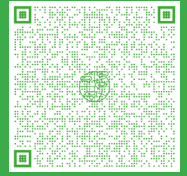
Related Policies

The HSP will support thematic policies of Climate Change, Human Development, Women Empowerment, Public-Private Partnerships (PPP), Civil Society Engagement Policy and south-south partnerships through the Reverse Linkage program.

BED No. / Date Approved: 333 BED (14 December 2019)

Focal Point





Policy Background and Purpose

Failure to mainstream ICT effectively into public services and private sector processes will lead to increased social and competitiveness gaps and disconnect countries from the benefits of inclusion in the global economy. With technology advancing at a rapid rate, it is essential to address member countries development challenges through efficient and effective use of ICT and to ensure that projects are designed and implemented considering ICT strategic adoption opportunities.

This Policy intends to expand the IsDB's ICT traditional areas of operation, which have been focused on financing telecommunication networks infrastructure. The IsDB intends to support comprehensive digital strategies, aiming at advancing member countries toward knowledge-based economies and societies.

P5P Track



Delivery



Funding

Relevant SDG(s)



Policy Framework

The Policy has four pillars for IsDB intervention in ICT sector based on considerations highlighted by member countries and of the IsDB's comparative advantage:

- **Regulations:** Support the member countries to develop and implement regulatory and policy frameworks that attract private sector investments in ICT infrastructure in order to achieve universal affordable access for all.
- **Infrastructure:** Invest and incentivize ICT investments to provide access to infrastructure in underserved, rural and remote areas, where it is not profitable for the private sector to invest. IsDB will support efforts to provide broadband access to refugees and displaced populations.
- **Applications:** Support member countries in mainstreaming ICT to achieve the 17 SDGs targets. IsDB will support projects, initiatives, and activities that mainstream ICT in education, health, agriculture, water, transport and energy sectors in addition to enabling government and procurement services.
- **Knowledge-Based Economies:** Support member countries in developing their economies to become capable of knowledge production, dissemination and utilization. The IsDB will focus on developing the human capacity to drive the digital transformation of people, businesses and governments.
- **Enablers:** The pillars of this Policy are supported by the following four enablers to be considered when preparing all ICT operations. These enablers include institutional framework, capacity and governance, cyber security, data and privacy protection, social inclusion, environmental & social sustainability and climate change.
- **Guiding Principles:** The guiding principles of the Policy are Country-focus and selectivity, Financing mechanisms including PPPs, Knowledge and advocacy.

Policy Implementation

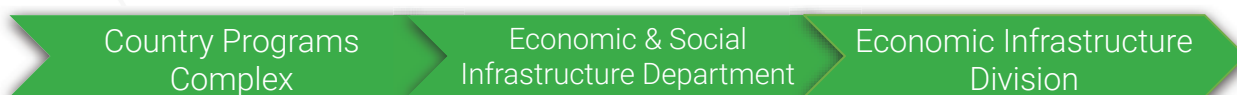
To strengthen ICT-sector dialogue and to support country-focused selectivity in each member country with IsDB ICT operations, IsDB will prepare a member country ICT sector note to summarize the sector situation, needs, and priorities for IsDB support. The preparation and updating of these notes will be aligned with annual country programming and the preparation of Member Country Partnership Strategies. This Policy requires IsDB to constantly monitor its own performance in support of the ICT sector. The Policy needs to gauge how well the investments in the sector are contributing to progress in its member countries. IsDB will facilitate the formal evaluation of the performance of its investments under this ICT sector policy.

Related Policies

The ICT Sector Policy is aligned with all IsDB Sector Policies.

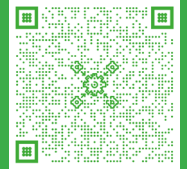
BED No. / Date Approved: 332 BED (8 September 2019)

Focal Point





Regional Cooperation and Integration



Policy Background and Purpose

There is considerable diversity in the member countries in terms of location, per-capita income, size and nature of the national economy. This diversity also extends to the scale and quality of inter-regional connectivity and the degree of access to global markets. These differences amongst member countries provide opportunities for applying Regional Cooperation and Integration principles and initiatives to further develop and use the comparative advantages of individuals and groupings of member countries for their collective benefit. RCI interventions enable the freeing up of the movement of goods, services, information, technologies, and people across borders. As a result, the RCI Policy provides guidance on programming, planning, implementing, supporting and resourcing sector and other thematic-based operations classified under regional cooperation and market integration activities.

P5P Track



Delivery



Reinforcement

Relevant SDG(s)



Policy Framework

Scope: The RCI Policy is intended to address the priority RCI needs of member countries and to improve the effectiveness and efficiency of IsDB interventions. More specifically, the Policy objective are: (i) Improving effectiveness and efficiency of IsDB interventions; (ii) Enabling IsDB to become an effective connecting platform for member countries and regional cooperation organizations (RCOs) to cooperate with each other; and (iii) Strengthening economic cooperation among member countries, and enabling greater trade and investment with the global economy.

In this regard, the four key pillars of IsDB's new RCI Policy & Strategy are classified as the following:

- Enhancing Cross-Border Connectivity through investment in hard infrastructure that connects markets and ensures the smooth functioning of industries. It also includes making investments in soft infrastructure to facilitate cross-border movement.
- Improving Investment Climate to facilitate investments in regional economic infrastructure. This will be achieved primarily by supporting regional capital & financial market development via investment promotion agencies to invite FDI and also mobilize domestic resources.
- Mainstreaming Trade and Islamic Finance by utilizing IsDB's unique position among multilateral development-finance institutions to rally all its member countries under one unifying banner.
- Facilitating Cooperation to Provide Regional Public Goods (RPGs) which recognizes the need for greater cooperation among member countries in managing common natural resources & providing assistance to vulnerable and displaced people in cross-border fragility & conflict situations.

• Enablers:

- Importance to implement existing cross-border agreements or formal joint commitments;
- Contribution to improve regional policy dialogue on trade, investment, and monetary and financial cooperation; cooperation on regional public goods; aligning domestic policy reforms with cross-border objectives; research and knowledge transfer and utilization;
- Generation of new opportunities for improving/expanding direct multi-country cooperation, including RCOs or other regional institutions;
- Strengthen/expand IsDB's catalytic role of mobilizing/leveraging additional direct project finance from official and/or private sector sources into MCs/RCOs to support RCI, with a preference for additionality in the form of Islamic Finance;
- Generating additional investment through the attraction of external funding, such as FDI, to the participating countries that would not be forthcoming for nationally-based projects.

• Guiding Principles: They are: (i) Anchor Interventions in SDGs; (ii) Support Regional Value Chain Integration as a step toward better integration in the Global Value Chain; and (iii) Promote Knowledge Sharing. Encourage and provide advisory services on best practices and other innovations to various types of cross-border operations, and act as a focal point for RCI knowledge sharing, including best practices, concerning respective sector/thematic areas of expertise.

Policy Implementation

Implementation of the RCI Policy will be closely aligned with the President's 5 Year Program (P5P); More specifically, drawing upon its institutional capabilities and resources, IsDBG will undertake four RCI-related roles: (i) advisor; (ii) financier; (iii) capacity builder and knowledge broker; and (iv) partner.

Operationally, following the Policy, a detailed, RCI Operational Strategy has been prepared, which has conducted an assessment of the Bank's RCI operations and partners to prepare detailed Regional RCI Action Plans in coordination with the Bank's partners and stakeholders encompassing all Regional Hubs and member countries.

IsDB will strive to attract and leverage global resources to the tune of US \$ 1.25 billion initially to support RCI operations, both internal (from across all entities of the IsDB) and global initiatives (e.g. international climate funds, regional infrastructure funds, etc.) that provide additional resources.

