itfc
International Islamic Trade Finance Corporation

DEVELOPMENT EFFECTIVENESS REPORT

2024

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List of Abbreviations

ADER	Annual Development Effectiveness Report
AfCFTA	African Continental Free Trade Area
AfTIAS	Aid for Trade Initiative for Arab States
AATB	Arab Africa Trade Bridges
B2B	Business-to-Business
COP	Conference of the Parties (contextual, though not explicitly used in the excerpt)
DAC	Development Assistance Committee (of OECD)
DIF	Development Impact Framework
E&S	Environmental and Social
ESG	Environmental, Social, and Governance
FI	Financial Institution
GAP	Good Agricultural Practices
GHG	Greenhouse Gas
IDR	Indonesian Rupiah
IFI	International Financial Institution
IsDB	Islamic Development Bank
ISSB	International Sustainability Standards Board
ITFC	International Islamic Trade Finance Corporation
KPI	Key Performance Indicator
LDC	Least Developed Country
LNG	Liquefied Natural Gas
M&E	Monitoring and Evaluation
MC	Member Country
MLA	Mandated Lead Arranger
MT	Master Trainer
MSME	Micro, Small, and Medium-sized Enterprises
OIC	Organization of Islamic Cooperation
SDG	Sustainable Development Goal
SCOPI	Sustainable Coffee Platform of Indonesia
SESRIC	Statistical, Economic and Social Research and Training Centre for Islamic Countries
SME	Small and Medium Enterprise
US$	United States Dollar
YoY	Year-on-Year

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, an,ong others. BlueMark's assessment findings cover both areas of strength and areas for improvement, as reflected in the Verifier Statement for the Year 2024 reporting period.

Read the Independent Auditor's Verifier Statement in Annex I

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 Annex II

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.

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Foreword, Chief Executive Officer, ITFC

It is with great pride that I present the ninth edition of ITFC's Annual Development Effectiveness Report (ADER)—a flagship publication that captures our commitment to delivering measurable impact across our Member Countries.

This report is more than a reflection of achievements; it is a testament to ITFC's evolution as a development actor—one that continually learns, adapts, and sharpens its delivery to meet the ambitions of our Member Countries and the expectations of our partners.

Navigating Complexity with Purpose

We operate in a time of profound disruption. Geopolitical tensions, climate-induced shocks, and widening inequalities have reshaped the global trade landscape. The trade finance gap has reached an unprecedented **US$2.5 trillion**, posing a systemic risk to equitable growth—especially in vulnerable economies. For many of our Member Countries, these overlapping crises have intensified structural constraints, making recovery and resilience ever more urgent.

In this context, ITFC's mandate—to use trade as a catalyst for development—has never been more critical, nor more relevant. In 2024, we responded not only with agility, but with clarity of purpose and operational focus.

Delivering Results with Impact

- **We fostered inclusion in global trade.** Financing to Least Developed Member Countries (LDMCs) reached **US$2.7 billion,** 38% of our total portfolio. More than **380,000 farmers** benefited from targeted financing, facilitating the procurement of over **840,000 metric tons** of local produce.

- **We secured critical supply chains.** ITFC provided **US$4 billion** in energy financing—ensuring reliable electricity for an estimated **13.8 million people**—and mobilized **US$1.45 billion** for critical food imports, delivering **5.6 million metric tons** of staples to nearly **30 million households.**

- **We unlocked private sector growth.** In 2024, **312 SMEs and corporates** accessed financing through ITFC's expanding network of **23 partner financial institutions**, reinforcing our commitment to inclusive growth and entrepreneurship.

- **We scaled regional trade integration.** Intra-OIC financing totaled **US$4.8 billion**, supported by strategic programs such as **AATB** and **AfTIAS**, which strengthened cross-border value chains.

- **We invested in Human Capital.** Over **3,100 individuals** benefited from technical assistance and capacity-building—a **32% increase from 2023.** Importantly, **40% were women**, underscoring our drive toward gender inclusion.

From Resilience to Sustainability

In 2024, ITFC took a significant step by embedding **sustainability at the core of our operations**. The adoption of our first **Environmental & Social (E&S) Policy**, a **Ten-Year Action Plan**, and the establishment of new **governance structures** marked a significant milestone in our transformation journey.

We are also developing tailored E&S safeguards for trade finance and designing a **carbon accounting methodology** to assess our emissions footprint—both operationally and across financed activities.

As emphasized in the IsDB Group's vision, development today must go beyond outputs. It must deliver shared value, safeguard the planet, and empower future generations. We fully align with this imperative—and we are committed to being accountable not only for the good we create, but for the risks we mitigate.

Charting the Path Ahead

Our Development Impact Framework continues to guide how we design, implement, and measure success. As we prepare to launch a **Sustainable Trade Impact Framework**, we will further integrate climate disclosures, E&S metrics, and inclusive growth indicators to reinforce development effectiveness.

Yet the road ahead will demand more: more innovation, more alignment, and more courageous thinking. It will require us to lead with both **technical strength and moral clarity**—to finance not just transactions, but transformation.

In Gratitude and Conviction

To our partners, clients, and dedicated staff—thank you. Your continued trust and collaboration are the foundation of everything we do.

Together, we are not only financing trade—we are redefining its purpose. Let us move forward with humility and resolve, to build a more **resilient, inclusive, and sustainable future for all.**

Eng. Adeeb Y. Al Aama
Chief Executive Officer
International Islamic Trade Finance Corporation (ITFC)

IMPACT SNAPSHOT

TRADE FINANCE - 2024

CONTRIBUTION

US$ 7.3 billion
approved

US$ 6.6 billion
disbursed

US$ 4.8 billion
of Intra-OIC trade financing

US$ 2.7 billion
disbursed towards LDCs

110 trade finance operations

26 countries reached

10.5 Average tenor (months)

WHAT WE FINANCED

9.4 million mt
oil/gas delivered to end-customers

5.6 million mt
basic food commodities (wheat, sugar and other foodstuff) financed

842,664 mt
agricultural commodities (wheat, cotton, groundnuts) purchased from local farmers

88,545 mt
fertilizers purchased

US$ 82.1 million
Value of machinery and equipment financed

WHO BENEFITED

Over
30 million
households provided with access to safe, nutritious and sufficient food

Around
380,000
farmers reached

Over
13 million
households provided with access to electricity

312 SMEs and Corporates provided with access to financing

105,588 jobs supported

TRADE DEVELOPMENT (GRANTS-FUNDED)

CONTRIBUTION
(Total portfolio, to date)

214
projects/initiatives co-funded by ITFC

US$ 6.6 billion
disbursed

US$ 33.9 million
Total project/initiatives costs

US$ 22.9 million
ITFC contribution to project/initiatives costs

WHAT WE FINANCED
(in 2024)

20
Capacity building projects/initiatives

29
Benefitting member countries

Key areas of focus:
Islamic finance, export development, agricultural trade, regional integration

WHO BENEFITED
(in 2024)

3,101
people trained

1804
farmers reached

37
Share of women benefitting from trainings

INTRODUCTION

What is the Annual Development Effectiveness Report (ADER)?

Structure of the Report: The Development Impact Framework

How we collect data and evidence for the ADER

What is the Annual Development Effectiveness Report (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

