Sustainable Trade Horizons
OPERATIONAL PERFORMANCE

- Delivery effectiveness
- Portfolio management

CHAPTER 03

OUR APPROACH TO ESG AND IMPACT MANAGEMENT

- Transitioning towards a new ESG framework
- Managing for results the Development Impact Framework

CHAPTER 04

THE WAY FORWARD

CHAPTER 05
## List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ADER</td>
<td>Annual Development Effectiveness Report</td>
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<td>Afreximbank</td>
<td>African Export–Import Bank</td>
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<tr>
<td>CEO</td>
<td>Chief executive officer</td>
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<tr>
<td>DIF</td>
<td>Development Impact Framework</td>
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<tr>
<td>ESG</td>
<td>Environment, Social and Governance</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<tr>
<td>IFSB</td>
<td>Islamic Financial Services Board</td>
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<td>IsDB</td>
<td>Islamic Development Bank</td>
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<td>ITFC</td>
<td>International Islamic Trade Finance Corporation</td>
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<tr>
<td>LDCs</td>
<td>Least Developed Countries</td>
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<tr>
<td>LNG</td>
<td>Liquefied Petroleum Gas</td>
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<tr>
<td>MCs</td>
<td>Member Countries</td>
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<tr>
<td>MLA</td>
<td>Mandated Lead Arranger</td>
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<tr>
<td>MSMEs</td>
<td>Micro, Small &amp; Medium Enterprises</td>
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<tr>
<td>OIC</td>
<td>Organisation of Islamic Cooperation</td>
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<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<tr>
<td>SESRIC</td>
<td>Statistical, Economic and Social Research and Training Centre for Islamic Countries</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNSD</td>
<td>United Nations Statistic Division</td>
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<tr>
<td>WFP</td>
<td>World Food Program</td>
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<tr>
<td>YoY</td>
<td>Year on Year</td>
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</table>
ITFC engaged BlueMark, a Tideline company, to independently verify the quality of ITFC’s external impact reporting based on industry best practices, including the Sustainable Development Goals and the Operating Principles for Impact Management, among others. BlueMark’s assessment findings cover both areas of strength and areas for improvement, as reflected in the Verifier Statement for the Year 2023 reporting period.

Read the Independent Auditor’s Verifier Statement in Appendix II

A limited assurance was provided on a sample of indicators that were deemed to be representative of the DIF indicators. They included indicators at operational, output and outcome levels, based on different methodologies and data collection approaches.

Read the Independent Auditor’s Limited Assurance Statement in Appendix I

About BlueMark. BlueMark is a leading independent provider of impact verification services in the impact investing market. BlueMark is a subsidiary of Tideline Advisors, LLC, a specialized consulting firm that works with asset managers and allocators to design and implement best-in-class impact management and measurement systems.
It is with great honor that I present to you the eighth edition of the Development Effectiveness Report. This edition has been structured to provide an in-depth overview of the strategic context in which we operate, the remarkable development results we have achieved, our operational performance, and our holistic approach to impact management. The report highlights our multifaceted contributions to achieving the Sustainable Development Goals.

Despite global disruptions, ITFC’s dedication and commitment remains steadfast. Our work to remain relevant to our Member Countries and address their needs never ends. It evolves and adapts. Here’s why I’m proud of ITFC’s results in 2023

• We left No One Behind  We are committed to bring financing into some of the world’s most vulnerable economies and communities. This targeted approach is evidenced by our record US$2.5 billion in financing for Least Developed Countries (LDMCs), now 42% of our portfolio. In West Africa, we supported an estimated 480,000 farmers, boosting their incomes and bolstering member country export earnings.

• We Sustained Critical Supply Chains  We addressed food insecurity, disbursing US$ 1.5 billion and reaching approximately 28 million households with access to affordable, safe, and sufficient food. Our energy financing, worth US$ 3.4 billion, supported reliable power supply to an estimated 12 million households.

These are exceptionally challenging times for our Member Countries. Converging crises, exacerbated by conflict, the widening trade finance gap, and the accelerating effects of climate change, demand innovative and adaptable solutions. Trade holds the answers, and ITFC is determined to leverage trade as a powerful force for good in this rapidly shifting environment.
• **We Unlocked Private Sector Potential**  We empowered 297 SMEs and corporates through 23 partner banks, driving financial inclusion. Simultaneously, we strengthened Islamic finance literacy through targeted trainings and SME capacity-building with flagship programs such as the Export Launchpad.

• **We Fostered Regional Trade**  Through financing and capacity building, ITFC has made significant contributions to the positive trends in Intra-OIC trade, extending US$4.6 billion to finance trade between OIC Member Countries. We lead impactful programs like the Arab Africa Trade Bridges Program and the Aid for Trade Initiatives in Arab States (Phase II), strengthening regional supply chains and supporting an inclusive trade.

Yet, there’s more to be done. With global supply chains responsible for up to 80% of the economy’s carbon emissions, the critical role of trade in reducing emissions and combating climate change is undeniable. We must find ways to integrate sustainability into every element of our work, explore new avenues for green energy, and push harder to reach underserved communities.

By integrating ESG considerations into its operations, ITFC strives to be a leader in promoting responsible and sustainable trade practices. The recent acquisition of carbon credits from the Regional Voluntary Carbon Market (RVCMC) marks a significant step towards our goal of net-zero emissions.

As we celebrate the significant milestones achieved and look forward to the opportunities that lie ahead, I extend my deepest gratitude to our partners, clients, and dedicated staff. The road ahead won’t be easy. But when we look at the challenges faced by those we serve, we find a renewed sense of purpose. We have the will, dedication, and ingenuity to foster a more resilient, inclusive, and sustainable future through trade. Let’s seize this opportunity together.

*Eng Hani Salem Sonbol,  
Chief Executive Officer, ITFC*

This year, the report, themed "Sustainable Trade Horizons," reflects ITFC focus on promoting sustainability and setting a forward-looking commitment towards Environmental, Social, and Governance (ESG) leadership. ITFC has embarked on a transformative journey towards ESG excellence with the design of a climate change policy and an ambitious Ten-Year Action Plan.
What is the ADER?

The Development Effectiveness Report is ITFC’s primary tool for monitoring and reporting on its performance in achieving development results. The ADER uses the indicators in the ITFC’s Development Impact Framework (DIF) as a yardstick for reporting and to showcase its contribution to the Sustainable Development Goals.

With 54 indicators, the ITFC DIF enables management and stakeholders to evaluate performance, from the perspective of development impact, by assessing the extent to which its activities are aligned with the priorities and the theory of change pertaining to the Corporation.

**Vision**

To become the leading provider of trade solutions for OIC Member Countries’ needs.

**Mission**

To act as a catalyst for trade development among OIC Member Countries and beyond.

**Mandate**

Advancing Trade, Improving Lives
REPORT THEME AND STRUCTURE

Chapter I
Strategic Context
- Sets the stage by analyzing Member Countries' progress towards the SDGs, highlighting current challenges and opportunities within the global landscape.
- Examines ITFC's strategic objectives (Intra-OIC trade, Islamic finance, economic diversification) within the global context.

Chapter II
Development Results
- Demonstrates how ITFC's financing translates into tangible outcomes.
- Explores impact across four key themes: Inclusive Growth, Private Sector Development, Sustainability, and Technology, Skills, & Innovation.
- Provides sector-specific case studies to illustrate real-world improvements.

Chapter III
Operational Performance
- Focuses on internal efficiency and how this translates into delivering development impact.
- Examines delivery effectiveness and portfolio management strategies.

Chapter IV
Our Approach to ESG and Impact Management
- Outlines ITFC's evolving commitment to ESG principles and how it integrates this into its operations.
- Details the impact management system, tools, frameworks, and the emphasis on 'managing for results'.

The Way Forward
- Outlines future strategies and areas of focus in light of the report's findings.

Rationale for this structure
This report strategically moves from the broader global context down to ITFC's specific actions and results:
- It establishes the challenges and goals faced by Member Countries.
- It showcases how ITFC's interventions directly contribute to addressing those challenges and achieving goals.
- It examines ITFC's internal processes, ensuring operations are optimized for impact.
- It delves into ITFC's ESG framework, demonstrating the commitment to responsible and sustainable practices.

Sustainable Trade Horizons
This theme accurately reflects the focus on:
- **Sustainability** ITFC journey towards sustainable trade finance practices
- **Trade** The core of ITFC's mission is enabling and promoting Intra-OIC trade as a driver of development.
- **Horizons** The report presents both current results and a forward-looking commitment to ESG leadership.
REPORT HIGHLIGHTS

Strategic Context

An additional 80–100 MILLION live in extreme poverty

Trade finance gap reached US$2.5 TRILLION

Share of Intra OIC trade accounts for 18.4%

Development Results

Inclusive Growth

A record US$2.5 BILLION disbursed to Least Developed Member Countries (LDMCs), now 42% of ITFC’s portfolio.

Supported an estimated 460,000 farmers, facilitating the purchase of essential agricultural commodities.

Sustainability

Ensured electricity access for an estimated US$12 MILLION people, despite a decrease in overall energy disbursements.

Supported the purchase of 5 MILLION metric tons of food commodities, reaching an estimated 28 million households and safeguarding food security.

Private Sector Development

Disbursements for private sector financing surged 158%, reaching US$868 MILLION

Supported a significant increase in the number of corporates and SMEs provided with access to finance.

Technology, Skills, & Innovation

Actively supported 77 impactful development projects, representing a total project cost of US$27.5 MILLION

141% increase in people trained, reaching 2,357 individuals, demonstrating ITFC’s commitment to capacity building.
**Operational Performance**

**Approvals & Disbursements**
Trade finance approvals slightly increased to **US$6.9 billion** while disbursements decreased to **US$6 billion** (down 18.7% from 2022).

This resulted in a lower disbursement ratio compared to the previous year's exceptional result.

**Cumulative Impact**
Since its creation, ITFC's cumulative approvals reached **US$75.5 billion** and disbursements totaled **US$63.5 billion**.

**Resource Mobilization**
In a challenging market, ITFC successfully mobilized **US$3.4 billion** from syndicate partners and **US$830 million** from within the IsDB Group.

This reflects strong partnerships and effective leveraging of internal resources.

**Client satisfaction**
ITFC's 2023 Trade Finance Client Satisfaction Survey demonstrates outstanding client satisfaction, with an impressive **84% overall score exceeding its target.**
Overall Trends and Opportunities

• ITFC prioritizes addressing trade finance gaps in underserved markets, reflected in the significant increase in LDMC financing.

• There's potential to further align energy financing with global sustainability goals by exploring renewable energy options.

• Increased commitment to private sector development is evident, but leveraging microfinance facilities could further expand financial inclusion.

• ITFC's trade development programs address key sectors but could explore additional areas to enhance ESG solutions.
This chapter provides a foundation for understanding ITFC’s role within the broader context of global development. It analyses the progress made by Member Countries toward achieving the Sustainable Development Goals (SDGs) and the global context surrounding the strategic objectives of ITFC. The chapter highlights both successes and ongoing challenges faced, particularly in the wake of converging global crises such as climate change, conflicts, and the lasting impacts of the COVID-19 pandemic.
Global Goals

The convergence of crises, including the climate change impacts, and escalating conflicts, continues to derail progress towards the SDGs.

The UN SDGs Report 2023 emphasizes how these disruptions have eroded gains in poverty reduction, hunger eradication, health, and education (UN, 2023). Low-income countries remain especially vulnerable, with escalating debt, diminishing fiscal resources, and stunted economic recovery (UN, 2023).

Rising debt burdens significantly constrain developing countries' ability to invest in the SDGs. Over 60% of low-income nations are either in debt distress or at high risk of it (UN, 2023). Escalating conflicts and natural disasters are displacing millions, creating record-level humanitarian needs and straining resources for sustainable development. As of May 2023, more than 110 million individuals were forcibly displaced worldwide (UNHCR, 2023).

In 2023, an estimated 80-100 million additional people live in extreme poverty globally and it is projected that nearly 600 million people could remain in extreme poverty by 2030 (World Bank, 2023). In addition, acute food insecurity threatens an estimated 333 million people across vulnerable regions (WFP 2023). Trade disruptions played a major role as they led to higher food and essential goods prices, pushing more people into poverty and exacerbating food insecurity. Supply chain blockages hinder access to agricultural inputs, further threatening food production.