Related Policies

At an operational level, the Policy relates to specific thematic/cross-cutting Policies and Strategies; and interacts extensively with policies for Resource Mobilization (in-preparation), Capacity Development, Climate Change, Energy, Transport, ICT (in-preparation), Education policies.

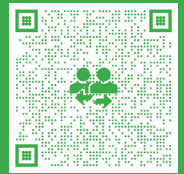
BED No. / Date Approved: 331 BED (7 July 2019)

Focal Point





Reverse Linkage



Policy Background and Purpose

The IsDB is the only multilateral development bank whose membership is drawn entirely from the developing “South”. It has been promoting the principles of South-South Cooperation (SSC) in its interventions since inception. Several flagship programs aimed at enhancing connectivity among the member countries came into existence over time. These programs include, among others, (i) Technical Cooperation Program; (ii) Trade Cooperation and Promotion Program; and, (iii) Investment Promotion Technical Assistance Program.

More specifically, the Technical Cooperation Program was established to support SSC among member countries following the Declaration of the 3rd OIC Summit held in Makkah in 1401H. Based on the lessons learned from several decades of experience with technical cooperation, the IsDB introduced a scaled-up, results-oriented, SSC modality—termed Reverse Linkage (RL). RL has been piloted for 4 years (2013-2016) without the formulation of a policy in order to first learn from experience in the field and prepare an evidence-based policy.

Following the pilot phase, the IsDB initiated the development of the Reverse Linkage Policy with the purpose to set practical operational boundaries and define its features with a view to standardizing the utilization of the Reverse Linkage mechanism across the Bank.

P5P Track



Delivery



Funding

Relevant SDG(s)



Policy Framework

Scope: Reverse Linkage is a scaled-up technical cooperation mechanism that is primarily used as a modality for capacity development based on MC-to-MC cooperation (including Muslim communities in non-member countries). It can easily be adapted to undertake any development intervention as long as there is a willingness from at least two member countries, and/or Muslim communities in non-member countries, to engage in such a cooperation. It can involve both soft and hard components, including— but not limited to—training, provision of expertise, construction and provision of equipment.

• Enablers:

- Strategic Alignment: RL interventions must be in line with the recipient country’s national development priorities;
- Inclusivity: The mechanism considers that all member countries, and Muslim communities in non-member countries, have proven knowledge, expertise, technology or resources to offer, regardless of their level of development;
- Win-Win Arrangements: All stakeholders have something to gain through the transfer of knowledge, expertise, technology, and resources. The provider, at a minimum, wins additional international experience and exposure, which can lead to further opportunities in cooperation, trade, and investment, while the recipient wins by gaining expertise and resources in an area that was previously a barrier to its development;

- Ownership and Commitment: RL mechanism requires all sides of the exchange to commit technical, in-kind, and/or financial resources to a project;
- Peer-to-Peer Approach: RLs are led by the provider and recipient member countries, or Muslim communities in non-member countries, using a direct consultation process leveraging the endogenous knowledge of the recipient and expertise of the provider.

- Guiding Principles: Reverse Linkage adopts the internationally recognized SSC principles, which include: (1) respect of national sovereignty, (2) national ownership and independence, (3) equality, (4) non-conditionality, (5) non-interference in domestic affairs and, (6) mutual benefit.

Policy Implementation

The Reverse Linkage Policy is a time-independent policy that guides the use of a technical cooperation modality. The Reverse Linkage Division of the Bank is primarily responsible for overseeing the implementation of this Policy by providing the necessary guidance on designing, implementing and assessing the results of Reverse Linkage interventions. In this context, the mechanism's use is open to all business units of the Bank that see the benefit of using this approach to fulfill their objectives.

The Reverse Linkage mechanism is a tool under the Technical Cooperation Program. It receives an annual allocation from the Bank's financial resources which are used to undertake standalone Reverse Linkage interventions. It can also be mainstreamed under ordinary operations implemented by any of the business units of the Bank and its entities.

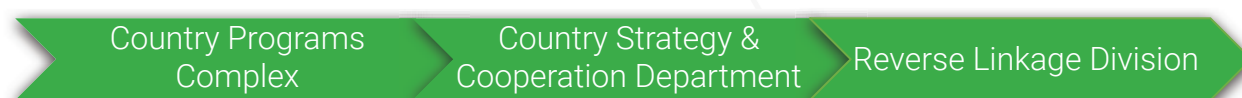
The Reverse Linkage interventions are partially funded by the IsDB, while additional financial resources are mobilized from partners. There is no specific funding amount that underpins the Reverse Linkage Policy, as all individual interventions attract their own funding by design.

Related Policies

As an implementation modality for South-South and Triangular cooperation, the Reverse Linkage Policy was designed to be aligned with all other existing policies of the Bank.

BED No. / Date Approved: 323 BED (24 December 2017)

Focal Point





Science, Technology and Innovation



Policy Background and Purpose

Main challenges include limited scientific and technological capacities of most member countries to deliver STI-led solutions to key development challenges; underdeveloped national ecosystem in many member countries; limited research and development in the industry with low involvement of the private sector in the innovation cycle.

To address the above challenges, the policy will promote and strengthen Science, Technology and Innovation in the member countries for socio-economic development through a wide array of interventions including capacity building, policy support and adequate policy instruments. This will include support and guidance for the development of national innovation systems and STI ecosystems, in addition to integrating STI in IsDBG programmes and projects.

P5P Track



Delivery



Reinforcement

Relevant SDG(s)



Policy Framework

Scope: The Policy applies to all IsDB-financed projects, programmes and initiatives in STI domain and will ensure synergy among investments. There are three pillars:

- **STI Policy Mix:** Use of diverse range of direct financial policy instruments for design and implementation of new direct programmes, integration into current programmes and projects, joint programmes/projects with other MDBs and regular evaluation and improvement of ongoing STI programmes.
- **Strengthening STI Systems in member countries:** Policy support and guidance to member countries for effective policies, national innovation systems and dynamic STI ecosystems.
- **Monitoring and Evaluation:** Design and maintain online STI Observatory for the member countries to support evidence-based policymaking and implementation and enable benchmarking of progress in STI performance.
- **Enablers: Capacity Building and Partnerships:** For the IsDB and member countries for effective implementation of policy. Active collaboration will be sought through partnerships with MDBs and STI specialized international organizations.
- **Guiding Principles:**

Relevance and Strategic Alignments: The initiatives/programmes will be relevant to the country's development plans and IsDB priorities.

Synergy and complementarity: STI interventions must be inclusive with multi-disciplinary approach to address complex development challenges through establishing and maintaining a balanced policy mix to integrates IsDB's direct and indirect STI instruments for greater and sustainable impact.

Partnership for Development: Regional and global cooperation and partnerships on STI and SDGs with the MDBs and other international funding organisations.

Inclusive Innovation: Focus on social and inclusive innovation with active participation of women and youth in policy implementation.

Cost-effectiveness: Considering the cost, the methods and tools, the resources employed by Initiative must be aimed at achieving the desired results.

Policy Implementation

The Policy will be implemented as follows:

First, to mainstream STI into Bank's operations. In this direction, the Department/Division structure is currently being established and staffing process is at final stage. The Lead Policy Implementation Officer has been recruited and a technical consultant has been contracted to support the implementation process.

Secondly, the Bank is supporting the STI ecosystems in the member countries. In this direction, the Responsible Department has already started to support two countries; Mozambique and Uzbekistan in collaboration with UNESCO as two pilot projects. In parallel, the Responsible Department is working with technical expert to develop a systematic approach to support member countries, this includes; grouping of countries and identifying relevant partners of common member countries to create synergy to avoid replication of efforts.