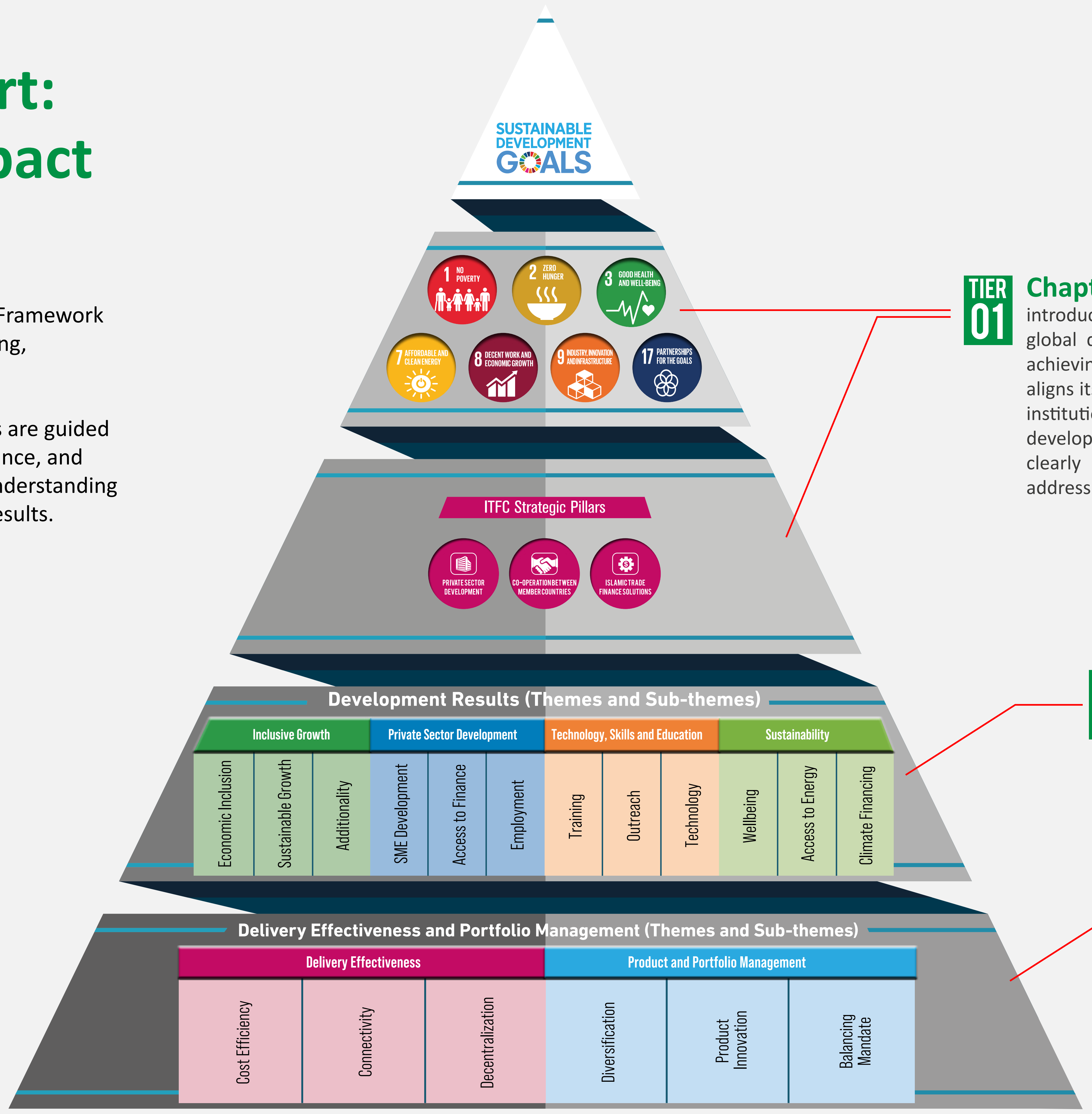
Advancing Trade, Improving Lives

Structure of the Report: The Development Impact Framework

The ADER is structured around ITFC's Development Impact Framework (DIF), which serves as the foundational tool for understanding, measuring, and enhancing the Corporation's impact.

By integrating the DIF into the report's architecture, readers are guided clearly through ITFC's strategic intent, operational performance, and impact management practices, offering a comprehensive understanding of how the Corporation achieves meaningful, measurable results.

The DIF consists of three interconnected tiers, each directly corresponding to the chapters of this report:



TIER 01

Chapter 1: Strategic Context

introduces readers to ITFC's broad strategic goals, emphasizing its value-added contributions to global development objectives and regional advancement among member countries towards achieving the Sustainable Development Goals (SDGs). This chapter outlines how ITFC explicitly aligns its activities with internationally recognized SDG indicators (Tier 1) and strategically defined institutional objectives—such as fostering intra-OIC trade, economic diversification, and the development of Islamic finance solutions. Progress towards these strategic goals is measured using clearly selected key performance indicators, reflecting ITFC's relevance and effectiveness in addressing both global and regional development challenges (Tier 2).

TIER 02

Chapter 2: Development Results

the report explores the tangible outcomes of ITFC interventions, organized under four key impact themes: Inclusive Growth, Private Sector Development, Sustainability, and Technology & Innovation. Each theme's progress is tracked and evaluated through specific indicators, illustrating ITFC's contributions to real-world developmental changes and the achievement of intended objectives across its portfolio (Tier 3).

TIER 03

Chapter 3: Operational Performance

addresses how ITFC ensures effective and efficient delivery of its commitments. Recognizing the importance of operational excellence, this chapter emphasizes how ITFC strategically allocates and manages its resources to maximize developmental outcomes. Performance is assessed through operational effectiveness indicators, reinforcing the link between institutional efficiency and developmental impact (Tier 4).

Chapter 4: Sustainability and Impact Management

describes ITFC's ongoing journey towards refining its impact measurement, verification, and management processes. It underscores how ITFC continuously enhances its governance, methodologies, processes and systems, demonstrating a commitment to continuously improving the accuracy and usefulness of its impact management system.

How we collect data and evidence for the ADER

The credibility of the ADER rests on a robust and integrated Monitoring and Evaluation (M&E) system, designed to ensure that performance reporting is grounded in verifiable evidence. ITFC does not merely report results—it manages for them. This means embedding data collection, impact analysis, and evaluative thinking throughout the lifecycle of every operation, allowing for informed decision-making and continuous learning.

At the core of this approach are three complementary sources of evidence that underpin the ADER's findings:

1. Operational Systems: Tracking Performance and Use of Proceeds

The first layer of evidence comes from ITFC's internal operational systems. These systems track key performance indicators related to disbursements, portfolio allocation, transaction volumes, and sectoral or geographical distribution. They also capture how funds are used—particularly in terms of commodities financed, countries and clients served, and strategic alignment with development objectives. These data points allow ITFC to assess its operational reach, portfolio efficiency, and adherence to institutional mandates.

2. Impact Questionnaires and Self-Assessment Tools:

Measuring Outputs and Capturing Beneficiary Reach

To move beyond input and activity tracking, ITFC integrates a layer of self-assessment for every project/operation. This is done through standardized impact questionnaires completed by clients and partners, which capture tangible outputs such as jobs supported, farmers reached, households fed, or export sales. These tools enable ITFC to assess the direct results of its interventions across the four thematic areas of the DIF: Inclusive Growth, Private Sector Development, Sustainability, and Innovation (Tier 3). These output-level data are essential for member ITFC's contribution to member countries' development, especially in priority areas like food security, energy access, and export promotion.

3. Ex-Post Evaluations: Learning from Outcomes and Capturing Case-Based Evidence

For a deeper understanding of longer-term outcomes and additionality, ITFC conducts selective **ex-post evaluations.** These evaluations are governed by the ITFC Evaluation Policy and follow principles aligned with international standards (OECD DAC). They provide qualitative and quantitative evidence on development outcomes, sustainability, and institutional learning. This outcome-level evidence helps validate the effectiveness of ITFC's approach and feeds into strategic feedback loops for policy refinement and operational improvement.

4. Limitations of the data and mitigation measures

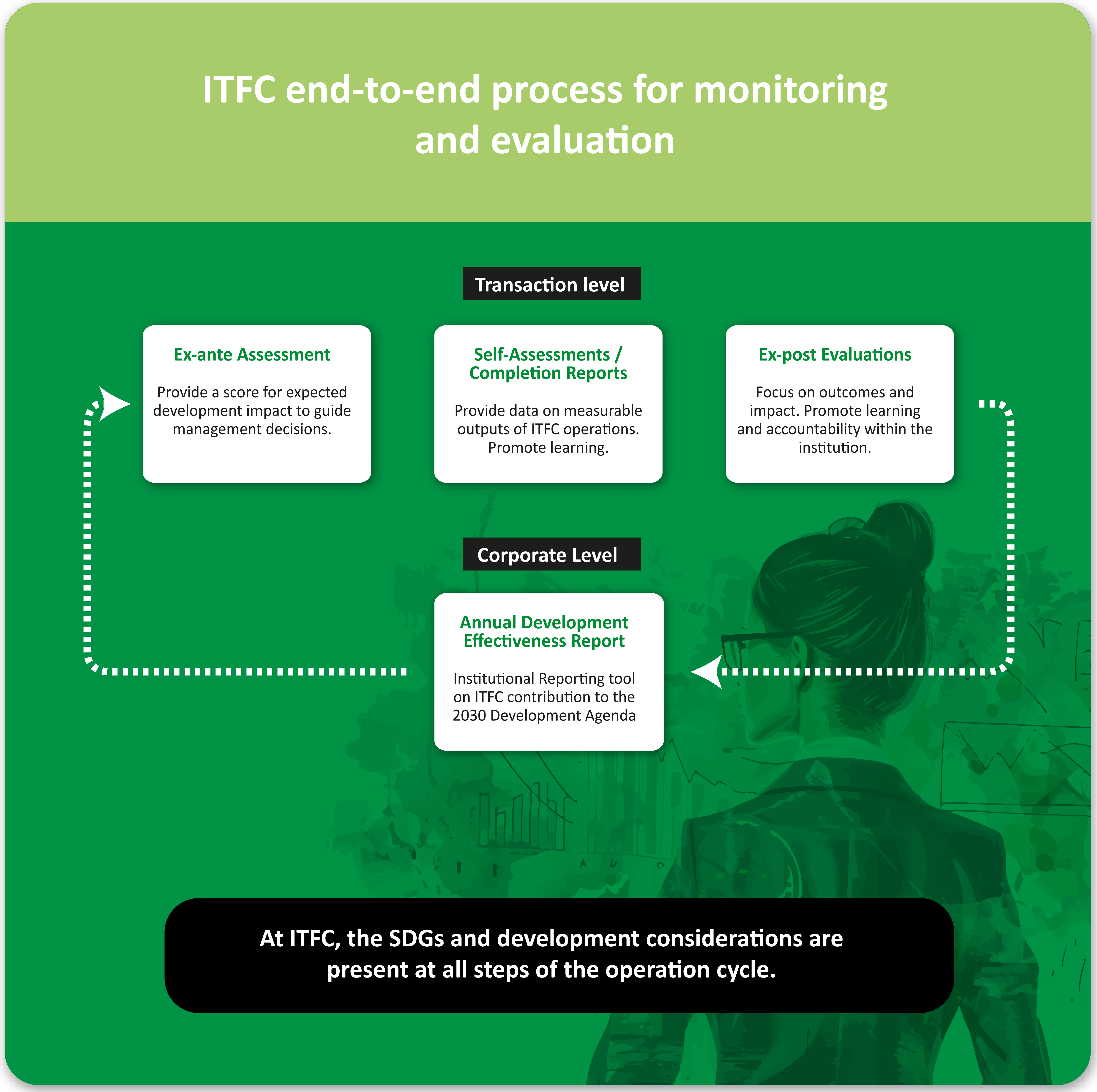
While ITFC's results system is designed to ensure consistency and alignment with strategic objectives, certain limitations persist that affect the depth and precision of the data presented in this report.