With the 2030 Agenda at its midpoint, renewed global action is urgently needed to get the SDGs back on track. OIC Member Countries' SDG Index score currently reflects the challenges they face, highlighting areas like Goal 9 (Industry, Innovation, Infrastructure), Goal 5 (Gender Equality), and Goal 11 (Sustainable Cities, Communities) as needing stronger focus (IsDB Institute, 2023).

Trade, harnessed effectively, remains a powerful tool for accelerating growth and sustainable development. The positioning of trade across the 2030 Agenda shows that trade, when well-regulated, can contribute to exponential growth and sustainable development. ITFC is fully committed to the SDGs. Our contribution goes to those areas where we can achieve the highest impact energy, agriculture, private sector development, and health. These sectors are fundamental to our member countries growth and shared prosperity.
ITFC’s Value Addition to the Global Development Agenda

- Trade is recognized as a key enabler of the 2030 UN Sustainable Development Agenda
- Trade finance is indispensable to international trade
- Trade finance significantly impacts trade flows and its availability and access help ensure the continuity of international trade
- The Islamic Development Bank Group is the only MDB with an autonomous entity exclusively dedicated to fostering trade in Member Countries
- ITFC is a leading provider of trade solutions in OIC Member Countries with US$75 billion of trade finance approved to date
US$6 billion of trade finance disbursed to support international trade

US$155 million worth of income redistributed to smallholder farmers

US$2.5 billion disbursed towards LDMCs

More than US$1.6 billion disbursed to the food and agriculture sector

Over 28 million households benefitting from food financing

Around 480,000 farmers benefitting from ITFC support

More than 2.8 million disbursed for the purchase of medical equipment

35,000 health patients served

US$3.4 billion disbursed to the supply of energy inputs

12 million households (est.) provided with access to electricity

US$512 million of agriculture export value pre-financed by ITFC

US$3.4 billion of trade finance mobilised from Syndicate Partners

US$4.6 billion of Intra-OIC trade financing

US$868 million of financing extended through 23 partner banks

297 corporates and MSMEs provided with access to financing
Strategic Goals

While the OIC has made significant strides in boosting intra-OIC trade over the last two decades, with both volume and share increasing, recent years have seen stagnation. This highlights the need for renewed efforts to reach the ambitious 25% target set out in the OIC Ten-Year Programme of Action (OIC 2025).

Reflecting on a broader scale, OIC countries showcased a robust performance in their trade, especially in exports which grew by 29.8% in 2022, enhancing the OIC’s share in global exports. Similarly, OIC imports rebounded with an 18.2% growth in 2022, boosting their share in global imports to 9.7%. This resilience was mirrored in the services sector, with exports from OIC countries leaping by 47.6% in 2022 to US$ 549 billion, thereby raising their global export share to 7.7%. Imports of services also saw a healthy growth of 22.1% in 2022, reaching US$ 622 billion and increasing their global import share to 9.4%.

Long-Term Gains
Intra-OIC trade volume grew from around US$ 130 billion in 2000 to US$ 964 billion in 2022. Its share within the OIC’s total trade rose from 12.9% to 18.4% in the same period.

Recent Stagnation
Intra-OIC trade growth peaked at 21% in 2018 and has since declined slightly to 18.4% in 2022. This is due to a surge in exports to the rest of the world, outpacing trade within the OIC.

2021-2022 Rebound
While intra-OIC exports bounced back in 2021 and 2022, reaching $475 billion, broader economic trends make achieving the 25% target by 2025 a significant challenge.

Share of Intra OIC Trade

![Share of Intra OIC Trade Graph]

SESRIC, OIC Economic Outlook
The global trade finance gap values have been persistently large over the years and grew to an all-time high of $2.5 trillion in 2022 (ADB, 2023).

The Asian Development Bank’s latest Trade Finance Gaps, Growth, and Jobs Survey paints a concerning picture. The global trade finance gap has surged to an alarming $2.5 trillion in 2022, marking the largest increase since the survey’s inception. This highlights the growing challenges faced by businesses, especially SMEs, in accessing the financing they need to participate in global trade. Over the last years, the trade finance gap has historically represented around 7%–10% of global merchandise export values.

Islamic Finance has continued to report remarkable growth and represents an opportunity to fill the trade finance gap.

In the face of challenging global financial conditions throughout 2022, the Islamic Financial Services Industry (IFSI) demonstrated resilience and underwent structural growth, with its estimated value reaching US$ 3.25 trillion. Despite a robust foundation, the global economic recovery encountered several headwinds, including escalating inflation rates worldwide, a surge in oil and commodity prices, supply chain disruptions, and geopolitical tensions. Islamic banking constituted the core of the IFSI, boasting assets of US$ 2.25 trillion and representing 69.3% of total global IFSI assets.

### Strategic Objectives

- Fostering Intra-OIC Trade
- Promotion of Islamic Finance
- Diversification of Member Countries’ economies

### Progress towards Strategic objectives based on key DIF indicators

<table>
<thead>
<tr>
<th>Strategic objective</th>
<th>SDG</th>
<th>Indicator</th>
<th>Source</th>
<th>Baseline (2016)</th>
<th>Results (2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO1 Intra-OIC trade</td>
<td></td>
<td>Share of Intra-OIC trade (%)</td>
<td>SESRIC</td>
<td>18.8</td>
<td>18.4</td>
</tr>
<tr>
<td>SO2 Islamic Trade Finance</td>
<td></td>
<td>Trade Finance Gap (in US$ trillion)</td>
<td>ADB</td>
<td>1.6</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Islamic Banking assets (in US$ trillion)</td>
<td>IFSB</td>
<td>1.4</td>
<td>2.2</td>
</tr>
</tbody>
</table>
In the "Development Results" chapter, we delve into how ITFC’s interventions translate into concrete outcomes for our Member Countries. Using key metrics from the Development Impact Framework, we examine our impact across four core themes: Inclusive Growth, Private Sector Development, Sustainability, and Technology, Skills, and Innovation. The analysis is supported by sector-specific impact theses and in-depth case studies to illustrate the impact of ITFC’s interventions, highlighting concrete improvements across various sectors and Member Countries.
Inclusive Growth

Through its inclusive growth pathway, ITFC aims at allocating resources where it matters with the goal of tackling the increasing trade finance gap for underserved markets and communities.

In 2023, ITFC reached a new milestone in its commitment to addressing trade finance gaps in the world’s most vulnerable economies. Disbursements towards LDMCs soared to an all-time high of US$2.5 billion. This significant increase benefited twelve countries and represents a 14% growth compared to 2022.

Since its inception, ITFC has disbursed US$24 billion in trade financing to LDMCs. The share of LDMC disbursements in ITFC’s portfolio reached a record 42% in 2023, up from around a third in previous years.

Despite a decrease in the number of farmers reached through trade finance in 2023, ITFC’s support remained substantial. This decrease was primarily due to a 38% decline in disbursements to the sector compared to the previous year, partly caused by operational challenges faced by one of ITFC’s agribusiness clients. ITFC financing still enabled the purchase of 283,000 metric tons of cotton and 34,000 metric tons of groundnuts from an estimated 460,000 farmers.

Sustainability

Through its sustainability pathway, ITFC tracks its performance in sustaining critical supply chains – energy, food and healthcare – which enable Member Countries to preserve their economic and social stability.

ITFC remains dedicated to ensuring reliable energy access for Member Countries, safeguarding them against disruptions. Despite decreased disbursements in 2023 (US$3.4 billion compared to US$4.2 billion in 2022), ITFC financing still enabled electricity access for an estimated 12 million people. This decrease reflects declining global oil prices and ITFC’s ongoing portfolio diversification efforts. While LNG financing remains steady, there is potential area for growth and alignment with global sustainability goals by exploring clean and renewable energy financing.

In 2023, ITFC’s support for the food sector reached US$1.5 billion, down 25% from the previous year. Despite this, the volume of purchased food commodities (mainly grains) increased by 32% to 5 million metric tons, primarily due to lower food prices. This resulted in a significant increase in the number of estimated households reached, from 22 million to 28 million. Uzbekistan was added to the list of benefitting countries.

### LDC Financing in Total Disbursements (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>42</td>
</tr>
</tbody>
</table>

### Number of Households Fed

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25.6</td>
<td>28</td>
<td>22.4</td>
<td>28</td>
</tr>
</tbody>
</table>
Private Sector Development

Private sector growth has been identified as one of the key pillars of Strategy 2.0 in supporting portfolio diversification and enhancing financial inclusion in Member Countries.

In 2023, ITFC’s financial support for the private sector soared to a new peak, with disbursements reaching $868.1 million, marking a 158% increase from the previous year.

This surge in private sector financing was largely driven by significant transactions in favor of two major regional Exim Banks, which contributed to approximately two-thirds of the total financing disbursed. The number of active private sector clients remained at 38, with 37 being partner banks.

There was a notable increase in the provision of finance to corporates and SMEs, with the numbers increasing from 180 to 297. This indicates a strong commitment to fostering the development of the private sector.

One crucial insight from ITFC’s operations highlights the vital role of microfinance facilities in expanding financing outreach and promoting financial inclusion. The ITFC is actively seeking ways to enhance the presence of microfinance facilities within its portfolio, aiming to broaden its impact further.

Technology, Skills, and Knowledge

Through this pathway, the ADER assesses how ITFC leverages its grants financing to create an enabling environment for Intra-OIC trade development and to promote Islamic trade finance.

ITFC recognizes the transformative power of capacity building, which is evident in the increasing number of trade development interventions within its portfolio.

In 2023, the organization focused on training initiatives in Islamic finance, agriculture, and export development – sectors vital to Member Countries.

These activities provide growth opportunities for ITFC, particularly in supporting fragile states and expanding the role of SMEs and the private sector. The remarkable 141% YoY increase in people trained (reaching 2,357 in 2023) highlights this commitment. The sharp increase is related to the roll-out of the Coffee Export Development Program in Indonesia, which is building capacities of coffee farmers.

Overall, ITFC’s trade development programs are tackling key impact sectors for the Member Countries. The organization can still further explore other areas that can expand its current portfolio and enhance its delivery of dedicated ESG solutions as part of trade finance transactions.
## Development Results

<table>
<thead>
<tr>
<th>Development theme</th>
<th>Indicator</th>
<th>SDG</th>
<th>Source</th>
<th>Baseline (2017)</th>
<th>Results 2022</th>
<th>Results 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inclusive Growth</strong></td>
<td>LDC Financing (% of portfolio)</td>
<td>SDG</td>
<td>Corporate information system</td>
<td>30</td>
<td>30</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>LDC financing (US$ million)</td>
<td>SDG</td>
<td>Corporate information system</td>
<td>1,034</td>
<td>2,252</td>
<td>2,549</td>
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<tr>
<td></td>
<td>Direct jobs supported</td>
<td>SDG</td>
<td>Self-assessment</td>
<td>-</td>
<td>110,272</td>
<td>106,725</td>
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<tr>
<td></td>
<td>Farmers reached – Trade Finance</td>
<td>SDG</td>
<td>Self-assessment</td>
<td>600,000</td>
<td>600,000</td>
<td>460,000</td>
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<tr>
<td><strong>Sustainability</strong></td>
<td>People provided with access to electricity</td>
<td>SDG</td>
<td>Model-based</td>
<td>10.4</td>
<td>13</td>
<td>12</td>
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<tr>
<td></td>
<td>Energy Generated (#GWh)</td>
<td>SDG</td>
<td>Self-assessment</td>
<td>-</td>
<td>9,615</td>
<td>8,872</td>
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<td></td>
<td>Renewable energy, share of portfolio</td>
<td>SDG</td>
<td>Corporate information system</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td></td>
<td>Health Patients served</td>
<td>SDG</td>
<td>Self-assessment</td>
<td>-</td>
<td>-</td>
<td>35,000</td>
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<tr>
<td></td>
<td>Export Sales (US$ million)</td>
<td>SDG</td>
<td>Self Assessment</td>
<td>-</td>
<td>528,8</td>
<td>512</td>
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<tr>
<td></td>
<td>Households provided with access to food (# millions)</td>
<td>SDG</td>
<td>Self-assessment</td>
<td>-</td>
<td>22.4</td>
<td>28.8</td>
</tr>
<tr>
<td></td>
<td>LNG, share of energy portfolio</td>
<td>SDG</td>
<td>Corporate database</td>
<td>-</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Clients with an environmental policy (share)</td>
<td>SDG</td>
<td>Self Assessment</td>
<td>-</td>
<td>49</td>
<td>52</td>
</tr>
<tr>
<td><strong>Private Sector Development</strong></td>
<td>Number of corporates and SMEs provided with access to finance</td>
<td>SDG</td>
<td>Self-assessment</td>
<td>-</td>
<td>180</td>
<td>297</td>
</tr>
<tr>
<td></td>
<td>Average value of loans (US$ million)</td>
<td>SDG</td>
<td>Corporate information system</td>
<td>-</td>
<td>1.8</td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td>Active private sector clients</td>
<td>SDG</td>
<td>Corporate information system</td>
<td>13</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td><strong>Technology, skills and innovation</strong></td>
<td>Number of people trained</td>
<td>SDG</td>
<td>Self-assessment</td>
<td>539</td>
<td>1,218</td>
<td>2,357</td>
</tr>
<tr>
<td></td>
<td>SMEs/Banks trained</td>
<td>SDG</td>
<td>Corporate information system</td>
<td>-</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>High-Tech trade (share of portfolio)</td>
<td>SDG</td>
<td>Corporate Information system</td>
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A DEEP DIVE INTO ITFC’S IMPACT THROUGH THE DIF THEMES
**DIF Theme**

**Inclusive Growth**

**Linking inputs to impact**

How ITFC financing supports farmer’s inclusion through contract-farming schemes in least developed Member Countries?