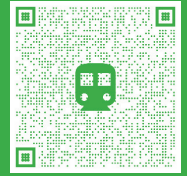
Related Policies

IsDB Sector Policies such as Energy, Agriculture, Water, Health, Education and Thematic Policies on Natural Resources Management, Poverty Reduction, Partnership, Resilience and Social Development, Capacity Building and Climate Change

BED No. / Date Approved: 331 BED (July 2019)

Focal Point





Policy Background and Purpose

The Transport Sector is experiencing rapid growth in demand driven by rising incomes, trade and urbanization. Between 2015 and 2050 the demand for maritime freight, surface freight, and non-urban transport is expected to triple and demand urban transport is expected to double. In many developing countries, existing gaps in access need to be addressed in both rural and urban areas. To meet rising demand and improve access, massive investments are needed in developing countries. There are differences in the transport needs of member countries in different regions and sub-regions. For example:

- in Sub-Saharan Africa, the main needs are to complete national and regional road and rail corridors, improve rural access, and strengthen the maintenance of existing road assets.
- In West Asia and Southeast Asia, where many of the member countries have reached middle or high income status, transport needs include urban public transport, port and airport expansion, and railways.

The Policy addresses the said issues related to affordable transport access, efficient transport systems, and regional connectivity.

P5P Track



Delivery



Funding

Relevant SDG(s)



Policy Framework

The Policy has five pillars that identify the main types of transport interventions that the IsDB will finance. These pillars are based on the types of interventions needed by member countries in the different regions and sub-regions, together with IsDB's comparative advantage. The Policy Framework includes five main pillars:

- Universal, affordable access:

IsDB will support universal, affordable access in poor and disadvantaged countries, and parts of countries. This will include:

- low volume rural access improvements to increase the share of the population with all season road access
- urban access improvements to increase the share of the urban population with access to convenient, safe and affordable public transport.

- Disaster and post-conflict reconstruction:

IsDB will help affected member countries to reconstruct their essential transport infrastructure

- Efficient Transport Systems:

IsDB will finance investments to improve the efficiency and competitiveness of high-volume transport systems to optimize the use of resources and enable economic growth.

- Regional Connectivity:

IsDB support for regional connectivity will focus on high volume regional transport corridors and on streamlining of border crossing procedures and logistics arrangements, thereby contributing to growth in trade.

- Green transport:

IsDB will assist middle- and high-income member countries that wish to reshape their transport systems to reduce adverse environmental impacts such as urban congestion, air pollution, noise pollution, and CO2 emissions.

- Enablers: There are six cross-cutting enablers to be considered when preparing all transport operations: asset sustainability; traffic safety; social sustainability; environmental sustainability; climate change and capacity development.

- Guiding Principles: The guiding principles of the policy are an enhanced appreciation of the transport situation and needs of member countries. This includes Country-focus and selectivity, Financing mechanisms including PPPs and Knowledge and advocacy.

Policy Implementation

To strengthen energy sector dialogue and support country-focused selectivity, in each member country with IsDB transport operations, the IsDB will prepare a Transport Sector Strategy to summarize its situation, needs, and priorities for future IsDB support. This will be followed by an implementation framework to provide an informed basis for discussing sector needs and financing priorities with the government.

Related Policies

The Transport Sector Policy is aligned with the Climate Change Policy in particular and other IsDB policies.

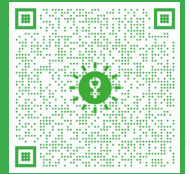
BED No. / Date Approved: 328 BED (3 December 2018)

Focal Point





Women's Empowerment



Policy Background and Purpose

The goal of the Women's Empowerment Policy is to contribute to sustainable and inclusive development in the IsDB member countries and Muslim communities in non-member countries by empowering women and girls to participate in and benefit from the development of their societies and communities.

The Policy aims at improving the effectiveness of IsDB's development assistance to bring about greater socio-economic returns and deliver on its mandate.

P5P Track



Delivery



Reinforcement

Relevant SDG(s)



Policy Framework

Scope: The Policy will cover all IsDB's sectors and areas of engagement. Recognizing that women's empowerment is applicable in each of these sectors and areas. The Policy will apply to all departments and units of the IsDB. Accordingly, the Bank will integrate women's empowerment at all levels, not only in projects/programmes but also in all policies, strategies and operational procedures.

Pillars: The Policy has four pillars, which reflect the challenges and priorities of member countries and IsDB's institutional and global commitments to support the countries to realize their national and international obligations. The pillars are: Access; Mainstreaming; Agency; and Learning (AMAL).

- Pillar I: Remove barriers to women's access to basic services and infrastructure to leverage their empowerment, skills and productive resources, thereby increasing their economic opportunities and assisting them to accumulate and store wealth and build resilience
- Pillar II: Introduce approaches and actions to integrate women's empowerment measures throughout the IsDB country programming and project cycle – from the Member Country Partnership Strategy, to project identification, design, implementation, monitoring, and evaluation and learning – to ensure women participate in and benefit from IsDB interventions in member countries and Muslim communities
- Pillar III: Enhance women's effective engagement in the socio-economic development process, thus enabling them to have control over resources and participate fully in the development process of their communities and countries
- Pillar IV: Develop and facilitate knowledge, capacity development and learning opportunities among member countries, thereby scaling up good practices and driving innovation

- Enablers:
 - Leveraging the Bank's comparative advantage and unique instruments
 - Capitalizing on the Bank's decentralized structure
 - Strengthening partnerships
- Guiding Principles:
 - Selectivity
 - Adaptability and inclusivity
 - Synergies and complementarities
 - Innovation

Policy Implementation

The Policy will be implemented through an operational strategy and action plan.

IsDB will also devise stand-alone projects and initiatives that target women to address gender disparities in sectors such as health, education, agriculture, or financial services.

Related Policies

Recognizing that women's empowerment is applicable in each of these sectors and areas, the Policy will apply to all departments and units of the IsDB. Accordingly, the Bank will integrate women's empowerment at all levels, not only in projects/programmes but also in all policies, strategies and operational procedures.

In the absence of women's empowerment units in IsDB Group entities, this Policy can guide any work related to women's empowerment done by the entities.

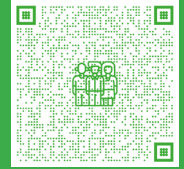
BED No. / Date Approved: 329 BED (February 2019)

Focal Point





Youth Development Strategy



Policy Background and Purpose

The Youth Development Strategy (YDS) provides a focused and comprehensive approach to better integrate youth needs into the Bank's operations. It aims to (i) harness IsDB's combined knowledge, experience, and resources to foster youth development, (ii) build strategic partnerships to support youth empowerment, (iii) create more impactful development outcomes through positive and constructive interventions aimed at creating a productive population of future leaders in businesses, communities, and economies

The YDS provides a focused comprehensive approach to improve how IsDB's interventions integrate the needs of youth. It aims to create more impactful development outcomes through positive and constructive interventions aimed at creating a productive population of future leaders in businesses, communities, and economies.

P5P Track

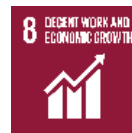


Delivery



Reinforcement

Relevant SDG(s)



Policy Framework

Scope: The policy support a critical mass of youth, who are positively contributing members of society, the strategy will promote a state of engagement in which young people are aware of their society's needs, their own capacities and abilities, and ready to take the initiative and contribute positively to their own development and that of their communities and countries. To align the youth agenda with the IsDB's core operational priorities and the needs of member countries, the strategy suggests three mutually reinforcing pillars: Education, Economic Empowerment and Engagement.