First, a significant share of the data is self-reported by clients, sometimes without standardized reporting guidelines. This can lead to variability in data quality, particularly for output indicators such as the number of farmers reached or households fed. Efforts are ongoing to strengthen guidance and harmonize data collection tools.

Second, the M&E system is primarily oriented towards capturing outputs, with limited coverage of outcomes and long-term impact. This is due to both methodological constraints, challenges in attributing impact, and limited capacity to conduct in-depth studies. The short-term nature of trade finance also makes it difficult to observe development outcomes within a single reporting cycle.

Third, ITFC's delivery model sometimes relies on intermediaries such as partner banks. While this approach extends reach and leverages local systems, it can reduce visibility on final beneficiaries and limit data granularity.

Accordingly, this report includes a Verification Statement and an Assurance Statement (see Annexes 1 and 2) which summarize the independent processes undertaken to validate selected data presented. These statements enhance the credibility of the ADER and reaffirm ITFC's commitment to transparency, accountability, and continuous improvement in development effectiveness reporting.



01 STRATEGIC CONTEXT

This chapter sets the scene by introducing ITFC's role within the Islamic Development Bank Group and explaining how it supports trade through Shari'ah-compliant finance and development programs. It outlines ITFC's three main strategic goals and shows how they contribute to the Sustainable Development Goals. The chapter also highlights key global challenges that make ITFC's mission more important than ever.

ITFC's Strategic Position within the IsDB Group

A leading provider of trade solutions

ITFC's Contribution to the SDGs

ITFC and the Evolving Global Development Landscape

01

ITFC’s Strategic Position within the IsDB Group

The International Islamic Trade Finance Corporation (ITFC) is the youngest member of the Islamic Development Bank (IsDB) Group, established to promote regional trade as a driver of development across the Organization of Islamic Cooperation (OIC) member countries. ITFC was created to consolidate and scale up the trade finance operations previously conducted by various IsDB departments under one dedicated entity.

IsDB Group comprises the Islamic Development Bank and five entities

01	02	03	04	05	06
Islamic Development Bank (IsDB) **-** **1975**	**Islamic Development Bank Institute (IsDBI)** **-** **1981**	**Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)** **-** **1994**	**Islamic Corporation for the Development of the Private Sector (ICD)** **-** **1999**	**Islamic Solidarity Fund for Development (ISFD)** **-** **2007**	**International Islamic Trade Finance Corporation (ITFC)** **-** **2008**
Flagship institution that provides financial and technical assistance, to promote social and economic development	Focuses on research, training, and capacity building in Islamic finance	Provides insurance services to facilitate investments and trade flows	Aims to promote private sector development in member countries	Waqf fund with the mandate to alleviate poverty in OIC members	provides trade solutions among OIC member countries

02

A leading provider of trade solutions

As a specialized institution, ITFC's core mandate is to advance trade among OIC countries, with a focus on facilitating access to trade finance, especially for Least Developed Countries and strategic sectors. It provides Shari'ah-compliant trade finance solutions while also engaging in trade development initiatives that address structural barriers to trade. Through this dual role—finance and development—ITFC contributes to intra-OIC trade integration, economic diversification, and inclusive growth, making it a key instrument for realizing the IsDB Group's broader vision of prosperity and resilience across member countries.

Breakdown of ITFC's trade financing instruments

ITFC employs a range of financing instruments designed to meet the diverse needs of its stakeholders, tailored for both large corporations and SMEs. These instruments include –

- **Direct Financing** – Enable ITFC to buy goods from the supplier and sell them to the beneficiary immediately, allowing for deferred payment.
- **Line of Financing** – Banks/Fis serve as intermediaries between ITFC and the end beneficiaries, with ITFC entering a Murabaha Agreement backed by a bank or financial institution guarantee.
- **Murabaha Financing with FIs:** ITFC signs a Murabaha contract with the bank (the bank is the counterparty to ITFC); who signs a second Murabaha contract with the SME.
- **Deferred Murabaha (Structured Commodity Finance)** – ITFC purchases and hold goods until they are sold to the beneficiary, either in one go or in parts, during the financing period.
- **LC Confirmation** - A Confirmation issued by ITFC on a Letter of Credit is an undertaking, in addition to that of the LC Issuing Bank, to pay the exporter / supplier of the LC (i.e. Beneficiary) upon submission of complying documents
- **Co-financing and Syndication** – Collaborate with other financial institutions to provide financing, acting as a Mudarib (lead or co-arranger).

US$ 82.8 BILLION
TOTAL APPROVALS

US$ 70.2 BILLION
TOTAL DISBURSEMENTS

1290
TRADE FINANCE OPERATIONS

56
COUNTRIES SERVED

Highlight of ITFC's trade development interventions

Beyond trade financing, ITFC enhances its value proposition by leveraging grants to implement targeted trade development interventions, addressing structural barriers to trade and supporting capacity building across Member Countries. These efforts are delivered through three main channels:

- **Flagship Programs**

Multi-donor, multi-country initiatives led by ITFC to foster regional trade cooperation and develop strategic sectors. Key programs include:

Arab-Africa Trade Bridges Program | aftias 2.0 Aid for Trade Initiative for the Arab States | Trade Connect Central Asia+

- **Integrated Trade Solutions**

Operations that combine trade finance with trade development components to address client-specific or country-level trade challenges.

- **Targeted Interventions**

Standalone activities in trade facilitation, trade promotion, and technical assistance designed to build capacity and improve the trade environment in Member Countries.

214
PROJECTS/INITIATIVES CO-FUNDED BY ITFC

US$ 33.9 MILLION
TOTAL PROJECT/INITIATIVES COSTS

US$ 22.9 MILLION
ITFC CONTRIBUTION TO PROJECT/INITIATIVES COSTS

56
COUNTRIES REACHED

03

ITFC strategic objectives and its alignment with the Sustainable Development Goals (SDGs)

In an increasingly complex global environment marked by trade fragmentation, external shocks, and rising development finance gaps, ITFC's strategic objectives remain deeply anchored in the 2030 Agenda for Sustainable Development. Through its core mandate to promote trade among OIC member countries, ITFC contributes directly to global development priorities while addressing structural constraints in trade and finance across the Islamic world. ITFC aims to achieve three interrelated strategic objectives that position trade as a central pillar of development:

Promoting Intra-OIC Trade

Encouraging economic integration through enhanced trade facilitation and targeted investments, driving member countries toward the ambitious OIC goal of achieving a 25% share of intra-OIC trade.

Growing Islamic Trade Finance

Leveraging Islamic financial instruments to enhance access to finance, particularly for underserved markets and segments.