ITFC’s focus on pre-export and inputs financing is transforming the agricultural sector in some of Africa’s least developed and most fragile regions, including the cotton-producing areas of northern Cameroon and eastern Burkina Faso. By integrating smallholder farmers into global value chains, ITFC fosters sustainable growth, improves food security, and fights poverty.

The success of this model, as evidenced by the significant financing extended and the substantial number of farmers benefited, underlines the potential of contract farming schemes to uplift rural communities by connecting them to international markets.

**2023 RESULTS**

- **3** Number of agribusiness clients
- **155** Value of production purchased from farmers (US$ million)

**Pre-export Financing**

Offering financial resources to agricultural exporters to enable them to purchase produce directly from smallholder farmers, ensuring farmers receive payment within one month after collection.

**Inputs Financing**

Providing loans for inputs to farmers through contract farming schemes, which ensures that they have the necessary resources to engage in productive and sustainable agriculture.

**Increased Agricultural Production**

Enhanced access to inputs and improved farming practices lead to higher yields and more reliable production for smallholder farmers.

**Strengthened Market Linkages**

Contract farming schemes connect farmers directly with buyers and exporters, ensuring their participation in the global agri-food value chain.

**Improved Livelihoods of Smallholder Farmers**

Timely payments and increased production contribute to higher incomes and better living standards for farmers and their communities.
**Reduced Poverty and Enhanced Food Security**
Economic growth in the agriculture sector significantly contributes to poverty reduction and improved food security in rural areas.

**Resilient Agricultural Systems**
Smallholder farmers are better equipped to deal with external shocks, such as pandemics and climate change, due to improved access to resources, knowledge, and markets.

**Increased Exports and Economic Growth**
The production and export of agricultural commodities like cotton and groundnuts contribute to economic growth and foreign exchange earnings for the participating countries.

Smallholder farmers are integrated into the global agricultural value chain, contributing to inclusive economic growth, enhanced food security, and poverty reduction on a large scale.

**Outcomes**

- **Reduced Poverty and Enhanced Food Security**
  - Economic growth in the agriculture sector significantly contributes to poverty reduction and improved food security in rural areas.
- **Resilient Agricultural Systems**
  - Smallholder farmers are better equipped to deal with external shocks, such as pandemics and climate change, due to improved access to resources, knowledge, and markets.
- **Increased Exports and Economic Growth**
  - The production and export of agricultural commodities like cotton and groundnuts contribute to economic growth and foreign exchange earnings for the participating countries.

**Impact**

- Stability and favorable conditions in global and local markets persist.
- No significant adverse environmental changes or events disrupt agricultural production.
- Supportive policy environment and financial incentives that bolster the sector’s competitiveness and sustainability, including a fair price to producers.

**Assumptions**

- 322 Volume of production purchased from farmers (in thousands mt)
- 512 Export value (US$ million)
- 460,000 Benefitting farmers
## A STORY OF IMPACT

### Transforming Cotton, Transforming Lives

**ITFC’s Impact on Burkina Faso’s Cotton Sector**

**WHAT?**

**Objective**

Burkina Faso, a Least Developed Country (LDC) in West Africa, heavily relies on its cotton sector, which employs 15-20% of the active labor force and indirectly supports 1.5 to 2 million people. The sector is primarily composed of small farms and smallholders, with the Société Burkinabè des Fibres Textiles (SOFITEX) playing a pivotal role in processing and marketing cotton fiber.

**WHO?**

**Stakeholders**

SOFITEX. The primary beneficiary of the financing is SOFITEX (Société Burkinabè des Fibres Textiles). It is a state-owned company in Burkina Faso that plays a central role in the country’s cotton industry. Established after the country’s independence, SOFITEX is the largest cotton company in the country and is primarily involved in the processing and marketing of cotton fiber. Its operations encompass the entire cotton value chain, including purchasing raw cotton from farmers, transporting it, and ginning (the process of separating cotton fibers from their seeds).

**HOW MUCH?**

**Scope and Scale**

Since 2006, the International Islamic Trade Finance Corporation (ITFC) has been actively supporting SOFITEX to support the resilience of the cotton sector in Burkina Faso. Between 2008 and 2023, ITFC approved a total of US$ 958.1 million in financing through nine transactions aimed at purchasing raw cotton from farmers and importing fertilizers. In 2023, ITFC disbursements to the sector amounted to US$111.7 million. Between 80,000 to 120,000 cotton have benefited annually from the financing. ITFC support has significantly reduced the payment time for producers from up to six months to less than one month after cotton collection, thereby strengthening their income and livelihoods.

**CONTRIBUTION**

**Additionality**

ITFC’s structured trade finance solutions have directly contributed to improving the financial position of SOFITEX, enabling it to make timely payments to cotton producers. This has been crucial in maintaining producer motivation and stabilizing incomes, especially in times of productivity challenges and increasing input costs. ITFC’s role went beyond financing. As SOFITEX’s leading financial and technical partner, ITFC has also been instrumental in strengthening operational efficiencies within the company. In 2021, A Cash Against Documents transaction orchestrated by ITFC was successfully completed between SOFITEX and a major trading company, using an electronic bill of lading issued by a world leader in shipping and logistics, through Bolero’s digital trade finance platform for the first time.

**RISKS**

The cotton sector is highly vulnerable to global price fluctuations, climate change, input cost increases, and production challenges. ITFC’s support mitigated some of these risks by providing stable financing. However, ongoing challenges include ensuring the sustainability of these impacts amidst variable global markets and addressing the environmental implications of cotton production.
ITFC’s intervention aimed at enhancing operational efficiencies and financial sustainability within Burkina Faso’s cotton sector. By providing structured trade finance since 2006, ITFC facilitated timely payments to cotton producers, supported the purchase of raw cotton, and enabled the import of necessary fertilizers.

SOFITEX provides crucial support to the agricultural sector by supplying farmers with agricultural inputs like fertilizers on credit, technical support, and a guaranteed annual price for their cotton production. The company employs over 5,000 staff, with 75% being seasonal workers.

**Smallholder Farmers.** The end-beneficiaries are cotton producers in Burkina Faso. ITFC’s operations targeted cotton producers in the Hauts-Bassins Region, where approximately 40% of the population lives below the national poverty line.

“Since I produce the cotton, the yields have never been so low. This is mainly due to pest infestation and the low quality of fertilizers. But iCotton is better than other crops. At least we can estimate how much we will earn at the end of the campaign and when we will be paid. There were years when even after all the cotton was sent to the factory and processed, we waited for one to two months for payment. But now there is a big difference and we are paid in seven to ten days. I can use the money to pay for my kids’ schools and other basic expenses of the household”

*Kakuy Ouanko, cotton producer, Hauts Bassins*

“**Our first digital shipping consignment via Bolero’s platform was a real success. Eliminating documentary collection delays, which can take up to 21 days, to being able to retain and access all shipping documents in one place without the risk of misplacing them, has increased both efficiency and confidence across the entire process.**

*Lassana Kargougou, Sales Director at SOFITEX*

**Key figures 2023**

**US$111.7 million**

disbursed by ITFC to purchase 247 thousand mt of cotton produced from an estimated **100,000 farmers**

- Price paid to producers reached **US$500** per mt, up 12.5% YoY
- SOFITEX shipped **127,500** metric tons of cotton fiber, generating export revenues totaling **US$246 million**

More than two-thirds of the exports were sent to OIC Member Countries, with Bangladesh being the primary destination.
DIF Theme Sustainability

Linking inputs to impact

How ITFC financing supports food security in Member Countries?

The International Islamic Trade Finance Corporation partners with agencies in Member Countries dedicated to enhancing food security through safety nets and price stabilization. ITFC provides tailored financial support to empower these agencies in their mission. By facilitating strategic food reserve imports and local food purchases, ITFC boosts the availability and affordability of essential commodities. This strengthens food safety nets, especially during crises, while supporting local farmers. This approach reduces hunger and malnutrition, protects countries from price shocks, and fosters resilient food systems in the long term.

2023 RESULTS

1.450
Disbursements (US$ million)

Provision of financing
Allocation of ITFC’s financial resources specifically earmarked for enhancing food security through direct support to food-based safety nets.

Partnerships
Collaboration between ITFC and national agencies with mandates focusing on food security, food safety nets, and agricultural promotion within Member Countries.

Strategic Food Reserves Enhanced
Through ITFC financing, Member Countries can bolster their strategic food reserves, ensuring a steady availability of essential food commodities during periods of shortage or crisis.

Increased Agricultural Market Participation
Support for the purchase of food commodities from local farmers leads to an expanded market presence and better income opportunities for these farmers, thereby stimulating local economies.

Food Price Stabilization Initiatives
Implementation of price stabilization measures to mitigate the impact of food price volatility on the population, making essential food items more accessible and affordable.
Strengthened Food Safety Nets
Enhanced capability of Member Countries to provide vulnerable populations with reliable access to food, thereby safeguarding against malnutrition and hunger during critical periods.

Improved Food Security
A noticeable reduction in hunger and malnutrition rates among the population, particularly among the most vulnerable groups, contributing to overall improved public health and welfare.

Enhanced Agricultural Production and Supply Chains
Strengthening of local food systems through better agricultural practices, increased farmer incomes, and more efficient food supply chains, leading to greater resilience and sustainability.

Long-term enhancement of food security in ITFC Member Countries, characterized by reduced vulnerability to food crises, particularly for the most vulnerable populations.

Food-based safety net programs are effectively implemented to mitigate the impact of food crises on vulnerable populations.

Cash transfer and voucher programs empower vulnerable groups to access food.

An undisrupted food supply chain allows for the efficient distribution of food commodities.

Stable markets that can support the predictable supply and demand for food commodities.

28.8 households fed (million)

5,409,493 Volume of food commodities (grains) purchased (in mt)
A STORY OF IMPACT

Seeds of Change
Uzbekistan’s Journey to a Market-Driven Agriculture

The state order system in Uzbekistan, in the context of wheat production, is a mechanism where the government sets quotas for wheat production and purchases the crop at a predetermined price from farmers. This system has been a significant part of Uzbekistan’s agricultural policy, aiming to achieve self-sufficiency in staple foods and ensure food security. For a long time, limited access to markets outside the state order system restricted opportunities for farmers to sell their produce at competitive prices. Recognizing the limitations of the state order system, Uzbekistan has been undergoing agricultural reforms.

The government’s agricultural strategies have led to a notable increase in farmers’ incomes and an expanding number of beneficiaries. From over 32,827 farming households in 2020 to more than 37,313 in 2023, this growth in beneficiaries highlights farmers’ rising motivation and confidence, spurred by better remuneration and supportive policies. The state purchase price of wheat reflects this positive trend, with a rise from 1,550,000 som per ton in 2020 to 2,993,800 som per ton in 2023. These measures underscore the government’s commitment to enhancing farmers’ earnings and stabilizing the sector.