• Enablers:

- Leveraging the Bank's comparative advantage and unique instruments
- Capitalizing on the Bank's decentralized structure
- Strengthening partnerships

• Guiding Principles:

- Ensure inclusivity
- Promote youth participation
- Evidence-based approach

Policy Implementation

Successful implementation of this strategy will require strategic and targeted actions at the following levels:

- Organizational arrangements: The YDS is designed to encompass the whole Bank, engaging staff in headquarters and the regional hubs, as well as across departments and units.
- Youth champions: IsDB will put in place a network of youth champions or focal points to generate a greater sense of ownership and increase support for youth mainstreaming.
- Country programming: The Women & Youth Empowerment Division will provide inputs to Regional Hubs and Country Strategy and Cooperation teams in the preparation of the MCPSSs.
- Operations and programmes: Standalone Youth-focused initiatives will be established and specific interventions will be integrated within the Bank's operations. In both cases, special targets and budgets for youth-related activities will be reflected in the results-based framework to enable monitoring and tracking of results at the corporate and project level.

Related Policies

Recognizing that youth development is applicable in each of these sectors and areas, the Strategy will be applicable to all departments and units of the IsDB.

In the absence of youth development units in IsDB Group entities, this Strategy can guide any work related to youth development done by the entities.

BED No. / Date Approved: 333 BED (December 2019)

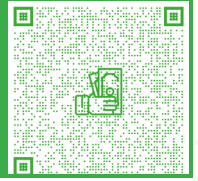
Focal Point



3. Fiduciary Policies



Disbursement



Policy Background and Purpose

The Policy summarizes and consolidates all existing IsDB policies related to project disbursements and provides clarity on the conditionality, requirements and provisions for disbursement. It highlights the pre-conditions that must be satisfied before any disbursement process can commence, namely: effectiveness of the financing agreement, and satisfaction of any express conditions of disbursement set out in therein.

P5P Track



Delivery



Reinforcement

Policy Framework

Scope: Serve as a reference tool for beneficiaries, executing agencies, project implementation units, cofinanciers, suppliers and other external contracting parties involved in the preparation and implementation of projects and programs financed by or through the Bank.

Guiding Principles: The Bank must take necessary measures to ensure that financing made available by it will be used strictly for those purposes for which such funds have been provided.

Policy Implementation

The disbursement policy along with the relevant guidelines and procedures is codified in a “Disbursement Handbook” which reinforces the implementation of already established policies.

In order to enhance efficiency, a strategic shift under the President’s 5 Year Program (P5P) resulted in the responsibility for disbursements to be managed through the regional hubs. The staffing at the hubs include disbursement officers who will coordinate operational disbursements from commencement to completion of project implementation.

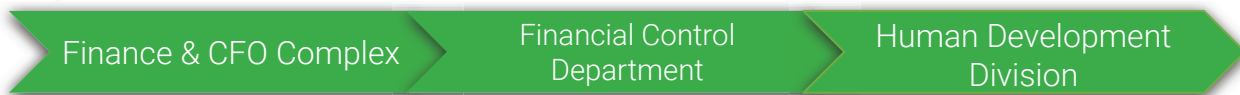
External training is normally undertaken at the project level through instructional sessions for executing and implementing agencies held during start-up workshops subsequent to project approval by the Bank for the financing of relevant project.

Related Policies

Special Account Policy; Suspension Policy; Pricing Policy

BED No. / Date Approved: Multiple BED and Administrative Instructions

Focal Point





Project Financial Management



Policy Background and Purpose

Financial Management (FM) is an integral part of the development process. In the public sector, it ensures accountability and efficiency in the management of the country's resources, while in the private sector it promotes sustainable investment and growth. Project Financial Management (PFM) is a process that brings together planning, budgeting, accounting, financial reporting, internal control, auditing arrangements, and funds flow management, intending to properly manage resources to achieve the intended development results.

IsDB deals with countries and sectors that are at different stages of development with different resources and capacities. While IsDB is strongly committed to ensuring that all its activities are governed by strict rules, procedures, and guidelines, the Policy aims to ensure the utmost regularity, transparency, integrity, and legality of all IsDB activities. PFM Policy has four objectives that are closely inter-related, these include, to:

- Ensure quality of PFM throughout the project's cycle,
- Contribute to providing reasonable assurance on the use of the IsDB's funds,
- Support member countries in improving their FM performance and enhancing their capacity to promote efficient project implementation,
- Harmonize the PFM practices with other MDBs and IFIs.

P5P Track



Delivery



Reinforcement

Relevant SDG(s)



Policy Framework

Scope: The Policy aims to ensure the intended use of funds provided by IsDB to its member countries by contributing to building sustainable capacity of their FM systems and guide IsDB's partnerships with other development institutions. The PFM Policy is anchored in Article 16 (2) of the Articles of Agreement establishing IsDB. The Policy is guided by the overall principle of "strict use of funds for the intended purposes" under Islamic financing which is mandatory for all IsDB-financed operations (including technical assistance and grants) and non-financing operations (including guarantees).

- Enablers:
 - Article 16 (2) of the Article of Agreement establishing IsDB.
 - The fiduciary responsibility emphasized in the IsDB Group Principles of Corporate Governance (IsDBG, Dec 2009).
- Guiding Principles: The PFM Policy is based on the following guiding principles:
 - Project Financial Management Requirements to maintain FM systems acceptable to IsDB to ensure accurate and timely information regarding project resources and expenditures.
 - Follow of a Risk-Based Approach for assessing and managing PFM risks.
 - Reflection of PFM Requirements into Member Country Partnership Strategy (MCPS) as an engagement tool with member countries
 - Combating Fraud and Corruption.

- Compliance with Anti Money Laundering, Combating Financing of Terrorism and Know Your Customer Policy.
- Harmonization of PFM Practices with Other Donors.
- Use of Country Systems.
- Strengthening PFM Capacity in member countries so that they can make sound decisions and respond to changes in operating conditions for fiduciary compliance, including accountability for results.

Policy Implementation

The PFM Policy facilitates a more intensive engagement with member countries through the Regional Hubs to discuss Policy and Strategy and inform investment choices and other support for the member countries. It also reinforces the MCPS approach through the Bank Group principles. PFM Policy is implemented and operationalized through PFM and Audit Guidelines.

Related Policies

PFM Policy ensures compliance with IsDB's Integrity Policy, Disclosure of Information Policy, Conflict of Interest Policy and Whistleblowing Policy, with regards to anti-bribery, anti-corruption, anti-fraud and conflict of interests.

PFM Policy also relates to existing and/or planned country Policy documents including the country engagement and programming, fragile and conflict-affected member countries, dealing with de facto governments, and various operational policy documents, and operations management and administration documents. In addition, at the operational level, it relates to all relevant thematic/cross-cutting policy and strategy documents.

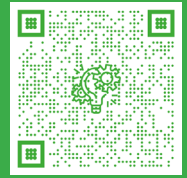
BED No. / Date Approved: 331 BED (6 July 2019)

Focal Point





Project Procurement



Policy Background and Purpose

The Guidelines provide a more flexible approach to be adopted for project procurement based on local context and project needs. They assist the beneficiaries of IsDB-financed projects to obtain maximum Value for Money (VfM) by achieving the optimal benefits with the resources utilized. The Guidelines allow Bidders/Proposers to prepare Bids/Proposals and execute contracts that meet the requirements of IsDB and the Beneficiary for high-quality Consultancy, Goods, Works, and related services.

P5P Track



Delivery

Relevant SDG(s)



Policy Framework

Scope: Consultancy services cover many tasks related to project implementation like engineering, architecture, economics and finance to project management and procurement, and/or a combination thereof.