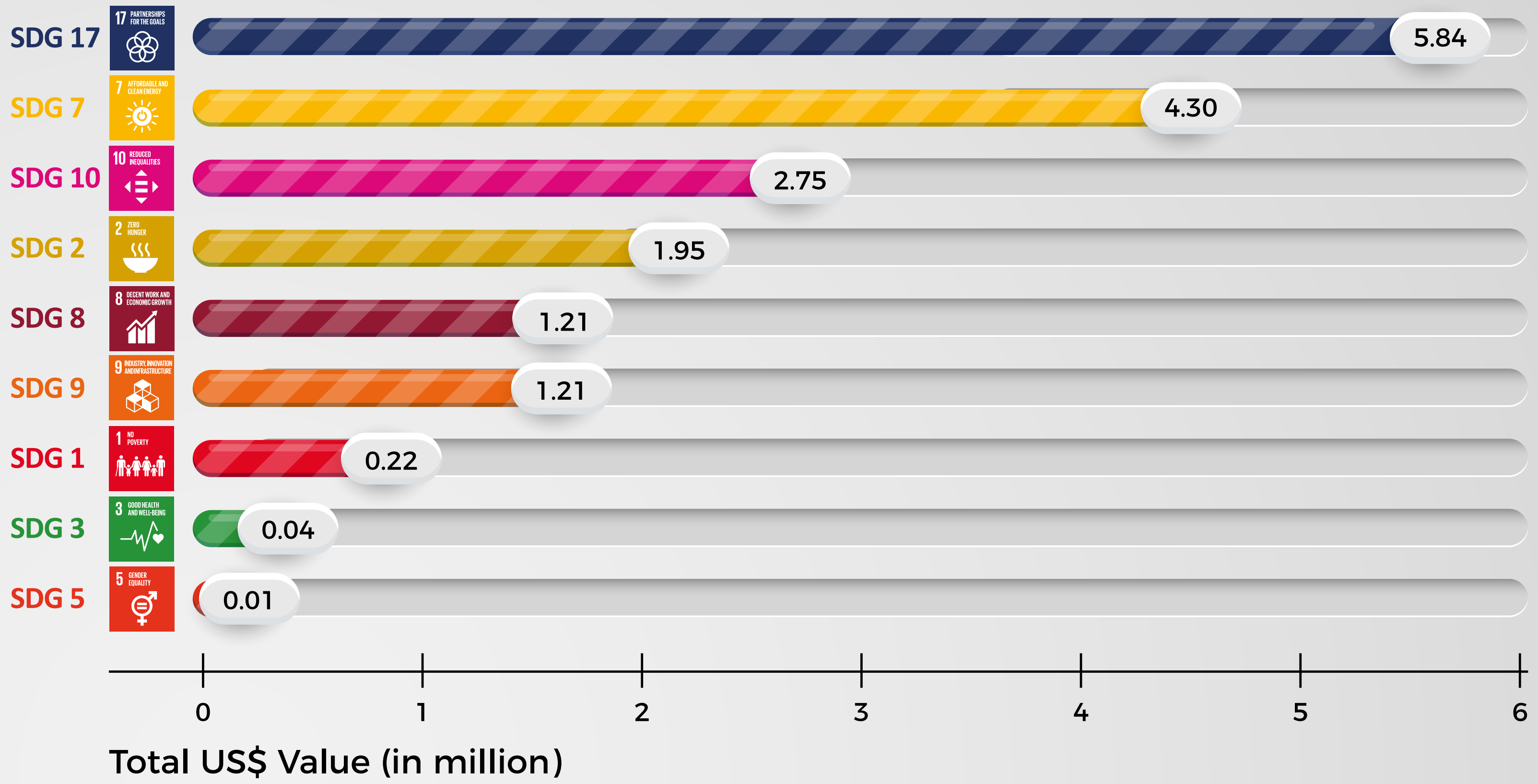
Supporting Economic Diversification

Supporting structural economic diversification in member countries to enhance resilience against external shocks and economic volatility.

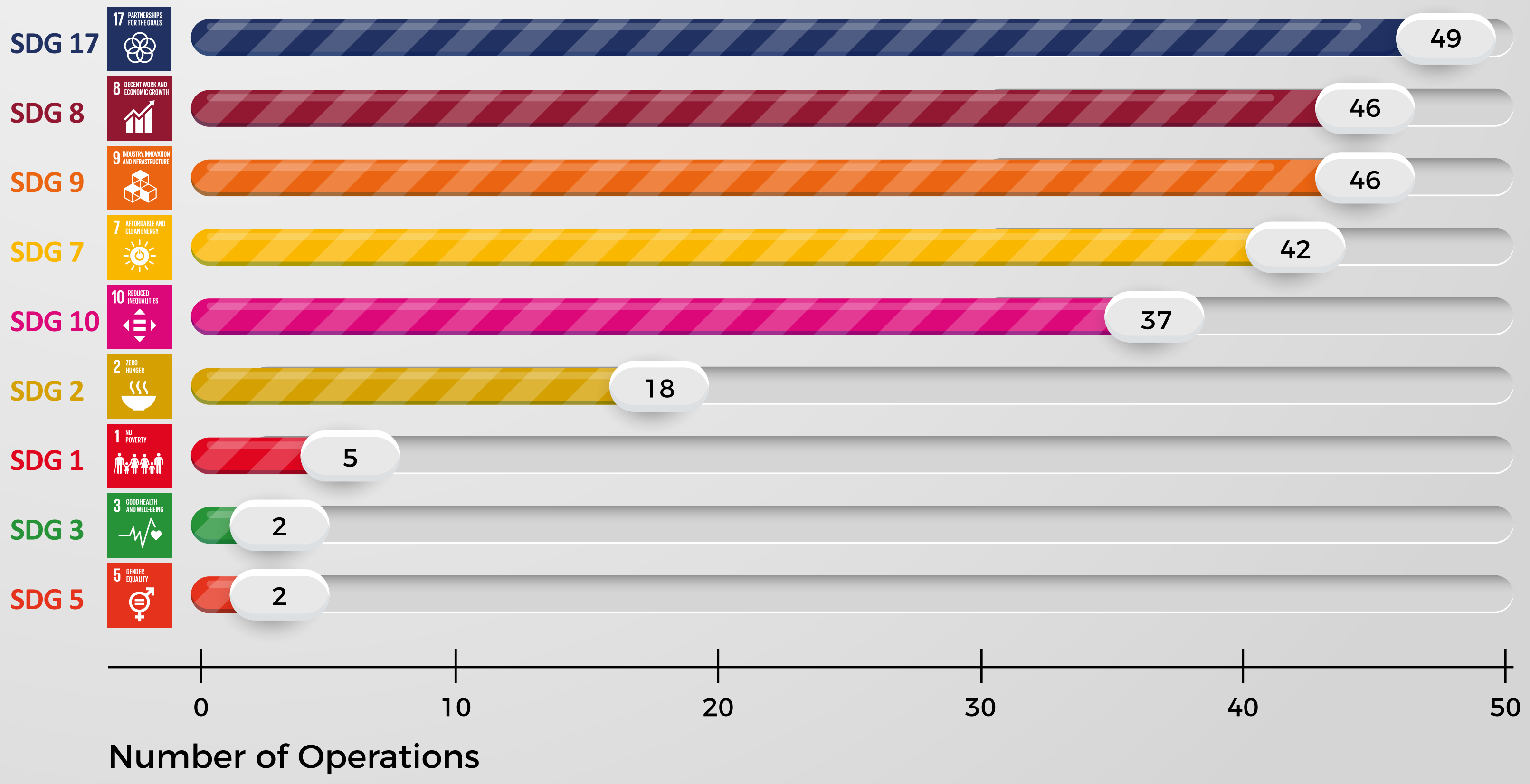
Trade and Sustainable Development

- The 2030 Agenda for Sustainable Development explicitly recognizes international trade as a key driver of inclusive economic growth, poverty reduction, and sustainable development, emphasizing its role as both a means and an end to achieving the Sustainable Development Goals (SDGs) (United Nations, 2015).
- Trade contributes to development by **boosting productivity, enabling technology transfer, and promoting the diversification of exports towards higher value-added sectors.** (World Bank, IMF, WTO, Making Trade an Engine of Growth for All, 2017).
- **Regional trade integration** further strengthens this contribution by enhancing **economies of scale, improving market access, and building more resilient supply chains.** (UNCTAD, Economic Development in Africa Report, 2023).
- However, significant barriers persist. **Limited access to trade finance** remains a major constraint, particularly for small and medium-sized enterprises (SMEs) and firms in developing economies. (ADB, Trade Finance Gaps, Growth, and Jobs Survey, 2021).
- **Trade finance plays a pivotal enabling role** in global commerce by ensuring liquidity, reducing transaction risks, and facilitating the smooth movement of goods across borders (World Trade Organization, Trade Finance and SMEs, 2016).

Distribution of the SDGs Across ITFC 2024 Portfolio (by US$ value approved)



Distribution of the SDGs Across ITFC 2024 Portfolio (by Number of Operations Contributing to each SDG)



ITFC's contribution to the SDGs

US$6.7 billion
of trade finance disbursed to support international trade

US$268.8 million
worth of income redistributed to smallholder farmers

US$2.7 billion
disbursed towards LDCs

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

Over **30 million**
households benefitting from food financing

Around
380,000 farmers
benefitting from ITFC support

3,101
people trained

US$4 billion
disbursed to the supply of energy inputs

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

105,588
jobs supported within client institutions

US$312 million
of financing extended through
23 partner banks

312 corporates and MSMEs provided with access to financing

US$263 million
of agriculture export value pre-financed by ITFC

US$4.2 billion
mobilized from syndicated partners

US$4.8 billion
of Intra-OIC trade financing

04

ITFC and the Evolving Global Development Landscape

ITFC operates at a critical juncture for global sustainable development. As we approach the final years of the Sustainable Development Goals (SDGs) timeframe, global progress remains alarmingly uneven, challenged by persistent crises and emerging economic complexities.

Current Global Economic and Developmental Challenges

In 2024, the world faces compounded difficulties impeding progress toward the SDGs. According to the 2024 UN Sustainable Development Goals Report, just 15% of SDG targets are on track, illustrating deep-rooted global challenges. Extreme poverty persists, with approximately 692 million people globally surviving on less thanUS$2.15 per day. The situation is especially acute in Sub-Saharan Africa, home to 67% of the world's poorest populations.

Global trade is increasingly shaped by overlapping disruptions, including geopolitical tensions, the lingering effects of the COVID-19 pandemic, climate-induced shocks, inflationary pressures, and rapid technological shifts. According to the WTO (2023), global merchandise trade volume stagnated at 0.8% growth in 2023, well below the historical average, due to geopolitical conflicts, trade policy shifts, and supply chain realignments. The COVID-19 pandemic exposed vulnerabilities in logistics systems, particularly for essential goods, while climate-related disruptions have caused an estimated US$1.3 trillion in economic losses globally over the last decade (WMO, 2023).

These factors have fragmented supply chains, tightened access to trade finance, especially for SMEs, and exposed significant disparities in digital readiness.

In this context, deeper intra-OIC trade integration is more urgent than ever. Building resilient regional supply chains, lowering trade barriers, and investing in institutional and digital infrastructure will be essential to help OIC economies navigate global uncertainties and enhance their collective economic resilience.

Trade Dynamics within OIC Countries

Despite global economic sluggishness, intra-OIC trade has shown resilience, increasing modestly by 1.23% from US$ 873 billion in 2022 to US$ 884 billion in 2023. This positive trajectory, though modest, reflects increased local production capabilities, bilateral trade agreements, and strategic regional collaborations aimed at mitigating external shocks such as fluctuating commodity prices, currency instability, and regional conflicts.