Despite global market disruptions and food inflation, the domestic wheat price remained managed, moving from 3,292,000 som per ton in 2021 to 3,111,000 som per ton in 2023, after an interim rise. This reflects the success of initiatives aimed at market stabilization, evident also in the maintained bread prices at 2,800 som from 2022 to 2023, despite inflationary pressures. Such stability, in the face of global volatility, demonstrates the effectiveness of the government’s efforts to ensure the affordability of essential foods for its population.

The shift towards market mechanisms and the scrapping of production quotas for wheat and cotton introduce uncertainties regarding price settings, market demand, and supply dynamics.

Ensuring a smooth transition requires careful planning, support for farmers in adapting to market conditions, and mechanisms to protect against extreme price volatility and supply disruptions.
Since the government introduced these reforms, there’s been a real change for us wheat producers. There are more incentives now to produce wheat and to sell to the government at a pre-agreed price. Although I have the option to sell a significant portion of my produce in the market, I prefer the stability and predictability that comes with selling at the government’s attractive purchase price. It’s not just about the prices, though; the support we receive for purchasing inputs on credit from the state fund has been incredibly beneficial. It gives us visibility into our operations and helps us plan for the future with much more confidence.

Wheat producer, Region of Tashkent

reforms to introduce more market-oriented mechanisms and reduce the state’s role in directly purchasing crops. These reforms aim to improve efficiency, sustainability, and profitability in agriculture, potentially offering wheat producers more freedom to make market-driven decisions. ITFC supported the Government efforts through a US$100 million facility to fund the procurement of agricultural goods and ensure a stable supply of wheat throughout the year. Beyond its impact on wheat prices, the financing ensured that the farmers received fair and timely payment for their produce.

**Key figures 2023**

- **US$ 100 million** disbursed
- **413,400** mt of wheat purchased from farmers using ITFC financing
- **37,313** farming households benefitting, up 14% since 2020
- **93%** increase in price paid to farmers since 2020
- Bread prices maintained at **2,800 som per loaf** from 2022 to 2023, despite global inflation

**Farmers**
Wheat farmers in Uzbekistan are a diverse group, primarily consisting of smallholder farmers, family-operated farms, and to a lesser extent, larger agricultural enterprises. They were the primary target of ITFC financing which was allocated to purchase locally-produced wheat.

**Consumers**
Uzbekistan is classified as a country with a wheat-based diet, with average consumption amounting to 110 kilograms of flour per person per year. The entire population benefited from stabilized wheat prices and consistent availability, contributing to national food security and affordability of staple foods.

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DIF Theme
Sustainability

Linking inputs to impact

How ITFC foster economic growth through reliable and sustainable Energy supply?

ITFC aims to address critical energy challenges by providing financing solutions, mobilizing resources through syndication, and offering technical assistance to energy companies. This support is designed to ensure a reliable energy supply, with the goal to enhance energy production and operational efficiency. These efforts aim to boost economic resilience by reducing power disruptions and support critical sectors. While initially focusing on fossil fuels, the long-term goal is a gradual transition to sustainable energy sources to align with environmental objectives. Ultimately, these actions seek to drive economic growth and stability within Member Countries.

Financial resources
Provision of trade finance solutions to energy companies.

Expertise in syndicated financing
Leveraging international market financing for significant energy financing.

Capacity-building support
Technical assistance to energy companies to enhance their operational efficiency, resilience, and potential for integrating sustainable energy solutions.

Enhanced operational capacity for oil and gas companies
to ensure a steady supply of energy, reducing shortages.

Strengthened power generation capabilities in companies utilizing fossil fuels, with financial support to meet increasing demand.

Large-scale mobilization of financing for substantial energy projects, supporting the provision of reliable energy supply.

2023 RESULTS

3.4
Value of oil/gas purchased (US$ billion)
Increased access to energy with fewer power failures, leading to more stable and predictable energy supplies.

Economic resilience bolstered by enhanced energy reliability, supporting critical sectors and mitigating economic output fluctuations due to energy supply issues.

Environmental sustainability through compliance with environmental standards and a gradual shift from fossil fuels to more sustainable energy sources, aligning with global environmental goals.

Sustained economic growth and stability within Member Countries, supported by reliable and sustainable energy access.

Global financial markets remain receptive to funding large-scale energy supply.

Regulations support energy sector investment, including transitioning to more sustainable solutions.

There’s a genuine commitment from energy companies and governments to integrate sustainable energy solutions over time.

8,985
Energy generated by ITFC clients (in GwH)

20
share of LNG in ITFC energy portfolio (%)

12
People provided with access to energy (est. in million)
A STORY OF IMPACT

ITFC Partners with CEET
to Drive Energy Diversification in Togo

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<th>WHAT?</th>
<th>Objective</th>
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<td>The objective of the operation is the enhancement of energy diversity, efficiency, and reliability in Togo’s electricity sector. Togo sources approximately 50-60% of its electricity from imports, primarily hydropower from Ghana and Nigeria.</td>
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<th>WHO?</th>
<th>Stakeholders</th>
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<td>The executing agent of the financing is the Compagnie Energie Electrique du Togo (CEET). CEET is the primary public utility responsible for the management and distribution of electricity throughout Togo. Established in 1963, CEET plays a vital role in powering homes, businesses, and essential services across the nation. While CEET does not directly generate large-scale electricity, it purchases power from independent power producers (IPPs) and neighboring countries. The beneficiaries of this initiative are broad and encompass Togo’s entire population of approximately 8 million people, with a specific focus on the 290,000 electricity customers.</td>
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<th>HOW MUCH?</th>
<th>Scope and Scale</th>
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<td>The scale of impact is measured by the increase in electricity access rates, the expansion of domestic electricity generation capacity to 100 MW, and the improvement in reliability, with the plant’s availability exceeding 98%. Additionally, ITFC’s financial contribution for natural gas imports to fuel the plant represents a significant investment towards achieving energy diversity. The current energy mix, comprising 50% hydro and 50% thermal sources, illustrates a move towards a more balanced and diverse energy portfolio.</td>
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<th>CONTRIBUTION</th>
<th>Additionality</th>
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<td>ITFC’s contribution is critical in facilitating Togo’s transition towards a more diversified and reliable energy sector. By disbursing US$33.8 million for natural gas imports in 2023, ITFC not only supports the operational needs of the tri-fuel plant but also plays a pivotal role in ensuring the project’s financial viability and sustainability. About 7.5 million m³ of natural gas were delivered through ITFC financing. This financing is instrumental in enabling the national power company, Compagnie Energie Electrique du Togo, and its IPP partner, ContourGlobal, to invest in the necessary fuel supplies to maintain and expand electricity generation.</td>
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<th>RISKS</th>
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<td>The pursuit of energy diversity in Togo is not without its risks and challenges. Key among these is the reliance on imported natural gas, which, despite the flexibility of the tri-fuel strategy, exposes the country to vulnerabilities related to fuel price volatility and supply chain disruptions. The ambition to expand power generation and incorporate solar energy introduces additional challenges, balancing cost-efficiency with energy security and environmental considerations. Furthermore, the disparity in electricity access rates between urban and rural areas remains a significant challenge, necessitating targeted efforts to extend the benefits of improved energy reliability and efficiency to all segments of the population.</td>
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By transitioning from a heavy reliance on imported electricity and a single-source fuel strategy to developing domestic generation capacity with a tri-fuel plant, Togo aims to secure a more stable and efficient electricity supply. This strategic move is expected to mitigate the historical challenges of supply security, reliability, and efficiency that have plagued the country’s electricity grid.

The initiative notably impacts urban areas, where electricity access rates are significantly higher, and aims to address the stark disparity in electricity access between urban (56.4%) and rural areas (5.5%).

By improving the reliability of the electricity supply, the operation also directly benefits businesses, enhancing their operational continuity and encouraging investment, while indirectly supporting the population through improved service quality and economic stability.
DIF Theme
Private Sector Development

Linking inputs to impact

How ITFC’s Islamic finance solutions supports financial inclusion and economic diversification in Member Countries?

ITFC’s approach centers on providing Sharia-compliant financing solutions and targeted capacity building for partner banks. This support aims to increase access to working capital for MSMEs, with special consideration for women-led businesses and sustainable practices. By strengthening the Islamic finance skills of banks and making ethical financing more accessible, ITFC aims to boost the resilience of the private sector, promote their participation in global trade, and enhance financial inclusion. Ultimately, these efforts have the potential to drive sustainable economic growth, generate employment, and foster a more diversified and inclusive economy.

Sharia-compliant financing solutions offered by ITFC including lines of financing and direct corporate financing to support MSMEs and private firms with ethical financing options.

Capacity-building programs Aimed at enhancing the skills of partner banks in strengthening and implementing Islamic finance solutions, ensuring that bank staff are well-equipped to deliver Sharia-compliant products and services.

Collaboration with partner banks and private sector entities Crucial for broadening the reach and efficacy of financing solutions.

Dedicated financing for women-led or owned businesses and sustainable projects Special financial tranches earmarked for empowering women entrepreneurs and promoting environmentally friendly business practices.

Enhanced access to working capital for MSMEs, ensuring their operational sustainability, especially during economic downturns.

Strengthened Islamic finance skills and solutions among partner banks, leading to an increased understanding and application of Islamic finance principles among bank staff and the development of a wider array of Sharia-compliant financing products.

Targeted support for women-led businesses and sustainable projects, leading to increased financial and business development resources for these entities.

2023 RESULTS

297
Number of benefitting corporates and MSMEs
Improved financial stability and resilience of the private sector, contributing to its ability to sustain operations and pursue growth opportunities.

Greater involvement of MSMEs in global trade, leveraging Sharia-compliant financing to enhance their competitive edge in international markets.

Enhance financial inclusion of vulnerable MSMEs, including those led by women, effectively addressing specific challenges they face.

Growth of the Islamic Finance Sector, with an increase in the availability and diversity of Sharia-compliant financial products, contributing to the sector’s overall development and accessibility.

Promote sustainable economic growth, generate employment opportunities, and foster economic diversification through financial inclusion of the private sector.

Outcomes

Impact

Assumptions

Demand for Sharia-compliant and sustainable financing solutions will continue to grow, driven by increasing awareness of ethical financing.

Partner banks’ capacities to lend to SMEs are sufficient and adaptive, allowing for effective distribution of Sharia-compliant financial resources to small and medium enterprises.

Regulatory environments are conducive to the growth and scalability of Islamic finance and support initiatives aimed at women’s empowerment and environmental sustainability.

868,1
Disbursed financing (US$ million)

37
Partner banks
A STORY OF IMPACT

Bridging Islamic Finance and Development Finance
a collaborative partnership with Uganda Development Bank

Uganda’s development and economic landscape is characterized by robust growth potential and diverse opportunities across sectors such as agriculture, manufacturing, and services. Despite its rich natural resources and a young, dynamic population, the country faces challenges in accessing sufficient financing to unlock its full economic potential.

The Uganda Development Bank (UDB), as the country’s national development finance institute, has the duty to help accelerate Uganda’s development by supporting small & medium enterprises (SMEs) and large-scale development projects in the various key growth sectors, thereby, address the financing gap to SMEs and Infrastructure projects in the country.

The operation supported two key projects, focused on the plastics and steel industries, which aligns with the UDBL’s High Impact Goal (HIG) of promoting sustainable industrialization.

These two Ugandan companies have made significant strides in their respective sectors. A plastics manufacturer based in Mukono has transformed the local industry with its diverse range of plastic products. Concurrently, a leading manufacturer in the East African construction steel market has boosted production capabilities. Together, these companies are integral to enhancing domestic manufacturing capacity, minimizing import reliance, and driving Uganda’s industrial expansion.

ITFC financing allowed the Uganda Development Bank Limited (UDBL) to meet the borrowing needs of its clients, particularly in industries where financing is limited due to the perceived risk profile of SMEs. ITFC disbursed around US$ 3.5 million US$ of trade financing in favor of UDBL. The financing was used for the purchase of raw material used as a production input by the benefitting SMEs.