Consultancy Services are classified in the following categories:

- Advisory or counseling services
- Pre-investment studies
- Engineering and design studies
- Implementation or supervision services
- Project Management

Goods and Works in the Guidelines include related services such as transportation, insurance, installation, commissioning, training, initial maintenance, and non-consultancy services.

- Enablers: Country Relations and Services, Global Practices, PPR and Executing Agencies, and Project Management Units.
- Guiding Principles: Core procurement principles of economy, efficiency, fairness, and effectiveness in development financing.

Policy Implementation

• Various tools and guidance notes have been prepared to support its implementation including preparation of Procurement Plan and Procurement Strategy for all projects/programs, noncompliance, beneficiary systems, hands-on support, partnerships & co-financing, electronic procurement, and procurement-related complaints. The Guidelines have the following features: New Guidelines are being implemented since April 2019 and allow greater flexibility for Procurement of Consultancy Services, Goods, Works or related services;

- Various tools and guidance notes have been prepared to support its implementation including preparation of Procurement Plan and Procurement Strategy for all projects/programs, noncompliance, beneficiary systems, hands-on support, partnerships & co-financing, electronic procurement, and procurement-related complaints. The Guidelines have the following features:

New Guidelines are being implemented since April 2019 and allow greater flexibility for Procurement of Consultancy Services, Goods, Works or related services;

Related Policies

This Policy is anchored on the IsDB 10 Year Strategy (10YS) and the President's 5 Year Program (P5P) objectives of (i) providing related support in project preparation and implementation (ii) contributing to the preparation of the Bank's Member Country Partnership Strategy (MCPS) and (iii) assessment/building procurement capacity of Beneficiaries which includes training of Beneficiaries staff, advising on project-related procurement matters, and (iv) assessing and strengthening the Beneficiaries' procurement systems.

The Policy is aligned with IsDB Group Anti-Corruption Guidelines on Preventing and Combating Fraud and Corruption in IsDB Group-Financed Projects, operational policies of the Bank Group, the procurement frameworks used by Multilateral Development Banks (MDBs) and e-Tendering and e-Procurement Requirements for MDB Financed Procurement.

BED No. / Date Approved: 327 BED (2 September 2018)

Focal Point



4. Other IsDB Policies, Guidelines and Frameworks

Other IsDB Policies, Guidelines and Frameworks

IsDB Administrative Policies

Business Travel

The Business Travel Policy focuses on business travel planning and rationalization, business travel authorization, and approval, travel routes and classes, business travel per-diem, exceptions to the Policy, effectiveness, and amendment of the Policy. Unless stated otherwise, the IsDB Group Business Travel Policy applies to the entire staff of the IsDB Group employed on permanent or fixed-term contracts and to all other individuals traveling at the IsDB Group's expense and on its behalf.

Responsible Department: Administrative Services

BED No. / Date Approved: 292 (December 2014)

Corporate Procurement Policy

The Corporate Procurement Policy is aligned with practices of other MDBs and addresses key areas under transparency, anticorruption and Best Value Procurement, Eligibility for vendors, confidentiality and contract management, etc.

Responsible Department: Administrative Services

Approving Authority / Date Approved: The President of IsDBG (2016)

Anti-Corruption Guidelines

The IsDB Group Anti-Corruption Guidelines are designed to prevent and combat corrupt and fraudulent practices that may occur in connection with the use of proceeds of financing from the IsDB or any of the IsDB Group affiliates/subsidiary during the preparation and/or implementation of IsDB Group financed activities. They set out the general principles, requirements, and sanctions applicable to persons and entities which receive, are responsible for the deposit or transfer of or take or influence decisions regarding the use of, such proceeds.

Responsible Department: Integrity & Ethics

Date Approved: (January 2012)

Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT) and Know Your Customer (KYC)

The purpose of the Policy is to set minimum requirements applicable to the IsDB to prevent the IsDB from being misused for Money Laundering (ML)/Terrorism Financing (TF) and to manage the risks associated to ML and TF and other related risks.

Responsible Department: Compliance

BED No. / Date Approved: 333 (15 December 2019)

Asset & Liability Management Framework

The Asset & Liability Management Framework ("Framework") outlines high-level guiding principles, governance framework and technical infrastructure to be implemented for effective management of ALM risks. As such it covers the entire universe of ALM activities including funding operations, financing operations, treasury operations, liquidity, profit rate, and currency risk management. The Framework defines the perimeter of the ALM function in IsDB which includes Profit Rate Risk, Currency Risk, Funding and Liquidity Risk. In particular, the Framework covers the following components (i) ALM methodologies and metrics, (ii) ALM Operational Model, (iii) ALM Organizational Structure, (iv) ALM Technological Architecture; and (v) ALM Risk Governance. The overarching risk management objective of ALM is to (i) preserve the Bank's equity, (ii) ensure its growth through mitigating ALM risks, (iii) stabilize net profit margins, and (iv) minimize volatility in income.

Responsible Department: Risk Management

BED No. / Date Approved: 318 (March 2017)

Corporate Finance Risk Assessment Guidelines

IsDB Group (IsDBG), as part of its mandate, extends financing to various counter-parties including IsDB Group (IsDBG) and corporates that are not backed by explicit sovereign guarantees. These guidelines provide a detailed framework for identifying, assessing, and mitigating major risks related to corporate finance operations, and explain the methodology for applying the associated scoring model (internal rating model) for determining the appropriate risk rating of each corporate finance operation.

Responsible Department: Risk Management

BED No. / Date Approved: 285 (9 September 2012)

Country Risk Assessment Guidelines

The Country Risk Assessment Guidelines provide the general guidelines for evaluating the creditworthiness of a country and also explains the methodology for using the associated scoring model (internal rating model) for determining the appropriate risk rating of a particular country.

Responsible Department: Risk Management

BED No. / Date Approved: 285 (9 September 2012)

Financial Institutions Risk Assessment Guidelines

IsDB Group, as part of its business operations, deals with different banks and financial institutions in various forms; namely, placement of funds, investing in Sukuk issuance, acceptance of guarantees, providing lines of financing (LoF), extending direct financing, participating in equity, etc. These guidelines outline the framework for assessing a bank based on its financial strengths and credit standing and assigning the relevant risk categorization.

Responsible Department: Risk Management

BED No. / Date Approved: 285 (9 September 2012)

Internal Audit Charter

The Internal Audit Charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. It establishes the internal audit activity's position within the organization, including the nature of the chief audit executive's functional reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.

Responsible Department: Internal Audit

BED No. / Date Approved: 327 (2 September 2018)

Investment and Portfolio Management Policy for Equity and Funds' Investments made through the Ordinary Capital Resources of the Bank

The purpose of the Policy is to set the direction and strategic allocation for all equity and funds' investments related to IsDB OCR. The policy also sets out the governance framework for all equity and funds' investments related to IsDB OCR. Other funds managed by IsDB which are consolidated on the OCR balance sheet shall be governed by the separate MOU's/ Agreements signed with the relevant parties. The Policy provides a policy framework which aids the supervision of the OCR equity and funds' investments and portfolio management, but without hindering or limiting the judgmental or intellectual decision-making process. Simultaneously, this policy framework seeks to encapsulate a robust structure for controlling the detailed operational and administrative aspects of the OCR related equity and funds' investments.

Responsible Department: Investments

BED No. / Date Approved: 288 (February 2013)

Investment and Portfolio Management Policy for Investments made through the Islamic Solidarity Fund for Development (ISFD)

This Investment Policy is set forth by the ISFD Board of Directors (BOD) to i) establish a clear understanding of the investment goals and objectives of the ISFD resources; ii) offer guidance and limitations regarding the investments of ISFD resources; and iii) establish a basis of evaluating investment results.