However, the overall share of intra-OIC trade within member states' total trade slightly decreased, from 19.27% to 19.16% between 2022 and 2023. This minor decline highlights continuing barriers to deeper economic integration among OIC countries, underscoring the need for intensified and targeted trade facilitation efforts.

Bridging the Persistent Trade Finance Gap

A persistent and expanding global trade finance gap—reaching a recordUS$2.5 trillion in 2022 according to the Asian Development Bank—continues to disproportionately affect SMEs, which form the backbone of OIC economies. SMEs in OIC countries contribute approximately 84.9% of value-added economic activities, yet access to affordable trade finance remains their greatest barrier to growth. World Bank Enterprise Survey data (2023) further underscores that financial access constraints limit SMEs' capacity to invest in technology, skilled labor, and necessary production inventories.

Many OIC countries also struggle with under-financing – Of the 57 OIC member countries, 35 are classified as low-to-middle income countries (LMIC), with limited access to formal trade credit facilities. According to the World Bank Enterprise Survey (WBES) in 2023, access to finance was the biggest challenge for firms in OIC countries, which deters their ability to invest in essential resources such as technology, skilled labor, and inventory.

Islamic finance emerges as a critical instrument in bridging this gap. Islamic financial services have steadily expanded, reaching an estimated market size ofUS$3.25 trillion in 2023, with Islamic banking assets alone comprising nearly 69% of the sector. ITFC recognizes Islamic trade finance as a strategic enabler for SMEs and underbanked markets across OIC countries, providing inclusive, equitable financial solutions compliant with Shariah principles. By facilitating access to affordable and sustainable financial instruments, ITFC directly addresses the chronic shortage of trade finance that restricts economic potential.

“

EXTREME POVERTY PERSISTS, WITH APPROXIMATELY 692 MILLION PEOPLE GLOBALLY SURVIVING ON LESS THAN $2.15 PER DAY

02 DEVELOPMENT RESULTS

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 (DIF), the chapter assesses ITFC impact across four core themes: Inclusive Growth, Private Sector Development, Sustainability, and Technology, Skills, and Innovation. The chapter begins by outlining the conceptual framework guiding ITFC's impact thesis, followed by a performance analysis under each pathway, highlighting 2024 results and year-on-year trends. The chapter then zooms into targeted spotlights and case studies that illustrate ITFC's impact.

Understanding ITFC's Impact Pathways

Performance Highlights and Impact Trends 2024

Thematic Spotlights

1. Understanding ITFC's Impact pathways

ITFC's Theory of Change is structured around four interconnected impact pathways—Inclusive Growth, Sustainability, Private Sector Development, and Technology, Skills and Innovation, which collectively guide its interventions toward lasting development outcomes.

01 Inputs

1. **Allocating and Managing Capital**
   Deploying Shari'ah-compliant trade finance instruments focused on LDCs, fragile states, and intra-OIC trade.
   ↳ **Inclusive Growth | Private Sector Development**

2. **Mobilizing External Resources**
   Syndication and co-financing to scale up trade financing.
   ↳ **Inclusive Growth | Private Sector Development**

3. **Adding Value Beyond Financing**
   Grants-funded interventions such as technical assistance, training, and trade development.
   ↳ **Technology, Skills, and Innovation | Inclusive Growth**

02 Outputs

1. **Increased Access to Trade Finance**
   Liquidity and risk-sharing instruments for businesses, banks, and sovereigns.
   ↳ **Inclusive Growth | Private Sector Development**

2. **Increased Reach of Trade**
   Financial and non-financial support to MSMEs, LDCs, and intra-OIC corridors.
   ↳ **Inclusive Growth**

3. **Increased Volume and Value of Trade**
   Enhanced cross-border transactions, especially in strategic sectors.
   ↳ **Private Sector Development**

4. **Strengthened Capacities in Trade**
   Better institutional and enterprise capabilities through knowledge, training, and networks.
   ↳ **Technology, Skills, and Innovation**

03 Outcomes

Short-Term Outcomes:

1. **Reduced Trade Finance Gap**
   Particularly for fragile and underserved economies.
   ↳ **Inclusive Growth**

2. **Diversified Trade**
   Support for new sectors beyond traditional exports.
   ↳ **Private Sector Development**

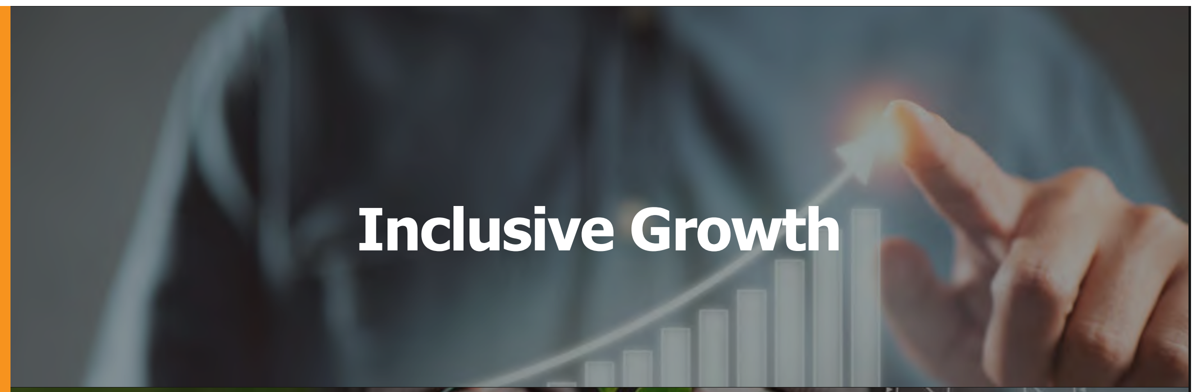
3. **Expanded Market Access**
   Empowering enterprises to access global markets.
   ↳ **Technology, Skills, and Innovation | PrivateSector Development**

Long-Term Outcomes:

1. **Improved Access to Goods and Services**
   Sustaining essential sectors such as energy, food, and healthcare.
   ↳ **Sustainability**

2. **Increased Intra-OIC Trade and Regional Integration and Regional Integration**
   Strengthening cooperation and resilience among Member Countries.
   ↳ **Inclusive Growth | Technology, Skills, and Innovation**

04 Impact Themes



2. Performance Highlights and Impact Trends – 2024

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 2024, ITFC strengthened its efforts in addressing trade finance gaps for underserved markets, with disbursements to Least Developed Countries (LDCs) reaching US$2.7 billion, a modest year-over-year (YoY) increase of 4% from 2023's US$2.6 billion. While this represented sustained commitment in absolute terms, the proportion of LDC financing within ITFC's portfolio saw a decline from 42% to 38%. Since inception, cumulative trade financing disbursed to LDCs now totals US$26.6 billion. Despite operational challenges in the agribusiness sector, ITFC facilitated purchases of 842,000 metric tons of agricultural commodities, valued at US$268.8 million, benefiting approximately 380,000 farmers.

Disbursements to LDCs
US$2.7 billion
12% YoY

farmers reached
380,000
17% YoY

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 continued its pivotal role in maintaining essential supply chains across energy and food sectors. In 2024, energy sector disbursements reached US$4 billion dedicated to oil and gas purchases, enabling energy access for an estimated 13.8 million households—up from 12 million in 2023 (+15%). Energy generated by ITFC clients rose by 9% YoY to 9,750 GWh. Notably, the share of LNG in the energy portfolio increased from 17% to 20%, signaling incremental progress toward cleaner fuel options, though renewable energy remained absent from the portfolio. In food security, disbursements slightly decreased to US$1.6 billion, yet the number of households receiving food support increased to 30 million from 28.8 million (+4%), driven by higher food commodity purchases totaling nearly 5.6 million metric tons (12%) and additional benefiting member countries. However, ITFC reported no significant operatios in the health sector which resulted the absence of benefitting patients in 2024 compared to 35,000 in 2023.

Households provided with access to energy
13.8 million
15% YoY

Households provided with access to food
30 million
4% YoY

Food commodity purchased
5.6 million mt
12% YoY

Private Sector Development

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

Private sector growth remained a strategic pillar of ITFC's operations in 2024, with performance reflecting stronger financial inclusion and broader outreach. The number of corporates and SMEs benefiting from ITFC financing increased to 312, up from 297 in 2023 (+5%), while active private sector clients rose markedly from 38 to 47 (+24%), underscoring deeper engagement across a more diversified client base. Total disbursements declined to US$567 million from the exceptional US$868.1 million recorded in 2023. This reduction is largely attributed to decreased disbursements in a few large-ticket operations. Equally important, ITFC expanded its network of financial intermediaries, with the number of partner banks increasing to 23. This diversification of delivery channels not only broadened geographic and sectoral reach but also reinforced ITFC's strategy to deepen access to finance for SMEs through strengthened local partnerships.

Disbursements to private sector
US$567 million
35% YoY

SMEs and corporates benefitting
312
5% YoY

Active private sector clients
47
24% YoY

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's trade development portfolio as of December 2024 comprises 214 co-funded interventions, including 111 projects and programs (US$29.2 million), 44 capacity-building activities (US$1.5 million), and a variety of events, B2B meetings, and studies. These initiatives amount to a total cost of US$33.9 million, with ITFC co-financing US$22.9 million. Priority sectors include trade and export development (US$13.1 million), agriculture and food security (US$6.7 million), SME development (US$3.3 million), and healthcare (US$2.6 million).