This operation also marks UDBL’s first footprint into Sharia-compliant financing, introducing Islamic finance to a market where it is underdeveloped. The provision of

- Exchange rate fluctuations (if companies import materials extensively).
- Supply chain disruptions affecting both imports and exports.
- Inadequate Financial Literacy Among SMEs restricting their access to finance
institutions plays a pivotal role in filling these financing gaps. UDB channels funding, prioritizes projects aligned with the National Development Plan, and offers technical support to promote sustainable and impactful investments.

ITFC intervention consisted in providing to the Uganda Development Bank Limited (UDBL) a Line of financing to support export-oriented SMEs in various sectors in Uganda.

The end-beneficiaries

- A Ugandan manufacturer of plastic products using polyethylene and PET. The company’s product range includes packaging materials, domestic utensils, and building materials.
- A Ugandan manufacturer of construction steel products, including hot rolled coils, roofing, wire rods, and stainless-steel tanks. Serves markets in Uganda and the broader East Africa region.

The plastics manufacturer has expanded its capacity, demonstrating enhanced plastic processing capabilities nationwide. Similarly, the steel manufacturer has bolstered steel processing technology within the country.

A critical impact of these projects lies in the creation of both direct and indirect employment opportunities. The plastics manufacturer now employs a permanent workforce of 480 and supports over 1,000 scrap collectors indirectly. The steel manufacturer employs 284 permanent staff and 759 casual workers, with positive projections for future job growth.

Islamic finance by ITFC not only enhances the diversity of financial products available in Uganda but also paves the way for broader financial inclusion and development. It will contribute to strengthening the role of UDBL as a national development bank by financing the implementation of Uganda’s National Development Plan (NDP) and complementing the bank’s efforts to diversify its financing base and mobilize resources from other sources.
In alignment with its ten-year strategy, ITFC emphasizes the importance of integrated solutions by providing holistic trade support to Member Countries. Through partnerships and innovative Waqf-based financing, ITFC provides capacity building and technical assistance in key sectors, driving the adoption of cutting-edge technologies and practices. This support strengthens trade capabilities and competitiveness in OIC Member Countries, fosters resilient trade ecosystems, and boosts intra-OIC trade volumes. Ultimately, ITFC’s goal is to enhance economic resilience and drive sustainable development within the OIC community, building a more prosperous and interconnected future.

**Grants Resources**
ITFC commitment reached US$14.5 million to support a variety of projects and initiatives, totaling US$27.5 million in project costs.

**Strategic Partnerships**
Collaborates with key international and regional organizations and local governments to enhance trade capabilities.

**Innovative Financing Models**
Leveraging Waqf-based funding mechanisms for supporting trade development activities.

**Capacity Building and Technical Assistance**
Enhances skills and capabilities in vital sectors like agriculture, SME development, and Islamic finance through targeted interventions.

**Technology and Innovation Adoption**
Facilitates the adoption of new technologies and innovative practices, improving productivity and market access.

**2023 RESULTS**

- **Number of projects/initiatives**: 77
- **Total costs**: US$27.5 million
Enhanced Capacity and Competitiveness
Member Countries demonstrate improved trade capacities and global competitiveness, fueled by better skills, technology, and innovation.

Resilient Trade Ecosystems
Establishes regional trade ecosystems that are resilient to global challenges, ensuring stable and continuous trade activities.

Increased Intra-OIC Trade
Fosters stronger trade connections within the OIC Member Countries, leading to higher intra-OIC trade volumes and economic cohesion.

Strengthen economic resilience and fosters sustainable development among Member Countries by leveraging enhanced trade capabilities, technology, skills, and innovation, contributing to a more prosperous and interconnected OIC community.

Effective Utilization of Grant Resources
It is assumed that the allocated grants will be used efficiently and strategically to achieve the intended project goals.

Strong ownership
Sustainable development and economic resilience are achieved through the direct involvement and ownership of the beneficiaries.

Increased Capacity Leads to Enhanced Competitiveness
The assumption that improved skills, technology adoption, and innovation directly result in increased trade capacity and global competitiveness is underpinned by beneficiaries’ dedication to applying these learnings in a strategic manner.

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| US$14,5 million | US$6,75 million | 56 | 21 | 12.4 months |
| ITFC co-financing amount | Disbursed amount | Country grants | Regional grants | Average project duration |
A STORY OF IMPACT

Breaking Barriers
Empowering Bangladesh’s Women Entrepreneurs for Global Market Access

Bangladesh’s Small and Medium Enterprises (SMEs), despite being the backbone of the country’s economic fabric, have historically grappled with significant challenges in accessing international markets. Hindered by a lack of resources, limited exposure to global trade practices, and the complexities of international compliance standards, these enterprises often find themselves at a crossroads. The situation was further exacerbated by the COVID-19 pandemic, which introduced unprecedented disruptions to global supply chains, heightened market volatility, and imposed new barriers to trade.

Pandemic Disruptions
The project showcased adaptability by shifting to online training but also highlighted the need for flexible implementation plans.

External Factors
Visa restrictions for SMEs could limit fair participation benefits, stressing the need to consider potential barriers in market access components.

WHAT?
Objective

Bangladesh’s Small and Medium Enterprises (SMEs), despite being the backbone of the country’s economic fabric, have historically grappled with significant challenges in accessing international markets. Hindered by a lack of resources, limited exposure to global trade practices, and the complexities of international compliance standards, these enterprises often find themselves at a crossroads. The situation was further exacerbated by the COVID-19 pandemic, which introduced unprecedented disruptions to global supply chains, heightened market volatility, and imposed new barriers to trade.

WHO?
Stakeholders

This initiative was a collaborative effort, bringing together the expertise and resources of ITFC, TFO Canada, the Government of Canada, USAID, and various local partners in Bangladesh.

HOW MUCH?
Scope and Scale

This project, undertaken between 2020 and 2023, represented a significant investment of US$ 421,696. ITFC’s contribution amounted to US$ 153,677, and was instrumental in making this project a reality and ensuring its successful completion.

Specialized Training
Central to the project’s achievements was the training of 30 master trainers, a significant number of whom focused on mentoring women entrepreneurs. This strategic investment in knowledge-sharing equipped women-led SMEs with the tools to navigate the complexities of international trade.

CONTRIBUTION
Additionality

The project demonstrated ITFC’s commitment to women’s economic empowerment and SME development. It successfully adapted to online training during the pandemic and spurred greater confidence among women entrepreneurs.

This project provided valuable insights for future endeavors. Here are some key takeaways:

Strategic Alignment: While the project achieved its goals, even greater impact could be realized by ensuring a tighter alignment with ITFC’s focus on intra-OIC trade. This would maximize synergy and amplify outcomes.

Efficient Implementation: Implementation costs were higher than anticipated. Future

RISKS

Pandemic Disruptions
The project showcased adaptability by shifting to online training but also highlighted the need for flexible implementation plans.

External Factors
Visa restrictions for SMEs could limit fair participation benefits, stressing the need to consider potential barriers in market access components.
In response to these challenges, the Export Launchpad Bangladesh initiative, spanning from 2020 to 2023, set out with a clear vision to empower women-led SMEs by enhancing their export capabilities and providing them with the tools necessary to thrive in the competitive global market. Acknowledging the pivotal role of women entrepreneurs in driving economic growth and fostering poverty alleviation, the project aimed to create a level playing field for them to access international markets.

**Target Group** Women entrepreneurs, especially those leading SMEs in the dynamic sectors of jute and agro-food, were the primary beneficiaries. These sectors were chosen for their potential to showcase Bangladesh's unique strengths on the global stage.

**Empowerment** The project facilitated training for 43 SMEs, with a spotlight on sectors where women’s entrepreneurship is burgeoning, such as jute and agro-food. This initiative not only enhanced their business acumen but also reinforced their competitive edge in the global market.

**Global Platforms for Women-led SMEs** A pivotal moment for the project was the participation of 14 SMEs in an international fair in the USA in February 2023. This opportunity was especially significant for women-led businesses, offering them unparalleled exposure to global markets and networks.

Projects would benefit from in-depth cost-benefit analysis and a focus on streamlined processes to optimize resource utilization.

**Long-Term Sustainability**: A longer project duration, stronger emphasis on building institutional capacity, and a larger pool of fully qualified trainers would enhance the project’s lasting impact.

The Export Launchpad Bangladesh project offers valuable insights for future SME development initiatives. ITFC’s continued commitment, combined with a strategic focus, cost-effective approaches, and a long-term perspective, will further empower entrepreneurs and drive sustainable economic growth – particularly for women – within Bangladesh and beyond.

### Key figures 2023

<table>
<thead>
<tr>
<th>Project Cost</th>
<th>US$ 421,696</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITFC contribution</td>
<td>US$ 153,677</td>
</tr>
<tr>
<td>Project duration</td>
<td>2020 - 2023</td>
</tr>
<tr>
<td>30 master trainers</td>
<td>empowered</td>
</tr>
<tr>
<td>43 SMEs trained</td>
<td></td>
</tr>
<tr>
<td>Participation in a international fair for about</td>
<td>14 SMEs</td>
</tr>
</tbody>
</table>
Operational performance is the backbone of effective development results. This chapter assesses ITFC’s performance in this area, focusing on delivery effectiveness and portfolio management. We’ll examine our internal efficiency in delivering results with the goal to maximize the impact of our development work for the Member Countries and communities we serve.
Delivery Effectiveness

In 2023, the International Islamic Trade Finance Corporation (ITFC) demonstrated a continued commitment to supporting the trade financing needs of its Member Countries, amidst fluctuating commodity prices and economic challenges.

While the total approvals for trade finance slightly increased to US$ 6.9 billion, indicating a modest growth from the previous year’s US$ 6.8 billion, disbursements experienced a downturn, amounting to US$ 6 billion. This marks a decrease of approximately 18.7% from the record disbursement amount of US$ 7.38 billion in 2022. Consequently, the disbursement ratio for 2023 decreased, reflecting the shift in the balance between approvals and actual disbursements in comparison to the exceptional performance observed in 2022.

Despite the changes in annual figures, ITFC’s cumulative achievements highlight its significant role in facilitating trade financing, with approvals reaching US$ 75.5 billion and disbursements amounting to US$ 63.5 billion since its inception. This performance underscores ITFC’s pivotal role in addressing the trade financing needs of Member Countries, navigating through economic fluctuations to support their development and trade objectives.

In 2023, the average tenor of the International Islamic Trade Finance Corporation (ITFC) operations was slightly adjusted to 10.1 months, reflecting a minor reduction from the record 10.5 months observed in 2022 but still higher than the 9.6 months in 2021. This adjustment indicates the ITFC’s strategic approach to aligning its financing tenors with the evolving needs and challenges of its clients.

In the face of constrained resources and growing demand in 2023, ITFC strategically leveraged its internal assets to address immediate financing needs, all the while achieving a robust resource mobilization ratio.

Despite the challenging market conditions, ITFC succeeded in mobilizing US$ 3.4 billion from Syndicate Partners in the market, demonstrating a notable capacity to attract external funding. Furthermore, an additional US$ 830 million was mobilized from within the Islamic Development Bank (IsDB) Group through the Mudaraba Fund. These combined efforts resulted in external funds accounting for about 76% of the total trade financing provided by ITFC, underscoring its effectiveness in leveraging partnerships to amplify its impact. Remarkably, ITFC’s funding reached a record US$ 2.6 billion in 2023, evidencing an unprecedented ability to stretch its internal balance sheet to meet the surging financing needs of Member Countries.

**For every dollar approved by ITFC, an additional 3 dollars are mobilized from partners**

In 2023, ITFC solidified its position in the Islamic finance industry by emerging as the Global Leader in the Islamic Syndication Financing League Tables, as reported by both Refinitiv and Bloomberg. The institution’s standout performance secured top rankings, not only as the leading Bookrunner but also as the Mandated Lead Arranger (MLA). This exceptional global performance throughout the year serves to reaffirm ITFC’s leadership in the Islamic financing landscape, underscoring its vital role and influence within the sector.

Resource Mobilization - Trade Finance (2019-2023)

![Resource Mobilization Chart]

Sustainable Trade Horizons
The share of Intra-OIC trade remains predominant in ITFC’s portfolio, thereby contributing to the positive trend in Intra-OIC trade.