Responsible Department: Investments

ISFD BOD No. / Date Approved: 42 (September 2013)

Leverage Policy

The purpose of the Leverage Policy is to define the maximum level of external funding versus internal funding, expressed as the leverage ratio, that the Bank should not exceed at any point in time.

Responsible Department(s): Financial Policy, Planning, and Analytics (FPPA) (monitoring and update); Treasury (implementation)

BED No. / Date Approved: 305 (June 2015)

Liquidity Policy (OCR)

The purpose of the Liquidity Policy is to i) define a minimum level of liquidity to be maintained by IsDB in order to mitigate any disruption in operational activities as a result of economic stress or being shut out from the capital markets and ii) optimally manage liquidity to maintain its financial strength, 'AAA' rating and the confidence of investors and external stakeholders.

Responsible Department(s): Financial Policy, Planning, and Analytics (FPPA) (monitoring and update); Treasury (implementation)

BED No. / Date Approved: 292 (1 September 2013)

OCR Exposure Management Framework

The Exposure Management Framework is a key element for IsDB in managing credit risk and facilitating equitable access of all member countries to financing within its risk-bearing capacity while ensuring adequate portfolio diversification to mitigate concentration risks. The Framework serves to ensure that the Bank attains its developmental objectives while maintaining its high credit rating.

Responsible Department: Risk Management

BED No. / Date Approved: 310 (14 February 2016)

OCR Sovereign Pricing Policy

The purpose of the Policy is to define a pricing structure and mark-up for Sovereign Sale Based Modes of Finance provided by the Bank (i.e. OCR), which includes Istisna'a, Installment sales, Service Ijarah and Restricted Mudarabah.

Responsible Department: Financial Policy, Planning, and Analytics (FPPA) (monitoring and update)

BED No. / Date Approved: 317 (February 2017)

Suspension of Disbursement on Account of Overdues

In line with Islamic Shariah principles, the IsDB cannot charge or levy any penalty for delayed repayments. Hence, the Bank needs to consider other means to encourage obligors to repay their dues without delay. The purpose of the Policy is to avoid delayed repayments from obligors and formulate a mechanism to deal with such delays should they occur.

Responsible Department: Financial Policy, Planning, and Analytics (FPPA) (monitoring and update)

BED No. / Date Approved: 158 (November 1998)

Pension Fund Investment Policy

The Investment Policy provides a broad strategic investment framework for managing investments related to the IsDB Pension Fund (PF). PF investments managed by IsDB or any external managers on behalf of IsDB shall be governed by this Policy and separate agreements signed with the relevant parties. This Policy Framework seeks to encapsulate a robust structure for controlling the detailed operational and administrative aspects of the PF's investments. It sets out the strategic asset allocation with the accompanying risk parameters.

Responsible Department: Investments

BED No. / Date Approved: (25 February 2019)

Project Financial Management (PFM) Policy

The PFM Policy aims to ensure the utmost regularity, transparency, integrity, and legality of all IsDB activities. PFM Policy has four closely inter-related objectives, these include, to: i) ensure quality of PFM throughout the project's cycle; ii) contribute to providing reasonable assurance on the use of the IsDB's funds; iii) support member countries in improving their FM performance and enhancing their capacity to promote efficient project implementation; and iv) harmonize the PFM practices with other MDBs and IFIs.

Responsible Division: Project Financial Management

BED No. / Date Approved: 285 (9 September 2012)

Waqf Fund Investment Policy

The purpose is to set the direction and strategic allocation for all non-legacy investments and to put the Fund on a more sustainable path by defining coherent investment and spending policies. To put in place new investment governance. The Policy defines a risk framework and an implementation plan. The purpose of the policy is to affirm the investment principles that govern decisions about the investment of the Fund. The scope of this Policy includes all assets of the Fund except the illiquid, legacy assets.

Responsible Department: Investments

BED No. / Date Approved: 329 (24 February 2019)

IsDB Human Resources (HR) Policies

Code of Conduct

The IsDB Group Code of Conduct sets forth principles and ethical standards for all levels of staff of the IsDB Group in connection with or having a bearing upon, their status and responsibilities in the Islamic Development Bank Group. It guides staff members concerning a real or apparent conflict between their private interests and their public duties, and the behavior that must be observed in a diversified and multicultural working environment.

Responsible Department: Integrity & Ethics

Integrity Policy

The IsDB Group Integrity Policy seeks to ensure that i) staff members and other employees of the Bank conduct themselves in accordance with the highest level of integrity expected of servants of international Islamic Institutions; ii) all activities, transactions, projects and/or operations financed and/or undertaken by any member of IsDB Group (severally or jointly with other institutions) are free of fraudulent and corrupt practices, and executed in a proper control environment; and iii) the existing IsDB Group Policies, Procedures, Guidelines, and practices support and are construed in line with this Policy to achieve the maximum realization of IsDB Group's broader noble goals and objectives.

Responsible Department: Integrity & Ethics

BED No. / Date Approved: (December 8, 2010)

Integrity Principles and Guidelines

The IsDB Group will work to ensure all the Group's projects, activities and staff adhere to the highest ethical standards. To help achieve this, The Integrity & Ethics Responsible Department (formerly known as Group Integrity Office) has been designated to handle all matters related to the institutional integrity in the IsDB Group. The Integrity & Ethics Department's (IED) mission is to implement the IsDB Group Integrity Policy by acting as the point of contact for allegations of Corrupt and Fraudulent Practices and Staff Misconduct, as defined in this Guidelines, in IsDB Group financed activities. Accordingly, the IED is responsible for detecting, investigating and ultimately preventing violations of the IsDB Group's Policies that prohibit fraud and corruption.

Responsible Department: Integrity & Ethics

Medical Retirees Solidarity Fund

The purpose of this Policy is to establish a medical coverage benefit for IsDB staff future retirees through the setting-up of a medical solidarity fund to cover the medical cost of the future retirees of the IsDB.

Responsible Department: Human Resources Management

Personal Data Privacy Policy

The purpose of this Policy is to institute a conscious and systematic personal data governance practice relating to personal data collection, processing, retention, deletion/erasure, with the alignment of efforts, the conscious interface within the IsDB as well as a consistent update in line with global best practices.

Responsible Department: Legal

BED No. / Date Approved: 332 (8 September 2019)

Salary Scale & Benefits

This Policy establishes the overall direction to guide the compensation and benefits structure in the Bank. The purpose of the Policy is to ensure compensation and benefits competitiveness and alignment with the market to enhance the ability to attract and retain talents.

Responsible Department: Human Resources Management

BED No. / Date Approved: 328 (16 December 2018)

Whistleblower and Witness Protection Policy

The purpose of “IsDB Group Whistleblower and Witness Protection Policy” is to define the protections provided to whistleblowers and witnesses as defined in the Policy. The objective is to assure that those who disclose to the IsDB Group information relating to Corrupt and Fraudulent Practices will be protected from Retaliation, as defined in the Policy.

Responsible Department: Integrity & Ethics

IsDB Information Technology (IT) Policies

Acceptable Use Policy

The purpose of this Policy is to outline the acceptable use of IsDB's IT assets, digital data, and IT services.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Access Control Policy

The purpose of this document is to provide rules for governing access of different users (IsDB staff, consultants, external parties) to IsDB IT services, assets, and digital data.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Anti-malware Policy

This document sets out the IsDB's policy about defense against malware. Its intended audience is IT and information security management and support staff who will implement and maintain the organization's defenses. Malware-related information and advice for users are included in associated policy documents referenced below.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Backup Policy

The backup policy is control with relevance to service continuity. It describes how backups of data will be taken and managed.