In 2024, ITFC considerably expanded its training and capacity-building initiatives, reaching 3,101 participants, a 31.6% increase from 2,357 in 2023. Across 20 distinct training activities in Islamic finance, export development, agricultural trade, and supply chain management, women accounted for approximately 37% of participants, demonstrating substantial gender inclusivity. Notably, the Indonesia Coffee Export Development Program contributed significantly, training 1,804 participants—around 58% of the total trained in 2024—highlighting ITFC's strategic focus on impactful, large-scale programs (see annex 5).

People trained
3,101
31,6% YoY

Development Results

Development theme	Indicator	SDG	Source	Baseline (2017)	Results 2023	Results 2024	YoY trend
Inclusive Growth	LDC Financing (% of portfolio)	SDG 1	Corporate information system	30	42	38	
	LDC financing (US$ billion)	SDG 1	Corporate information system	1	2.6	2.7	
	Direct jobs supported	SDG 8	Self-assessment	-	106,725	105,588	
	Farmers reached – Trade Finance	SDG 2	Self-assessment	600,000	460,000	380,000	
	Volume of Purchases From (Domestic) Farmers (thousands mt)	SDG 2	Corporate information system	-	312	842	
	Value of Purchases From (Domestic) Farmers ($million disbursed)	SDG 2	Corporate information system	-	155	268,8	
Sustainability	People provided with access to electricity	SDG 7	Model-based	10.4	12	13.8	
	Oil/Gas delivered to end-customers (million mt)	SDG 7	Corporate information system	-	-	9.5	
	Energy Generated (#GWh)	SDG 7	Self-assessment	-	8,985	9,750	
	Renewable energy, share of portfolio	SDG 7	Corporate information system	0	0	0	
	Health Patients served	SDG 3	Self-assessment	-	35,000	0	
	Export Sales (US$ million)	SDG 17	Self Assessment	-	512	263	
	Food commodities imported ((million mt)	SDG 2	Corporate information system	-	5	7	
	Households provided with access to food (# millions)	SDG 2	Self-assessment	-	28.8	30	
	LNG, share of energy portfolio	SDG 7	Corporate database	-	17	20	
	Clients with an environmental policy (share)	SDG 11	Self Assessment	-	52	54	
Private Sector Development	Number of corporates and SMEs provided with access to finance	SDG 9	Self-assessment	-	297	312	
	Average value of financing for corporates and SMEs (US$ million)	SDG 9	Corporate Information system	-	1.9	1.8	
	Active private sector clients	SDG 9	Corporate information system	13	38	47	
Technology, skills and innovation	Number of people trained	SDG 4	Self-assessment	539	2,357	3,101	
	SMEs/Banks trained	SDG 9	Corporate Information system	-	120	132	
	High-Tech trade (share of portfolio)	SDG 9	Corporate Information system	-	-	-	

3. Thematic Spotlights

Unpacking Development Results

Spotlight

How ITFC enables LDC's Integration in Global Trade

Impact Theme – Inclusive Growth

As the trade finance arm of the Islamic Development Bank Group, ITFC plays a pivotal role in addressing trade finance gaps in underserved markets. ITFC has disbursed over US$26.6 billion in financing to date, supporting 21 Least Developed Countries (LDCs). This strategic focus reflects ITFC's commitment to inclusive growth and the empowerment of its most vulnerable member countries.

Energy access is a cornerstone of economic transformation. With 54% of LDC populations lacking reliable electricity, ITFC has disbursed US$23.5 billion to ensure the continuous supply of energy inputs—powering homes, businesses, and industry. Agriculture, employing 57.4% of LDC workers, is another critical sector, supported by US$1.8 billion in financing to sustain productivity, resilience, and food security. Meanwhile, US$608 million has been channeled to support private sector entities through financial intermediaries, and US$704 million were allocated into diverse sectors including manufacturing and pharmaceuticals, helping diversify economies heavily reliant on primary commodity exports.

Beyond finance, ITFC's investment in knowledge and capacity is equally essential. With 56 technical assistance and capacity building initiatives co-funded, including 4 strategic projects with the WTO's Enhanced Integrated Framework, ITFC is equipping LDCs with the tools and skills to connect to global markets and expand trade sustainably. The total cost of these initiatives and projects has reached US$11.5 million, of which ITFC contributed US$6.7 million.

By closing trade finance gaps and fostering institutional capacity, ITFC is not only supporting immediate development needs but also enabling LDCs to strengthen their position in the global trading system.

LDCs in global trade Barriers and opportunities

9%
LDCs' merchandise exports increased by 9% (UNCTAD 2023 LDC Report)

1.5%
Real GDP per capita Growth in LDCs (UNCTAD, 2023)

61.5%
Share of primary commodities among total exports (UNCTADstat)

54%
Of LDC population has access to electricity (World Bank, 2022)

US$ 22 billion
Foreign direct investment inflows in LDC (UNCTAD World Investment Report 2023)

36.2%
Share of manufactured goods among total exports (UNCTADstat)

44 LDCs
Out of which **21** are OIC member states (UNCTAD list of LDCs, 2024)

57.4%
Percentage of total employment in agriculture (World Bank, ILOSTAT, 2022)

29.8%
Share of primary commodities among total imports (UNCTADstat, 2023)

35.7%
of LDC population is living below poverty line in LDCs (World Bank, 2022)

US$ 186.9 billion
Value of Total merchandise exports in LDCs (SESRIC - OIC Economic Outlook 2023)

68.2%
Share of manufactured goods among total imports (UNCTADstat, 2023)

4.5%
Real GDP Growth in LDCs (UNCTAD, 2023)

US$159.7 billion
Value of Total merchandise imports in LDCs (SESRIC - OIC Economic Outlook 2023)

0.9%
LDCs accounted for 0.6% of global exports of commercial services in 2017 (WTO - Trade in Services 2023)

ITFC support to the LDCs (Cumulative Data since inception)

US$31.2 billion
approved

US$26.6 billion
disbursed

38%
Share of total disbursements allocated to LDCs

21
benefitting countries

335
Trade finance operations approved

US$23.5 billion
Disbursed for the supply of energy inputs

US$1.8 billion
disbursed towards food and agriculture

US$608 million
disbursed towards financial services

US$704 million
Allocated to other diverse sectors (manufacturing, pharmaceuticals, construction...)

Top 3 benefiting LDCs
(US$ disbursed amount)

Bangladesh
US$17.8 billion

Burkina Faso
US$2.5 billion

Senegal
US$1.6 billion

56
Number of technical assistance/capacity building projects co-funded by ITFC to support LDC integration in global trade

US$11.5 million
Total costs of technical assistance/capacity building projects co-funded by ITFC to support LDC integration in global trade

US$6.7 million
ITFC co-financing amount for technical assistance/capacity building projects to support LDC integration in global trade

4
Projects implemented in partnership with the Enhanced Integrated Framework of the World Trade Organization (EIF-WTO)

A STORY OF IMPACT

Financing Resilience: ITFC's Multi-Sectoral Impact in Burkina Faso

WHAT?
Objective

Burkina Faso, a landlocked and climate-vulnerable Least Developed Country (LDC), continues to face significant socio-economic and structural challenges. With recurring climate shocks, a high dependence on rain-fed agriculture, and persistent security threats.

Despite this, the country has demonstrated resilience and a continued drive toward economic stability and trade integration.

ITFC's support to Burkina Faso is fully aligned with national priorities and is designed to address critical trade finance gaps in **energy, agribusiness, and private sector development,** enabling the country to maintain economic stability, support livelihoods, and promote exports.

WHO?
Stakeholders

Partners:

SONABHY (Energy): The national hydrocarbons agency and sole importer of petroleum products. It plays a critical role in powering electricity generation, transport, mining, and domestic use across the country.

SOFITEX (Agribusiness): The leading cotton processing company in Burkina Faso. It anchors a vital rural value chain that supports over 200,000 smallholder farmers annually.

CORIS Bank (Private Sector): A key local financial institution through which ITFC has extended financing to SMEs, fostering financial inclusion and private sector resilience.

End Beneficiaries:

- 1.5 million–2 million people, mostly smallholders, dependent on cotton income
- Urban and industrial consumers relying on petroleum-based energy.
- Broader sectors such as mining, transport, and agriculture enabled by reliable energy inputs
- SMEs accessing finance to grow operations.

HOW MUCH?
Scope and Scale

Cumulative (2008–2024):
- **US$3.4 billion** approved across 51 operations
- **48% mobilized** from syndicate partners
- **US$2.5 billion** disbursed:
  - **US$1.3 billion** for petroleum imports (SONABHY)
  - **US$1.1 billion** for cotton sector (SOFITEX)
  - **US$120 million** via CORIS Bank to support SMEs

In 2024:
- **US$508 million** approved
- US$359.5 million disbursed:
  - **US$251 million** for the purchase 167,500 mt of petroleum products (SONABHY)
  - **US$108.4 million** for the purchase of 202,000 mt of cotton (SOFITEX)
- Around **240,000 farmers** benefitting
- Cotton export earnings reached **263 US$ million**

CONTRIBUTION
Additionality

Supporting Farmers income: ITFC's structured financing enabled timely payments to cotton producers, reducing the collection-to-payment period to under one month—a key improvement in producer income stability

Energy Security: ITFC ensured stable energy supply especially in times of disruption, supporting key economic sectors.