Since its creation, ITFC has been contributing to the positive trend in Intra-OIC trade by extending US$53.5 billion of financing for Intra OIC trade. In 2023, ITFC provided US$4.6 billion to finance trade between OIC Member Countries, 6 per cent less compared with 2022. Intra-OIC trade in the ITFC portfolio represents about two thirds of the portfolio in 2023.

Based on the Trade Finance Client Satisfaction Survey for 2023, ITFC has achieved remarkable results in customer satisfaction, reflecting its dedication to enhancing client experience continuously.

The survey reveals an impressive overall satisfaction score of 84%, which surpasses the target set for 2023 by 4 percentage points. Here’s a detailed breakdown of the findings:

- **Overall Experience**: Clients reported an outstanding satisfaction rate of 98%, indicating exceptional contentment with the services provided by ITFC.
- **Satisfaction with Processes**: Satisfaction with ITFC’s processes stands at 82%, showcasing efficient and client-friendly procedures.
- **Loyalty**: A strong loyalty score of 77%, which speaks volumes about clients’ trust and continuous patronage.
- **Advocacy**: The advocacy score at 85% suggests that clients are highly likely to recommend ITFC to others, indicating trust and confidence in ITFC’s services.
- **First Choice**: ITFC is the first choice for 65% of the surveyed clients, highlighting ITFC’s strong market positioning.
- **Performance versus Others**: An impressive 96% of clients believe ITFC’s performance is at par or better than other market players, indicating a competitive edge in the industry.
- **Additionality**: The added value ITFC provides is recognized by 83% of clients, reflecting the distinctive benefits and services ITFC brings to its clients beyond basic financial offerings.

Overall, these results underscore the strategic focus ITFC places on client satisfaction and the effectiveness of its efforts to provide superior trade finance solutions. As ITFC moves forward, the insights garnered from this survey will be instrumental in shaping future initiatives, with the goal of maintaining and enhancing client satisfaction levels across all dimensions.
Portfolio management

In 2023, while the energy sector continued to be a major component of ITFC’s portfolio, the organization notably advanced its diversification efforts, particularly with a substantial increase in disbursements for the food and agriculture sector.

Disbursements in the energy sector amounted to US$ 3.4 billion, which now represents 57% of the total portfolio, a decrease from 60% in the previous year and a more significant decline from the 75% share in 2021.

On the other hand, the food and agriculture sector reached disbursements of US$ 1.6 billion, further emphasizing the sector’s growing role within the portfolio and highlighting ITFC’s response to the increasing importance of food security issues among Member Countries. Additionally, the financial services sector experienced growth with disbursements reaching US$ 868 million. The upward trend in these sectors reflects ITFC’s strategic commitment to supporting essential industries that contribute to the sustainable economic development of its Member Countries.

In 2023, ITFC’s geographical focus witnessed a slight shift, with two-thirds (approximately 68%) of its disbursements being allocated to African Member Countries while Asia received the remaining 32%. Despite this relatively balanced distribution at the regional level, the allocation of resources at the country level continued to show a concentration, with half of ITFC’s total disbursements directed to just two Member Countries. This underscores a strategic challenge that ITFC acknowledges and is addressing by aiming to expand its client base and penetrate new markets. Such an expansion strategy is expected to yield a more geographically balanced portfolio, which aligns with ITFC’s commitment to fostering economic development across all its Member Countries.

Sector Financing (As share of total disbursements)
# Operational Results

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Source</th>
<th>Baseline (2017)</th>
<th>Results 2022</th>
<th>Results 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Delivery Effectiveness</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Approvals. Trade Finance</td>
<td>Corporate Information System</td>
<td>4,2</td>
<td>6,8</td>
<td>6,9</td>
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<td>Disbursements, Trade Finance</td>
<td>Corporate Information System</td>
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<td>7,4</td>
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<tr>
<td>Tenor, Average</td>
<td>Corporate Information System</td>
<td>7.3</td>
<td>10.6</td>
<td>10.1</td>
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<tr>
<td>External resources mobilized, (share of portfolio)</td>
<td>Corporate Information System</td>
<td>78.7</td>
<td>76,2</td>
<td>75,8</td>
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<tr>
<td>Disbursement (share of approvals)</td>
<td>Corporate Information System</td>
<td>82</td>
<td>108</td>
<td>87</td>
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<tr>
<td>Intra-OIC trade, share of portfolio</td>
<td>Corporate Information System</td>
<td>88</td>
<td>72</td>
<td>67</td>
</tr>
<tr>
<td>Intra-OIC, volume of financing (US$ billion)</td>
<td>Corporate Information System</td>
<td>4.3</td>
<td>4.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Approvals generated by regional hubs (share)</td>
<td>Corporate Information System</td>
<td>48</td>
<td>91</td>
<td>87</td>
</tr>
<tr>
<td>Client satisfaction score</td>
<td>Survey</td>
<td>-</td>
<td>-</td>
<td>84</td>
</tr>
<tr>
<td>Employee engagement score (/10)</td>
<td>Survey</td>
<td>-</td>
<td>8.8</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Portfolio Management</strong></td>
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<td></td>
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<tr>
<td>Non-petroleum trade, share of portfolio</td>
<td>Corporate Information System</td>
<td>41</td>
<td>40</td>
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</tr>
<tr>
<td>New clients, number</td>
<td>Corporate Information System</td>
<td>7</td>
<td>10</td>
<td>8</td>
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<tr>
<td>Disbursements Asia (share of portfolio)</td>
<td>Corporate Information System</td>
<td>57</td>
<td>32.5</td>
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<tr>
<td>Disbursements Africa (share of portfolio)</td>
<td>Corporate Information System</td>
<td>43</td>
<td>67.5</td>
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<tr>
<td>Number of operations</td>
<td>Corporate Information System</td>
<td>54</td>
<td>121</td>
<td>123</td>
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<tr>
<td>Number of Member Countries served</td>
<td>Corporate Information System</td>
<td>19</td>
<td>23</td>
<td>22</td>
</tr>
</tbody>
</table>
Our approach to ESG and impact management

This concluding chapter takes a deep dive into ITFC’s commitment to Environmental, Social, and Governance (ESG) principles. We’ll explore ITFC’s recent journey towards responsible and sustainable trade finance. We will highlight recent enhancements made to the impact management system, including key frameworks, standards, and the tools that enable effective monitoring and evaluation. By understanding ITFC’s approach to ESG and impact management, you gain valuable insight into the foundation for the results presented throughout this report.
Pioneering Sustainable Trade Finance in a Transforming World

Why it matters?

Trade and climate change  Around 20–30% of global CO2 emissions are associated with international trade (WTO, 2021). While trade generates substantial greenhouse gas emissions, it also has the potential to accelerate the low-carbon transition on a global scale.

Member Country Vulnerability  We recognize the vulnerability of our Member Countries to the devastating impacts of climate change. Our ESG efforts aim to support their resilience and transition to more sustainable economies.

Global Alignment  Our initiatives align with the SDGs, the Paris Agreement, and regional efforts like the Middle East Green Initiative, ensuring we contribute effectively to global climate action.

Mandate-Driven  Integrating ESG principles into our work directly supports our mandate to advance trade, improve lives, and support the IsDB Group Climate Agenda.

Leadership Opportunity  We aim to be a leader in sustainable trade finance, demonstrating that economic development and environmental responsibility can go hand in hand.
Benchmarking
We analyzed ESG trends across MDBs and comparator institutions to establish our starting point.

ESG Products & Services
We began developing offerings that incorporate sustainable practices, supporting clients in their transitions.

Climate Policy
We developed a policy that outlines our commitment to embedding climate considerations into all aspects of our work. Focuses on managing climate risks, supporting just transitions in Member Countries, and applies to all ITFC operations.

ESG Framework
We developed a comprehensive framework which provides a structure for ITFC-wide ESG integration across strategy, products/services, and internal capacities.

10-Year Action Plan
We defined a set of short term, mid-term and long-term actions to guide our ESG journey. It sets out our long-term ESG strategy, guiding governance, risk management, and opportunity maximization.

WHAT WE HAVE ACHIEVED
What we are working on

Environmental and Social Safeguards Directives & Procedures ensuring robust ESG risk assessment at the transaction level.

Sustainable Impact Framework with targets and baselines for ESG metrics. It will replace the current Development Impact Framework and add an ESG risk dimension to our impact assessment.

Carbon Accounting and Reporting Directives, which will standardize our GHG emissions measurement and reporting according to best practices.

Sustainable Impact Management Platform is in development, which will enable real-time ESG risk and impact tracking and reporting at corporate level.

Strengthening ESG assessment, monitoring and reporting

ITFC is actively strengthening its ESG practice through several key projects, which are currently underway

ITFC’s ESG transformation is a testament to its commitment to sustainable development. It reflects a forward-thinking approach that understands the urgent need for action in the realm of trade and climate change. The journey is ongoing, but with each step, ITFC is reinforcing its role as a pioneer in harmonizing trade finance with the pressing demands of environmental integrity, social development, and effective governance.
Managing for results

Development Impact Framework

ITFC’s approach to development effectiveness is embedded in its Development Impact Framework (DIF). ITFC’s DIF adopts a four-tier structure and comprises 54 indicators, distributed along the four tiers.
SDG Alignment
Each of the DIF indicators is explicitly linked to a specific SDG indicator established by the UNSD, ensuring ITFC’s work directly supports global development priorities.

Strategic Objectives
DIF metrics are connected to measurable strategic targets, like the 2025 goal of increasing Intra-OIC trade to 25%. This connects the framework to ITFC’s core mission.

Development Results
This tier focuses on tangible outputs and outcomes, focusing on four themes: Inclusive Growth, Private Sector Development, Sustainability, and Technology/Innovation. Specific indicators track ITFC’s progress in achieving development goals.

Operational Effectiveness
This tier ensures efficient delivery and smart portfolio management. It recognizes that achieving development goals relies on operational excellence and strategic resource allocation.
Monitoring and Evaluation

ITFC goes beyond simply measuring and reporting its results; we actively manage for results. This approach prioritizes evidence-based decision-making to ensure ITFC-funded operations maximize impact and contribute to the SDGs. It relies on the collection of objective, reliable, and consistent data throughout the transaction cycle.

This commitment to managing for results is further bolstered by ITFC's Development Effectiveness Policy and Evaluation Policy. These policies, aligned with best practices like the Organization for Economic Co-operation and Development (OECD) and Operating Principles for Impact Management (OPIM) standards, govern data collection and assessment throughout the transaction cycle and evaluations, respectively. This ensures both accountability for project outcomes and fosters a culture of learning and continuous improvement within ITFC.

Making informed decisions

During appraisal, ITFC employs the DIF model to comprehensively assess the potential development impact of each proposed transaction. This structured approach ensures clarity and accountability in decision-making. The DIF model specifically evaluates these key areas:

- **Strategic Alignment**
  How well the operation aligns with ITFC’s development goals and priorities.

- **Economic Growth**
  The potential to drive sustainable economic growth within Member Countries.

- **Sustainability**
  The operation’s anticipated environmental and social impacts.

- **Geographical & Social Targeting**
  The focus on reaching underserved regions and populations.

- **Non-Financial Additionality**
  ITFC’s unique value proposition (capacity building, advisory...).

- **Financial Additionality**
  The potential to mobilize financing from other sources and ability to address market gaps.

- **Delivery Effectiveness**
  The likelihood of successful implementation and achieving results.

The DIF assigns scores from zero (very low) to five (very high), providing a clear, multi-dimensional assessment. This information is then seamlessly integrated into the credit committee's decision-making process, ensuring that development impact is a core consideration alongside financial risks and returns.
Learning from ITFC Impact
A Cycle of Improvement

ITFC fosters a culture of learning and accountability through a robust monitoring and evaluation (M&E) framework

**Self-assessments/Completion Reports**
These reports, completed by clients at project/operation completion, provide valuable data on outputs and contribute to the Annual Development Effectiveness Report.

**Ex-post Evaluations**
Guided by our Evaluation Policy, these in-depth evaluations analyze project outcomes and their broader impact, informing future strategies and promoting accountability.

ITFC end-to-end process for monitoring and evaluation

**Transaction level**

- **Ex-ante Assessment**
  Provide a score for expected development impact to guide management decisions.