Responsible Department: Information Management and Disruptive Technology

Cloud Security Policy

The purpose of this document is to set out the IsDB's policy in the area of cloud computing.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Cryptography Policy

The purpose of this policy is to ensure proper and effective use of cryptography to protect the confidentiality, authenticity, and integrity of information.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Email Policy – Users

The purpose of this Policy is to define the rules for a legitimate use of email service.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Email Policy – Administrators

The purpose of this Policy is to define the rules for a legitimate use of email service. Also, it provides rules for administrators to securely manage email service.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Information Security Policy

This Policy defines how an Information Security Management System (ISMS) will be set up, managed, measured, reported on, information security-related matters and developed within IsDB to achieve IsDB group strategy and President's 5 Year Program (P5P).

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Information Security Policy for Vendor Relationships

The purpose of this document is to set out the organization's Information Security Policy in the area of supplier relationships.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Internet Usage Policy

The objective of this Policy is to direct all concerned users of the internet facility by:

- Guiding expected internet usage practice
- Describing the standards that users must maintain
- Stating the actions that may be taken to monitor the effectiveness of this policy
- Alerting users about the consequences of inappropriate use of the internet service

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

IT Assets Management Policy

The purpose of this Policy is to i) help IMDT create and maintain an IT Assets Management practice, and ensure that the IT assets detailed information is properly recorded and up-to-date; ii) manage IT assets through their life cycle to make sure that their use delivers value at optimal cost, they remain operational (fit for purpose), and they are accounted for and physically protected; and iii) ensure that these assets that are critical to support service capability are reliable and available and comply with IsDB fixed asset policy.

Responsible Department: Information Management and Disruptive Technology

Logging and Monitoring of IT Systems Policy

This Policy seeks to ensure that IsDB assets and digital data are always kept secure, it is necessary to monitor the activities of both authorized and unauthorized users to identify any actions that are not in-line with keeping the secure use of the facilities provided.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Mobile Device Policy

The purpose of this Policy is to set out the controls that must be in place when using mobile devices. It is intended to mitigate the risks associated with i) loss or theft of mobile devices, including the data on them; ii) compromise of classified information through observation by the public; iii) introduction of viruses and malware to the network; and iv) loss of reputation.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Network Security Policy

This Policy sets out IsDB's rules and standards for network protection and acts as a guide for those who create and maintain IsDB IT infrastructure. Its intended audience is IT and information security management and support staff who will implement and maintain the organization's defenses.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Office Technical Equipment Allocation Policy

This Policy is to ensure proper utilization, allocation/ reallocation of office technology equipment's used within the IsDB and according to job requirements, responsibilities, seniority level and business needs of IsDB staff members. Moreover, to ensure that the acquired equipment's and communications technologies are technically suitable; compatible with Bank's IT environment standards and principles and cost-effective.

Responsible Department: Information Management and Disruptive Technology

Password Policy – Administrators

The purpose of this Policy is to establish a standard for the creation of strong passwords, the protection of those passwords, and the frequency of change.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Password Policy – Users

The purpose of this Policy is to establish a standard for the creation of strong passwords, the protection of those passwords, and the frequency of change.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Physical Security Policy

This Policy sets out the main precautions that must be taken to protect the physical access of the IsDB's IT assets and digital data. It also provides guidelines to build security controls to prevent damage from physical security threats and environmental hazards.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Records Retention and Protection Policy

The purpose of this Policy is to define the controls required for records stored on IsDB systems and cloud services.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Remote Access Policy

The purpose of this document is to define rules for connecting to IsDB's network and applications from any external host.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Secure Development Policy

The purpose of this Policy is to set out IsDB's policy in the development of software applications and components in a way that maximizes their inherent security.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Software Policy

The purpose of this Policy is to set out how the software will be acquired, registered, installed and developed within IsDB.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

Technical Vulnerability Management Policy

This sets out the organization's Policy on how it will assess and manage technical vulnerabilities within the IT environment, which includes the cloud services it uses. Its intended audience is IMDT management and support staff who will implement and maintain the organization's defenses.

Responsible Department: Information Management and Disruptive Technology

Approving Authority / Date Approved: Risk Management Committee (29 October 2018)

User Access Management Policy

The purpose of this Policy document is to prevent unauthorized access to the IsDB information systems. The Policy describes the registration and de-registration process for all IsDB information systems and services.

Responsible Department: Information Management and Disruptive Technology

Web Governance Policy

The purpose of this Policy document is to ensure that appropriate controls are in place for managing and maintaining an online IsDB presence in an organized way.

Responsible Department: Information Management and Disruptive Technology

IsDB Operational Policies

Guidelines for the Procurement of Consultant Services under IsDB Project Financing and Guidelines for the Procurement of Goods, Works and Related Services under IsDB Project Financing

The Project Procurement Guidelines provide a flexible approach based on local context and project needs. They assist the beneficiaries of IsDB-financed projects to obtain maximum Value for Money (VfM) by achieving the optimal benefits with the resources utilized. Implementation framework for new policy framework allows Bidders/Proposers to prepare Bids/Proposals and execute contracts that meet the requirements of IsDB and the Beneficiary for high-quality Consultant, Goods, Works, and related services.

Responsible Department: Project Procurement

Operational Guidelines for the Application to the Science, Technology and Innovation Transform Fund (IsDB-STI TF)

The Transform Fund aims to accelerate science, technology and innovation-led solutions that drive inclusive and sustainable development in member countries. This is in line with the IsDB Group President's Five-Year Plan, aiming to transform the Bank into a first-class institution of developers by being "Proactive" in offering comprehensive development solutions to its member countries.

Responsible Department: Science, Technology & Innovation

BED No. / Date Approved: 318 (18 March 2018)

Operational Risk Management Framework

This Framework (including policies and procedures) supports the consistent and coordinated identification, assessment, monitoring and management of operational risks at the business unit level across the IsDB Group. The Framework considers the specific nature of IsDB and its Group operating under Islamic Sharia and specific risks inherent to the Group's nature and mission.

Responsible Department: Risk Management

BED No. / Date Approved: 285 (9 September 2012)

Project Finance Risk Assessment Guidelines

The Guidelines for the Risk Assessment of Project Finance operations provide a detailed framework for identifying, assessing, and mitigating major risks related to a project finance operations. In addition, it explains the methodology for using the associated scoring model (internal rating model) for determining the appropriate risk rating of each project.

Responsible Department: Risk Management

5. IsDB Group Entities Policies

IsDB Group Entities Policies

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) Policies

Bad Debt Write-off Policy

The Policy applies to the outstanding insurance premium receivables and paid claims occurring from commercial risks. The purpose of the Policy is to ensure that outstanding monies that have been outstanding for a long time after all attempts have been made in terms of recovering them should then be written off. Further, any long outstanding debt is evaluated to determine the possibility of realizing such income as revenue.

Responsible Department: Legal

Approving Authority / Date Approved: Board of Directors (2010)

Insurance Capacity Utilization Model

The purpose of this Policy is to optimize ICIEC's insurance capacity based on exposure and potential exposure approach.

Responsible Department: Finance

BOD No. / Date Approved: 83 (15 February 2016)

Operations Regulations

Operations Regulations set out parameters under which ICIEC may conduct its insurance operations in respect of export and investment insurance transactions.

Responsible Department: Legal

Date Approved: (2014)

Technical Reserves

The purpose of this Policy is to optimize ICIEC's insurance capacity based on exposure and potential exposure approach.

Responsible Department: Finance

Approving Authority / Date Approved: approved by CEO ICIEC (2015)

The Islamic Corporation for the Development of the Private Sector (ICD) Policies

Anti-money Laundering and Combating Terrorist Financing Policy

The purpose of this Policy is to safeguard and establish the essential standards designed to prevent ICD from being used as a conduit for money laundering and terrorist financing.