Trade Leverage: ITFC's role as a resource mobilizer and long-term partner strengthened national capacity to meet essential import needs while fostering export earnings.

RISKS

Structural Fragility: Burkina Faso is on the World Bank's list of fragile and conflict-affected states, with recurring security challenges and macroeconomic volatility.

Sector-Specific Vulnerabilities:
Cotton: Subject to climate shocks, pest outbreaks, and international price fluctuations.
Energy: Heavy reliance on petroleum increases vulnerability to global price shocks and raises environmental concerns.

Key figures (2024)

Total Approval
US$ 508 million

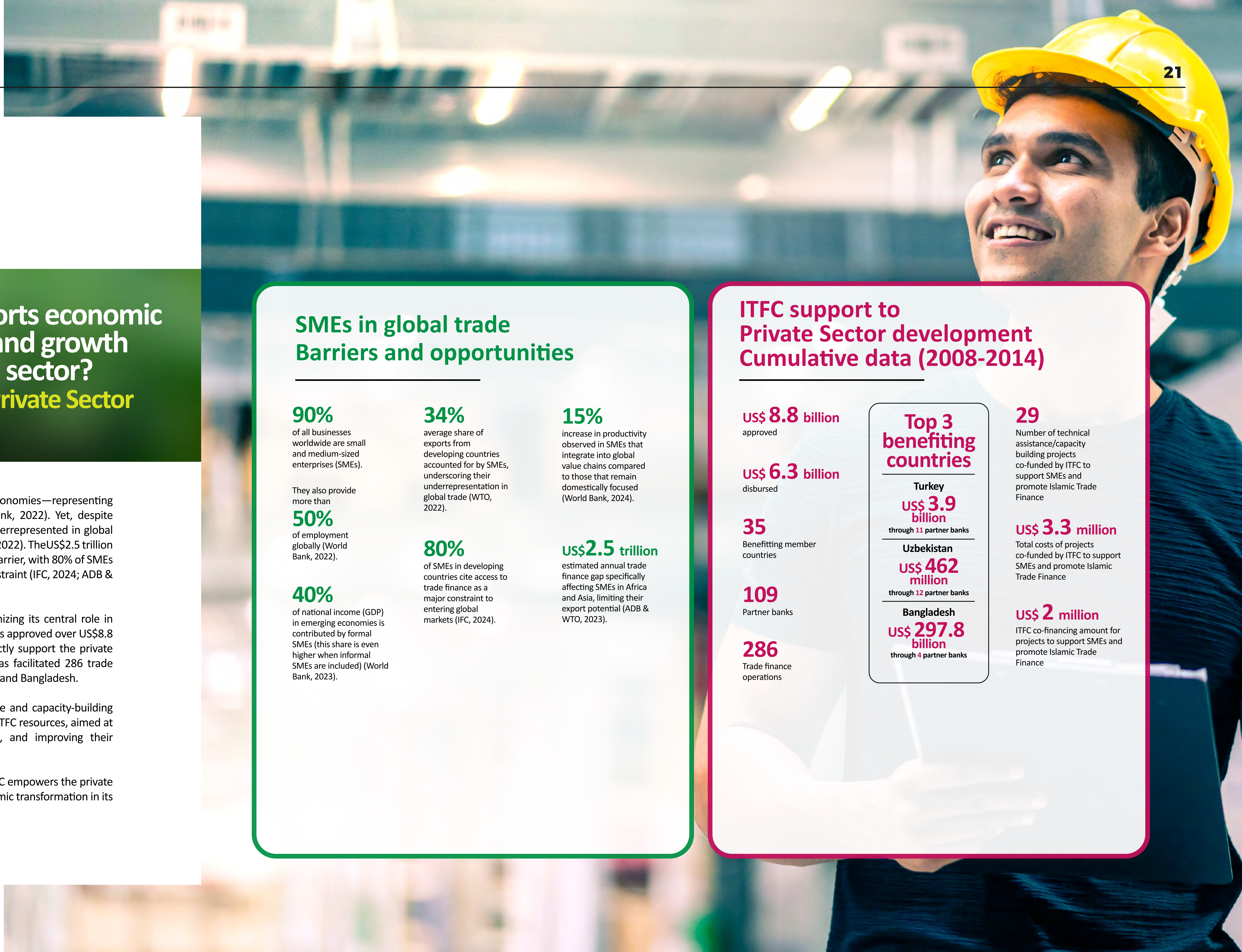
Total Disbursement
US$ 359.5 million

Cotton Procured
202,000 mt

Petroleum Imported
167,500 mt

Farmers Reached Annually
~240,000

Cotton Export Earnings
US$ 263 million



Spotlight

How ITFC supports economic diversification and growth through private sector?

Impact Theme - Private Sector Development

Small and medium-sized enterprises (SMEs) form the backbone of global economies—representing 90% of businesses and over 50% of employment worldwide (World Bank, 2022). Yet, despite contributing up to 40% of GDP in emerging economies, SMEs remain underrepresented in global trade, accounting for only 34% of exports from developing countries (WTO, 2022). TheUS$2.5 trillion trade finance gap—particularly acute in Africa and Asia—remains a major barrier, with 80% of SMEs in developing countries citing lack of access to trade finance as a critical constraint (IFC, 2024; ADB & WTO, 2023).

ITFC places private sector development at the heart of its action, recognizing its central role in fostering economic diversification and inclusive growth. Since 2008, ITFC has approved over US$8.8 billion and disbursed US$6.3 billion in trade finance operations that directly support the private sector across 35 member countries. Through 109 partner banks, ITFC has facilitated 286 trade finance operations, with leading beneficiaries including Turkey, Uzbekistan, and Bangladesh.

To complement financing, ITFC has also co-funded 29 technical assistance and capacity-building projects—worth US$3.3 million, of which US$2 million came directly from ITFC resources, aimed at strengthening SMEs, enhancing their access to Islamic trade finance, and improving their participation in global value chains.

Through this integrated approach of finance and development support, ITFC empowers the private sector to overcome barriers, scale operations, and drive sustainable economic transformation in its member countries.

SMEs in global trade Barriers and opportunities

90%
of all businesses worldwide are small and medium-sized enterprises (SMEs).

They also provide more than
50%
of employment globally (World Bank, 2022).

40%
of national income (GDP) in emerging economies is contributed by formal SMEs (this share is even higher when informal SMEs are included) (World Bank, 2023).

34%
average share of exports from developing countries accounted for by SMEs, underscoring their underrepresentation in global trade (WTO, 2022).

80%
of SMEs in developing countries cite access to trade finance as a major constraint to entering global markets (IFC, 2024).

15%
increase in productivity observed in SMEs that integrate into global value chains compared to those that remain domestically focused (World Bank, 2024).

US$2.5 trillion
estimated annual trade finance gap specifically affecting SMEs in Africa and Asia, limiting their export potential (ADB & WTO, 2023).

ITFC support to Private Sector development Cumulative data (2008-2014)

US$ 8.8 billion
approved

US$ 6.3 billion
disbursed

35
Benefitting member countries

109
Partner banks

286
Trade finance operations

Top 3 benefiting countries

Turkey
US$ 3.9 billion
through 11 partner banks

Uzbekistan
US$ 462 million
through 12 partner banks

Bangladesh
US$ 297.8 billion
through 4 partner banks

29
Number of technical assistance/capacity building projects co-funded by ITFC to support SMEs and promote Islamic Trade Finance

US$ 3.3 million
Total costs of projects co-funded by ITFC to support SMEs and promote Islamic Trade Finance

US$ 2 million
ITFC co-financing amount for projects to support SMEs and promote Islamic Trade Finance

A STORY OF IMPACT

Advancing Islamic Trade Finance to Boost Türkiye’s Export Competitiveness

WHAT?
Objective

In Türkiye, SMEs and export-oriented corporates face challenges due to limited access to Islamic trade finance, creating a persistent financing gap that hinders their expansion into new markets. The growing global demand for Sharia-compliant financial products presents an opportunity for these businesses to secure vital working capital for raw materials, machinery, and pre-export needs, enhancing their competitiveness in international trade. ITFC addresses these issues by providing tailored solutions to strengthen Türkiye's trade ecosystem and support economic recovery
ITFC's objectives are threefold:

- **Promote Export Growth:** Provide Sharia-compliant trade finance to enable businesses to purchase essential inputs (e.g., raw materials, machinery) and fulfill export orders, enhancing competitiveness in global markets.
- **Advance Islamic Finance Solutions:** Deepen the role of Islamic finance in Turkey's trade ecosystem, fostering financial inclusivity and diversifying funding sources.
- **Support Post-Disaster Recovery:** Through targeted financing with Türkiye Sınai Kalkınma Bankası (TSKB), address working capital needs of enterprises in provinces affected by the February 2023 earthquakes, aiming to lessen financial difficulties and boost local economic vitality.

WHO?
Stakeholders

Partner Financial Institutions (Disbursements, 2024):
- o **Ziraat Katilim Bank:** US$ 20 million
- o **Türkiye Sınai Kalkınma Bankası (TSKB):** US$ 32.1 million
- o **Development & Investment Bank of Türkiye (TKYB):** US$ 7 million
- o **Vakif Katilim Bank:** US$ 26 million
- o **Türk Eximbank:** US$ 173.9 million

End Beneficiaries:
- o 112 SMEs and corporates with export-focused operations in various sectors

Syndicated partners:
- o International financial institution contributing to Islamic trade finance mobilization, further expanding the reach of ITFC's support.