- **Self-Assessments / Completion Reports**
  Provide data on measurable outputs of ITFC operations. Promote learning.

- **Ex-post Evaluations**
  Focus on outcomes and impact. Promote learning and accountability within the institution.

**Corporate Level**

- **Annual Development Effectiveness Report**
  Institutional Reporting tool on ITFC contribution to the 2030 Development Agenda

At ITFC, the SDGs and development considerations are present at all steps of the operation cycle.
The challenges of the past year have highlighted the critical role ITFC plays in maintaining trade flows and supporting Member Countries. Our approval and disbursement levels underscored the value we provide in times of crisis, ensuring the flow of vital goods like energy, food, and healthcare supplies.

Building on these achievements, we must continue evolving to meet the needs of a dynamic world.

ITFC remains steadfast in its commitment to delivering measurable results for our Member Countries. By adapting our strategies, expanding our impact, and firmly integrating ESG principles, we will shape the future of trade finance and contribute to a more prosperous and sustainable world.
Reaching the Underserved
While financing levels have climbed, broadening our reach to end-beneficiaries remains a priority. We will focus on increasing smallholder farmers, women-led businesses, and young entrepreneurs to cultivate a more inclusive trade landscape that empowers those who are often left behind.

Accelerating Diversification
ITFC’s Strategy 2.0 not only emphasizes client diversification but also exploring new markets with high potential for development impact. We will leverage our expertise to unlock trade opportunities in these regions, fostering growth and prosperity for all.

ESG Integration
Our newly adopted Climate Change Policy signifies a crucial step towards embedding ESG considerations across ITFC’s operations. We will proactively assess our portfolio’s environmental footprint, strengthen our ESG products offerings and actively promote ITFC as a leader in Islamic green financing.

Scaling up Private Sector Impact
Private sector financing remains an area for growth. We will explore additional products, like local currency financing, and strategically engage with microfinance facilities to unlock greater development potential.
Appendix I  Limited Assurance Statement

Independent Limited Assurance Statement
ITFC Development Effectiveness Report 2023

Prepared for International Islamic Trade Finance Corporation (ITFC) - April 1st, 2024

Introduction
BlueMark was engaged by the International Islamic Trade and Finance Corporation (ITFC, hereafter) to conduct a limited assurance of select information in its Development Effectiveness Report 2023 as outlined in the methodology and scope below.

Our Limited Assurance Conclusion
Based on the assessment performed and evidence reviewed, and subject to key assumptions and inherent limitations set out below, nothing has come to BlueMark's attention to suggest any material misstatements within the reported data against the following 9 preselected KPIs reviewed in the Development Effectiveness Report 2023:

- KPI 1: Disbursement (%)
- KPI 2: LDC Financing (%)
- KPI 3: External Resources Mobilized (%)
- KPI 4: Intra-IIFC Trade (%)
- KPI 5: Food Commodities Imported/Processed (thousand mt)
- KPI 6: Number of Corporates and SMEs (#)
- KPI 7: Direct Jobs Supported (#)
- KPI 8: Volume of Purchases from Domestic Farmers (mt)
- KPI 9: Value of Purchases from Domestic Farmers ($)

The measurement criteria and definition associated with each performance target can be found in the Appendix.

Assurance methodology and scope
BlueMark's limited assurance engagement involved identification and review of appropriate evidence to obtain a sufficient level of confidence over the data reported for a select set of KPIs within ITFC’s Development Effectiveness Report 2023, in line with the ISAE3000 standard for non-financial assurance. The processes undertaken and selected were based on our professional judgment, understanding of ITFC’s IMA, ITFC’s other data collection and impact measurement methodologies, and other engagement circumstances.

The scope of BlueMark’s review and our approach to the work consisted of:
1. Review and analysis of the supporting monitoring data underpinning the Development Effectiveness Report 2023, including background materials related to each of the nine specified KPIs.
   - Specific documentary evidence reviewed by BlueMark included the 2023 Development Effectiveness Report, ITFC’s IMA data system, and a sample of utilization reports, self-assessment reports and credit memos, along with underlying calculation methodologies and assumptions. BlueMark believes that the evidence obtained in the scope of its assurance is sufficient and appropriate to provide a basis for our conclusions.
2. Discussions with ITFC staff responsible for defining and implementing data collection protocols at ITFC.
3. Delivery of assurance findings to ITFC, outlining BlueMark’s conclusions.

*The scope of BlueMark’s assurance procedures does not include providing limited assurance over the resulting impacts achieved. BlueMark’s assessment is based on its analysis of publicly available information and information in reports and other material provided by ITFC. BlueMark has relied on the accuracy and completeness of any such information provided by ITFC. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from ITFC.
Independent Limited Assurance Statement
ITFC Development Effectiveness Report 2023

Prepared for International Islamic Trade Finance Corporation (ITFC): April 1st, 2024

Responsibilities of ITFC directors
The ITFC management team is responsible for:

- Determining appropriate reporting KPIs and selecting or establishing suitable criteria for measuring or evaluating performance against those KPIs.
- Selecting the set of reporting KPIs to be assured by the third party.
- Preparing information for reporting, including designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the KPIs.
- Producing the Report, which provides information on matters relevant to the intended users of the Report.

Our responsibilities
- Planning and performing the engagement to obtain limited assurance about whether the KPI information disclosed is free from material misstatement, whether due to fraud or error.
- Forming an independent opinion, based on the procedures we have performed and the evidence we have obtained.
- Presenting our opinion to the ITFC management team.

Our independence and quality control
We have a System of Quality Management that is aligned with the International Standard on Quality Management 1 and the International Standard on Assurance Engagements 3000. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the applicable Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Limitations
There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards that require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000 is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the underlying documentation reviewed. Our assurance is limited to policies and procedures in place as of April 1st, 2024.

Permissions and disclaimer
This statement, including our conclusions, has been prepared solely for ITFC in accordance with the agreement between our firms. We permit ITFC to disclose this statement in its entirety online, or to furnish this statement to other interested parties, including other ITFC stakeholders to demonstrate the credibility of data presented within the Development Effectiveness Report 2023. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ITFC for any work or this statement except where terms are expressly agreed between us in writing.
Independent Limited Assurance Statement
ITFC Development Effectiveness Report 2023

About BlueMark

BlueMark, a Delaware-registered public benefit company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to “strengthen trust in impact investing” and to help bring more accountability to the impact investment process. BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities.

BlueMark has offices in London, UK; New York, NY; Portland, OR; and San Francisco, CA and is headquartered at 154 W 44th St, 2nd Floor, New York, NY 10018, USA. Its outside investors include S&P Global, Temasek Trust Capital, Blue Haven Initiative, Gunung Capital, Tsao Family Office, Ford Foundation and Radicle Impact. For more information, please visit http://www.bluemark.co/

Name: Sarah Gelfand

Signature of Engagement Partner: [Signature]

For and on behalf of BlueMark PBC

April 1st, 2024
Appendix

BlueMark used the following criteria for measurement of performance relative to the KPIs:

Criteria:
- Reviewed data policies and Development Impact Framework guidelines to clarify the responsibilities and protocols associated with data collection and entry.
- Interviewed team members to understand the processes for data entry, review, and approval related to disbursements of ITFC assets and the use of the IMAL system.
- Compared alignment of results with prior years’ values.
- Sampled a selection of invoices to substantiate the value provided for certain individual data points used in aggregated KPIs.
- Used raw data to recalculate each KPI result to confirm corroboration with the reported value.

KPI 1: Disbursement ($)  
- Definition: Total value of the financing utilized by the clients during the reporting period

KPI 2: LDC Financing ($)  
- Definition: Value of the total disbursements allocated to the LDCs (as per the UN-LDC list) during the reporting period

KPI 3: External Resources Mobilized ($)  
- Definition: Total value of the resources mobilized outside ITFC capital during the reporting period

KPI 4: Intra-OIC trade ($)  
- Definition: Estimated value of the total financing allocated to trade between member countries during the reporting period

KPI 5: Food commodities imported/purchased (thousands mt)  
- Definition: Volume of food commodities imported or locally purchased by clients during the reporting period

KPI 6: Number of corporates and SMEs (n)  
- Definition: Number of corporates and SMEs benefiting from ITFC financing through partner banks

KPI 7: Direct Jobs Supported (n)  
- Definition: Number of full-time equivalent workers, as per local definition, working for the client company or investment project at the end of the reporting period unless there is seasonal variation

KPI 8: Volume of Purchases From (Domestic) Farmers (mt)  
- Definition: Volume of the client’s purchases of raw materials from farmers during the reporting period

KPI 9: Value of Purchases From (Domestic) Farmers ($)  
- Definition: Value of the client’s purchases of raw materials from farmers during the reporting period
Summary of Findings from Impact Reporting Verification

Prepared for International Islamic Trade Finance Corporation (ITFC): April 9th, 2024

Introduction

The International Islamic Trade Finance Corporation (ITFC) engaged BlueMark to undertake an independent verification of ITFC’s approach to impact reporting, including an evaluation of the completeness and reliability of ITFC’s 2023 Annual Development Effectiveness Report (“the Report”) ahead of its publication, drawing on BlueMark’s proprietary framework and approach to verifying impact reports.

Summary conclusions

Completeness:

- The ADER clearly articulates ITFC’s mission to act as a catalyst for trade development and to support the achievement of the SDGs within OIC member countries. The report includes impact results at both the portfolio and transaction-level. Impact metrics are linked to ITFC’s development themes and presented alongside baseline and previous years’ data. Transaction-level case studies are standardized using the IMP’s 5 dimensions.

- To improve, ITFC should explicitly reference the evidence that informed its thematic focus, specify the methodology used to sample case studies, and outline ITFC’s non-financial contributions. ITFC could enhance the profiling information provided to demonstrate the breadth of its financing and publicize Sustainable Impact Framework (SIF) scores. Furthermore, ITFC should specify its process for sourcing beneficiary insights, report on material ESG risks and elaborate on goals outlined in "The Way Forward" section.

Reliability:

- The ADER features a chapter detailing ITFC’s Development Impact Framework. Much of the data included in the report is collected and reviewed in a standardized manner via teams involved in the sourcing and disbursement of ITFC transactions. The report includes an Appendix that cites sources and definitions for all impact metrics.

- In future reports, ITFC should provide a clear description of its ESG Framework. The Appendix should specify the alignment of metrics with industry standards and cite assumptions, calculation methodologies, and reporting time periods. Internally, ITFC should document its process for compiling data for impact reports and elaborate on the sampling methodology for selecting projects for ex-post evaluation and data recalculation. Finally, ITFC should build additional oversight and quality control mechanisms for data transfer and consider using a centralized platform to manage all non-financial data and evidence.

Assessment methodology and scope

ITFC provided BlueMark with the relevant supporting documentation to assess the Report. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.¹

BlueMark’s full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the Report and supporting documentation, including background materials related to ITFC’s impact management and reporting system;
2. Interviews with staff responsible for developing the Annual Development Effectiveness Report;
3. Analysis of the Report was organized by the following key criteria:

- Completeness: Assessment of completeness of reporting against the impact strategy and impact performance results at both the portfolio- and theme-level.
- Reliability: Assessment of the clarity and quality of impact performance data presented in the report, including underlying data management systems and practices.

¹ BlueMark’s verification does not constitute either an endorsement of the impact report or a verification of impacts achieved. BlueMark’s assessment is based on its analyses of publicly available information and information in reports and other material provided by ITFC. BlueMark has relied on the accuracy and completeness of any such information provided by ITFC. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from ITFC.
Permissions

This statement, including our conclusions, has been prepared solely for ITFC in accordance with the agreement between our firms. We permit ITFC to disclose this statement in its entirety online, or to furnish this statement to other interested parties. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ITFC for our work or this statement except where terms are expressly agreed between us in writing.

About BlueMark

BlueMark, a Delaware-registered public benefit company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to "strengthen trust in impact investing" and to help bring more accountability to the impact investment process. BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities.