Responsible Department: Risk Management

Date Approved: (1 August 2011)

Asset and Liability Management Policy

This Policy sets out the guiding principles for managing the financial assets and liabilities of ICD. The policy statement provides a comprehensive framework to guide the management of all ICD's ALM risks and issues relating to all debt funding transactions, liquid assets, and operations assets.

Responsible Department: Risk Management

Date Approved: (14 July 2014)

Capital Adequacy

The purpose of this Policy is to i) specify the methodology for assessing ICD's capital adequacy; ii) set the prudential minimum amount of capital that ICD shall maintain at all times; and iii) outline the implementation and reporting period requirements. The Policy focuses not only on current capital adequacy but also on the minimum prudential amount of capital that ICD needs to maintain to ensure capital adequacy over the medium term, given ICD's corporate strategies and taking into account probable stressful financial and economic conditions.

Responsible Department: Risk Management

Date Approved: (17 June 2014)

Credit Risk Exposure Management Policy

This Policy sets both strategic limits on asset classes and prudential limits on exposures to countries, industries, group companies, and single obligors. The strategic limit aims to maintain the aggregate credit risk exposure within ICD's risk-bearing capacity or equity capital, while the prudential limits are designed to ensure that risk exposures are adequately diversified to avoid large correlated losses. To ensure efficient use of capital, the policy carefully considers the risk profile of various exposures and related capital requirements. The Policy covers both financing (debt and equity) and treasury operations.

Responsible Department: Risk Management

Date Approved: (18 June 2019)

Financing Policy

This Policy sets out the overall financing assessment and process for ICD to prescribe the minimum level in which all staff shall observe to ensure prudent conduct in financing and business activities.

Responsible Department: Risk Management

Date Approved: (10 October 2011)

IT Email Policy

The purpose of this Policy is to increase productivity.

Responsible Department: Information Technology

Date Approved: (11 October 2010)

IT Helpdesk Policy

The purpose of this Policy is to provide a framework for requesting IT support within ICD.

Responsible Department: Information Technology

Date Approved: (30 December 2009)

IT Incident Management Policy

The purpose of this Policy is to outline the policy governing how the IT Department manages Incident & Services Requests relating to the services the Responsible Department offer.

Responsible Department: Information Technology

Date Approved: (27 August 2018)

IT Purchasing Policy

The purpose of this Policy is to ensure purchases are made wisely, making the best use of available resources.

Responsible Department: Information Technology

Date Approved: (27 August 2018)

Liquidity policy

The purpose of this Policy is to i) ensure that available liquidity is sufficient to cover fully financial obligations, such as debt service payments, undisbursed commitments, and equity investments; ii) provide flexibility to smooth the borrowing pattern by taking advantage of favorable market opportunities and postponing new borrowings under unfavorable market conditions without impairing its ability to meet financial obligations; iii) strengthen the confidence of members countries, investors and rating agencies in the creditworthiness of ICD by assuring strong liquidity position; and iv) contribute to the profitability by maintaining a positive cost of carrying through diversification of liquid assets and effective risk management.

Responsible Department: Risk Management

Date Approved: (17 June 2014)

Policy for Treasury Division

The purpose of this Policy is to set out the key policies and guidelines to operate and control the function of the Treasury Division.

Responsible Department: Treasury

Date Approved: (14 December 2010)

Promotion Policy

This Policy provides all qualified staff equal opportunity to be considered for advancement, maintains a high level of staff performance and satisfaction, and utilizes, to the maximum extent possible, the experience, training, aptitude, and educational qualifications of staff.

Responsible Department: Human Resources

Date Approved: (14 August 2012)

Provisioning Policy

This Policy sets up the minimum requirement of non-performing assets in relation to receivables and financing to be in line with the classification of accounts and income recognition so ICD will have a realistic valuation of financing assets and prudent recognition of income.

Responsible Department: Risk Management

Date Approved: (10 October 2011)

Push Email Policy

The purpose of this Policy is to control the expenses related to the use of services and mobile phones.

Responsible Department: Information Technology

Date Approved: (28 May 2015)

Rotation Policy

The purpose of this Policy is to prevent fatigue and boredom that may result from doing the same job for a long time and to develop managerial capabilities, help middle and senior-level professionals improve their present performance, enrich their experiences and prepare them for future assignments.

Responsible Department: Human Resources

Date Approved: (14 August 2012)

Treasury Risk Management Policy

The purpose of this Policy is to ensure the safety and liquidity of such funds by setting out various risk limits. These include duration targets to control profit rate risk, permissible investment instruments and minimum rating requirements to control credit risk, maturity limits to control liquidity risk, and single country/issuer/counterparty/Sukuk issuance limits to control concentration risk. The policy also provides guidelines on strategic and tactical asset allocation to ensure that such funds are invested to earn a maximum return.

Responsible Department: Risk Management

Date Approved: (2 October 2017)

The Islamic Research & Training Institute (IRTI) Policies

Guidelines for Writing Projects

This Guideline aims to address the challenges of alignment with IRTI's objectives, coherency with a consistent theme, usefulness for end-users, marketability to target customers and professional project planning. In addition, it seeks to ensure quality control through implementing detailed steps and business processes for reviewing, controlling and approving the project.

Responsible Department: Research & Development Services

ECM Date Approved: (July 2019)

IRTI Working Paper Series Guidelines

The publication Guidelines seek to provide a unified format, approval mechanism, methods of printing and circulation of working papers.

Responsible Department: Research & Development Services

ECM Date Approved: (July 2011)

IRTI Honoraria Rates and Guidelines

These guidelines provide clarity on the applicable rates and cost structure for specific events and activities such as distance learning, training events, scholarship schemes, IRTI fellowship, IRTI visiting scholars, IRTI journal papers, conference papers, book referees, etc.

Responsible Department: Director General Office

ECM Date Approved: (April 2014)

Training Standard Procedure Manual

The Training Standard Procedure Manual provides a baseline to a staff in the training division to easily perform training activities, standardization and streamlining of learning processes, and consistency with high quality of delivery.

Responsible Department: Islamic Finance Capacity Building

ECM Date Approved: (1 April 2017)

The International Islamic Trade Finance Corporation (ITFC) Policies

A Guide to ITFC Financing

This document intends to serve as an inclusive guide to ITFC's trade finance solutions.

Responsible Department: Trade Finance

Approving Authority: approved by ITFC Management

About the Islamic Development Bank

The Islamic Development Bank (IsDB) is a multilateral development bank that has been working for over 40 years to improve the lives of the communities it serves by delivering impact at scale. We bring together 57 member countries across four continents, touching the lives of 1 in 5 of the world's population. The IsDB is headquartered in Jeddah, Saudi Arabia with hubs in Bangladesh, Egypt, Indonesia, Kazakhstan, Morocco, Nigeria, Senegal, Suriname, Turkey, U.A.E., and Uganda. Our mission is to equip people to drive their own economic and social progress at scale, putting the infrastructure in place to enable them to fulfil their potential.



IsDB Group Policy Compendium

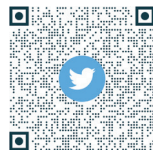
The Islamic Development Bank

8111 King Khaled Street, Al Nuzlah Yamania, Unit 1, Jeddah, 22332-2444, Kingdom of Saudi Arabia

(+966-12) 636 1400 (+966-12) 636 6871 idbarchives@isdb.org www.isdb.org



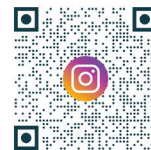
isdbgroup



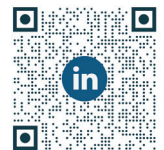
isdb_group



Islamic Development Bank Group



isdb_stories



Islamic Development Bank