BlueMark has office locations in London, UK; New York, NY; and Portland, OR; and is headquartered at 154 W 14th St, 2nd Floor, New York, NY 10011. Its outside investors include S&P Global, Temasek Trust Capital, Blue Haven Initiative, Gunung Capital, Tsao Family Office, Ford Foundation and Radicle Impact. For more information, please visit www.bluemark.co.
Appendix III  Methodological Note

I- The DIF metrics  What they mean and How they are measured

<table>
<thead>
<tr>
<th>Tier I and II – Global and Strategic Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Share of Intra-OIC trade</strong></td>
</tr>
<tr>
<td>The percentage of total trade volume (exports + imports) between Member Countries of the Organization of Islamic Cooperation (OIC) as a proportion of their total global trade.</td>
</tr>
<tr>
<td>This KPI is a key indicator of economic integration within the OIC bloc. A higher percentage suggests stronger trade ties between Member Countries, potentially fueled by preferential trade agreements and shared cultural values.</td>
</tr>
<tr>
<td>Source: SESRIC (Statistical, Economic and Social Research and Training Centre for Islamic Countries) is an OIC subsidiary that collects and disseminates data on economic and social development within OIC countries. They are likely to source primary trade flow data from national statistical agencies and international databases like the UN Comtrade.</td>
</tr>
<tr>
<td><strong>Trade Finance Gap (in US$ trillion)</strong></td>
</tr>
<tr>
<td>The estimated shortfall between the demand for trade finance and available supply, particularly in developing and emerging markets.</td>
</tr>
<tr>
<td>This KPI highlights a key constraint to global trade growth. A large gap indicates that businesses struggle to obtain the financing necessary to import and export goods, hindering economic development.</td>
</tr>
<tr>
<td>Source: The Asian Development Bank (ADB) conducts periodic surveys of banks and businesses to assess the trade finance gap. Their surveys capture both the perception of the gap and attempts to quantify it in dollar terms.</td>
</tr>
<tr>
<td><strong>Islamic Banking assets (in US$ trillion)</strong></td>
</tr>
<tr>
<td>The aggregate value of assets held by financial institutions that adhere to Islamic banking principles (Sharia-compliant finance). This includes assets such as loans, investments, and deposits.</td>
</tr>
<tr>
<td>This KPI measures the growth and scale of the Islamic finance sector. An increasing value suggests a greater role for Islamic financial products in global markets and may indicate potential for addressing the trade finance gap through Sharia-compliant solutions.</td>
</tr>
<tr>
<td>Source: The Islamic Financial Services Board (IFSB) is a standard-setting body for the Islamic finance industry. They collect and publish data on Islamic banking assets globally.</td>
</tr>
</tbody>
</table>
## Tier III – Development Results

### Inclusive Growth

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>LDC Financing (% of portfolio)</td>
<td>The percentage of ITFC’s total trade finance portfolio allocated to Least Developed Countries (LDCs), as categorized by the UN. This metric highlights ITFC’s prioritization of supporting the most vulnerable economies. (Source Corporate Information System).</td>
</tr>
<tr>
<td>LDC financing (US$ million)</td>
<td>The absolute dollar value of trade financing provided to LDCs within the reported period. This offers another perspective on the magnitude of ITFC’s support for LDCs. (Source Corporate Information System).</td>
</tr>
<tr>
<td>Direct jobs supported</td>
<td>Number of full-time equivalent workers, as per local definition, working for the client company at the end of the reporting period unless there is seasonal variation (Source Self-Assessment).</td>
</tr>
<tr>
<td>Farmers reached – Trade Finance</td>
<td>Number of farmers that are linked to the client company as suppliers, buyers, contractors or farming employees during the reporting period. (Source Self-Assessment).</td>
</tr>
<tr>
<td>Value of Purchases From (Domestic) Farmers</td>
<td>The total monetary value (e.g., in US$) of unprocessed agricultural commodities that the agribusiness client purchased directly from farmers within an agricultural campaign. Directly measures the economic benefit to farmers who sell their produce to the client. This KPI applies to ITFC’s pre-export finance.</td>
</tr>
<tr>
<td>Volume of Purchases From (Domestic) Farmers</td>
<td>Quantifies the physical amount of agricultural produce sourced from farmers. Complements the value based KPI, particularly if commodity prices fluctuate. This KPI applies to ITFC pre-export finance. ITFC primarily tracks this data through its trade finance transaction records. Each transaction would specify the type and volume of food commodity purchased.</td>
</tr>
</tbody>
</table>
## Tier III – Development Results

### Sustainability

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>People provided with access to electricity</td>
<td>An estimate of the number of individuals who gain new or improved access to electricity from ITFC-supported energy clients. This signifies a contribution to basic infrastructure and quality of life. (Source Model-based, using input-output data, calculated from the DIF model)</td>
<td></td>
</tr>
<tr>
<td>Energy Generated (#GWh)</td>
<td>The total amount of electricity produced from energy clients financed by ITFC during the reporting period, measured in Gigawatt-hours. This indicates the raw output generated from ITFC’s inputs financing. (Source Self-assessment)</td>
<td></td>
</tr>
<tr>
<td>Renewable energy, share of portfolio</td>
<td>The percentage of ITFC’s energy portfolio dedicated to renewable sources (e.g., solar, wind, hydro). This KPI measures commitment to clean energy and climate action. (Source Corporate Information System)</td>
<td></td>
</tr>
<tr>
<td>Health Patients served</td>
<td>An estimate of the number of patients who receive healthcare services through facilities or programs supported by ITFC financing. This aims to quantify ITFC’s contribution to health outcomes. (Source Self-assessment)</td>
<td></td>
</tr>
<tr>
<td>Export Sales (US$ million)</td>
<td>Gross value of export sales of the product generated by agribusiness clients over the reporting period.</td>
<td></td>
</tr>
<tr>
<td>Households provided with access to food (# millions)</td>
<td>An estimate of how many households benefitted from food-safety nets or food price stabilization programs supported by ITFC. This is a key metric for ITFC’s goal of addressing hunger. (Source Self-assessment)</td>
<td></td>
</tr>
<tr>
<td>Volume of food commodities purchased (in thousand mt)</td>
<td>This KPI measures the total quantity, in thousand metric ton, of food commodities (e.g., grains, oilseeds, sugar) purchased from ITFC’s trade finance support. It can be either through imports or from local purchase (farmers, suppliers)</td>
<td></td>
</tr>
<tr>
<td>LNG, share of energy portfolio</td>
<td>The percentage of ITFC’s energy portfolio dedicated to Liquefied Natural Gas (LNG), cleaner than other fossil fuels. (Source Corporate Information System)</td>
<td></td>
</tr>
<tr>
<td>Clients with an environmental policy (share)</td>
<td>The percentage of ITFC’s clients who have a formal, documented environmental policy in place. Clients with robust environmental policies are likely to be better prepared to manage environmental risks associated with their operations, reducing potential negative impacts on projects supported by ITFC.</td>
<td></td>
</tr>
</tbody>
</table>
## Tier III – Development Results

### Private Sector Development

| **Number of corporates and SMEs provided with access to finance** | The number of businesses that receive financing through ITFC programs. This highlights ITFC’s support for private sector growth. (Source: Disbursement data) |
|**Average value of loans (US$ million)** | The average size of loans extended by partner banks benefiting from ITFC’s line of finance. This offers insight into the scale of financing per transaction. (Source: Corporate information system) |
|**Active private sector clients** | The number of businesses with currently active financing arrangements with ITFC. This reflects the ongoing client base within the private sector. (Source: Corporate database) |

### Technology, Skills and Innovation

| **Number of people trained** | The total count of individuals who participate in ITFC-led training programs in areas like Islamic finance and trade facilitation. This measures investment in human capital. (Source: Self-assessment) |
|**SMEs/Banks trained** | A sub-category of the previous KPI, focusing on training for employees of small and medium-sized enterprises or financial institutions. (Source: Self Assessment) |
|**High-Tech trade (share of portfolio)** | This KPI represents the percentage of ITFC’s trade finance portfolio dedicated to transactions involving high-technology goods (Source: Corporate Information System) |
## Tier IV – Operational Performance

<table>
<thead>
<tr>
<th>KPI</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approvals. Trade Finance</td>
<td>The total value (in US$) of trade finance transactions approved by ITFC within a given period. This reflects ITFC’s commitment to providing financing and its potential to generate development impact. (Source Corporate database)</td>
</tr>
<tr>
<td>Disbursements, Trade Finance</td>
<td>The actual amount (in US$) of trade finance funds disbursed by ITFC within a given period. This represents the real-world flow of financing that directly supports trade activities. (Source Corporate Information System)</td>
</tr>
<tr>
<td>Tenor, Average</td>
<td>The average duration (measured in months) of ITFC’s trade finance deals. This KPI reveals ITFC’s ability to tailor financing to client needs and market conditions. (Source Corporate Information System)</td>
</tr>
<tr>
<td>External resources mobilized, (share of portfolio)</td>
<td>The percentage of ITFC’s trade financing portfolio that is funded by external partners (e.g., through syndications or co-financing). This demonstrates ITFC’s ability to leverage partnerships and amplify the impact of its own resources. (Source Corporate Information System)</td>
</tr>
<tr>
<td>Disbursement (share of approvals)</td>
<td>This ratio indicates the efficiency of converting approved financing into actual disbursements. A higher ratio suggests that ITFC is effectively deploying approved funds. (Source Corporate Information System)</td>
</tr>
<tr>
<td>Intra-OIC trade, share of portfolio</td>
<td>The percentage of ITFC’s trade finance portfolio dedicated to transactions within OIC Member Countries. This is a key indicator of ITFC’s role in fostering economic integration within the OIC. (Source Corporate Information System)</td>
</tr>
<tr>
<td>Intra-OIC, volume of financing (US$ billion)</td>
<td>The absolute value (in US$) of ITFC financing dedicated to transactions within OIC Member Countries. This highlights the magnitude of trade flows supported by ITFC within the OIC. (Source Corporate Information System)</td>
</tr>
<tr>
<td>Approvals generated by regional hubs (share)</td>
<td>This KPI tracks the percentage of trade finance approvals generated through ITFC’s regional hubs. This measures the effectiveness of ITFC’s decentralized structure in reaching clients and tailoring solutions. (Source Corporate Information System)</td>
</tr>
<tr>
<td>Client satisfaction score (/100)</td>
<td>A measure of overall satisfaction reported by ITFC clients. Obtained through annual surveys, this KPI reflects how well ITFC meets client expectations and needs. (Source Client Satisfaction Survey).</td>
</tr>
</tbody>
</table>
## Tier IV – Operational Performance

<table>
<thead>
<tr>
<th>Metric</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee engagement score (/10)</strong></td>
<td>This metric indicates the level of engagement, satisfaction, and motivation among ITFC employees. A higher score suggests a positive internal work environment, which can translate into improved service delivery and overall organizational performance. (Source: Employee Engagement Survey)</td>
</tr>
<tr>
<td><strong>Non-petroleum trade, share of portfolio</strong></td>
<td>The percentage of ITFC’s trade finance portfolio dedicated to sectors/commodities other than oil and gas. A higher percentage indicates diversification away from traditional energy financing and potential support for a wider range of economic activities.</td>
</tr>
<tr>
<td><strong>New clients, number</strong></td>
<td>Clients who have never received any prior financing from ITFC and/or Clients who have not received any ITFC financing within the past three years. This measures ITFC’s ability to attract new business and expand its reach within Member Countries.</td>
</tr>
<tr>
<td><strong>Disbursements Asia (share of portfolio)</strong></td>
<td>The percentage of ITFC’s trade finance disbursements allocated to clients in Asian Member Countries. This metric reflects ITFC’s geographic focus and the relative volume of financing directed towards the Asian region.</td>
</tr>
<tr>
<td><strong>Disbursements Africa (share of portfolio)</strong></td>
<td>The percentage of ITFC’s trade finance disbursements allocated to clients in African Member Countries. This metric mirrors the Asia metric, but focuses on the African continent.</td>
</tr>
<tr>
<td><strong>Number of operations</strong></td>
<td>The total count of distinct trade finance transactions completed by ITFC within the reporting period. This offers a general indication of ITFC’s operational activity level.</td>
</tr>
<tr>
<td><strong>Number of Member Countries served</strong></td>
<td>The number of different OIC Member Countries that receive ITFC financing during a reporting period. This metric highlights the breadth of ITFC’s geographic reach.</td>
</tr>
</tbody>
</table>
Appendix IV  Bibliography

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