HOW MUCH?
Scope and Scale

The scale of ITFC's support in 2024 is evidenced by the following data:
- **Approvals:**US$317.5 million
- **Disbursements:**US$258.9 million
- **External Resource Mobilization:** 61%
- **End Beneficiaries:** 112
- **Use of Proceeds:**

Focused on purchasing raw materials, foodstuffs, machinery/equipment, and metals, critical for export-oriented activities.

Cumulative data from 2008 to 2014 is as follows:
- **Approvals:**US$4.3 billion
- **Disbursements:**US$3.9 billion
- **Partner Banks:** 11
- **External Resource Mobilization:** 84%

CONTRIBUTION
Additionality

ITFC's contributions in 2024 were significant in bridging the trade finance gap, particularly for SMEs facing high inflation and tight monetary policies. By providing Sharia-compliant funding, ITFC expanded financial options, enabling businesses to secure working capital for pre-export activities, thus boosting export competitiveness. This support catalyzed market diversification, encouraging SMEs to tap into OIC member countries and beyond, reducing reliance on domestic markets.
Post-disaster recovery efforts, particularly through TSKB, added value by sustaining businesses in earthquake-affected regions, contributing to local economic stability. The financing supported sectors like textiles, food and agriculture, construction, and automotive, inferred from the use of proceeds, aligning with Turkey's strategic economic sectors.

RISKS

Several risks can be identified:
- **Macroeconomic uncertainty:** High inflation and exchange rate volatility could impact SMEs and exporters.
- **Market fluctuations:** Shifts in global demand for key export products (e.g., textiles, metals) could affect SME revenues, potentially leading to financial instability.
- **Adoption of Islamic finance:** Despite growing interest, challenges in awareness and adoption among SMEs could limit the reach of ITFC's financing, requiring additional awareness efforts.

Key figures 2024

Approval
US$317.5 million

Disbursement
US$258.9 million

Partner Banks:
5

End Beneficiaries:
112

Spotlight

How ITFC leverages grants and partnerships to foster resilient, sustainable and inclusive trade

Impact theme - Technology, Skills and Innovation

Despite progress in regional trade, intra-OIC exports remain heavily concentrated in primary commodities, with 70% lacking significant value addition (SESRIC, 2023). The potential gains from trade facilitation and innovation are substantial—Africa alone could see a US$450 billion income boost by 2035 through full AfCFTA implementation (World Bank, 2023). Similarly, enhancing access to finance and trade capacity-building could increase export diversification among OIC countries by up to 25% (IsDB, 2023), while closing the gender gap in cross-border trade could generate US$42 billion in additional GDP (ITC, 2022).

To help unlock this potential, ITFC leverages its grant resources and partnerships to deliver targeted trade development programs that foster innovation, build institutional capacity, and promote inclusion. Since 2017, ITFC has co-financed 214 trade development interventions with a combined value of US$33.9 million.

ITFC's interventions focus on enabling sectors such as trade and export development (US$13.1 million), agriculture and food security (US$6.7 million), and SME development (US$3.3 million). These initiatives have addressed key constraints such as limited access to trade information, weak digital readiness, and institutional capacity gaps—while also targeting underserved groups like women-owned businesses and small exporters.

Regional trade integration Barriers and opportunities

70%
of intra-OIC exports remain concentrated in a narrow range of primary commodities, highlighting limited value addition across regional supply chains (SESRIC, 2023).

US$ 42 billion
additional GDP potential across OIC economies if women-owned businesses achieve equal participation in cross-border trade (ITC, 2022).

US$ 3.7 trillion
potential boost to global GDP by 2025 through accelerated digital trade adoption and e-commerce capacity-building, benefiting SMEs in developing markets (McKinsey, 2023).

US$ 450 billion
potential increase in Africa's income by 2035 if AfCFTA is fully implemented, with trade facilitation and capacity-building measures playing a pivotal role (World Bank, 2023).

70%
of female-led SMEs in low-income OIC countries report facing higher rejection rates or more stringent collateral requirements when seeking trade finance (World Bank, 2023).

50%
time savings on customs clearance observed in countries that adopt end-to-end paperless trade systems under integrated trade development programs (ESCWA, 2023).

25%
estimated increase in export diversification among OIC countries when SMEs gain equitable access to finance and capacity-building programs (IsDB, 2023).

ITFC trade development portfolio (from 2017 and as of December 2024)

214
Number of ITFC co-funded interventions

6
Studies (0.4 US$ million)

8,672
people trained

111
Projects/programs (29.2 US$ million)

US$ 33.9 million
Total costs

44
Capacity building activities (1.5 US$ million)

US$ 22.9 million
ITFC co-financing amount

32
Conferences/Events (1.5 US$ million)

56
Benefitting countries

12
B2B and trade facilitation meetings (0.8 US$ million)

151
Country-level grants

63
Multy-country / Regional grants

9
Humanitarian aid donations (0.5 US$ million)

12.4
Average project duration in months

Main benefitting sectors (total project costs)

Trade and export development
US$ 13.1 million

Agriculture and food security
US$ 6.7 million

SME development
US$ 3.3 million

Health
US$ 2.6 million

A STORY OF IMPACT

Strengthening Coffee Production and Exports in Indonesia

WHAT?
Objective

Despite being the 4th largest coffee-producing country, Indonesia has seen minimal increases in coffee yield over the past decade. Low adoption of Good Agricultural Practices (GAP), poor post-harvest handling, and limited training capacity are major culprits. Many smallholder farmers lack access to relevant agricultural extension services, consistent financing, and market information. Infrastructure bottlenecks—like farm distance from major roads—also hamper productivity.

The overarching objective of the Coffee Export Development Program is to enhance coffee production and quality in Indonesia by:

- Building the capacity of Master Trainers (MTs) to deliver Good Agricultural Practices (GAP) and post-harvest training to farmers.
- Improving smallholder farmers' productivity and income, ultimately increasing coffee trade revenues.
- Developing a sustainable, professionally supported network of trainers and farmers equipped with up-to-date technical know-how, monitoring tools, and market linkages.

WHO?
Stakeholders

- **Farmers and Farmer Groups:** Over 4,400 coffee farmers (37% female) have received training on GAP, post-harvest handling, and farm-record management across four key provinces (Aceh, North Sumatra, Jambi, and South Sulawesi).
- **Master Trainers (MTs):** Government extension officers, farmer-leaders, agronomists, and NGO staff who serve as the primary conduit of technical assistance. A total of 25+ MTs are active in giving farmer training and mentoring.
- **Sustainable Coffee Platform of Indonesia (SCOPI):** The main implementing partner, coordinating training, capacity-building, and platform development.
- **ITFC:** Program funder and strategic partner, ensuring alignment with broader trade and development goals.
- **Local Governments and Cooperatives:** District- and province-level agricultural offices, local cooperatives, and research institutions that collaborate on training, certification, and policy alignment.
- **Other Private & Non-Profit Partners:** Companies (e.g., fertilizer or coffee buyers), NGOs, and donors (e.g., GIZ, local coffee cooperatives) that co-fund or replicate GAP training in new areas.

HOW MUCH?
Scope and Scale

- **Program duration:** October 2021 – October 2026
- **Program costs:** 480,000 US$
- **Geographical reach:** Central Aceh and Karo are pilot regencies, with expansions to Jambi and North Toraja.
- **Farmer training:** As of end 2024, 4,471 farmers have been trained, covering approximately 3,600 hectares of coffee land.
- **Mentoring & follow-Up:** Farmers receive at least two annual visits from MTs. 36–40% have reported multiple follow-up sessions.
- **Business incubation:** Eight Master Trainers submitted business proposals in the second batch, with six receiving funding for coffee-related enterprises (nurseries, value-added processing).
- **ICE (Information, Communication, Education) Materials:** Over 300 printed materials and new e-learning videos have been produced or are in production, covering topics like fertilization, agroforestry, and post-harvest handling.

CONTRIBUTION
Additionality

- **Improved farming practices:** Midline data shows farmers, on average, know 59% of GAP components and implement 50%—significantly higher than baseline figures. Key improvements include land suitability assessments, fertilization methods, pruning techniques, and integrated pest management.
- **Master trainers professional development:** At least nine MTs in Aceh and North Sumatra will achieve national competence certifications. Many now replicate GAP trainings beyond direct program funding—leading to a multiplier effect in reaching more farmers.
- **Women's participation:** Approximately 37% of the trained farmers are women, and about 45% of midline survey respondents were female. The program specifically tracks female-led SMEs and encourages them to receive both training and financing.
- **Market linkages & income:** Early signs indicate higher coffee yields (median around 786 kg/ha of green bean) and average gross coffee income of ~IDR 69 million annually, suggesting gradual income gains and better quality.
- **Sustainability & replication:** Many trainings are now sponsored by local governments, cooperatives, or the farmers themselves, suggesting a long-term sustainability model with reduced reliance on direct donor funding.

RISKS

- **Climate change & pest incidence:** Warmer temperatures raise pest threats (e.g., Coffee Berry Borer, rust disease). Less than a quarter of farmers currently practice integrated pest management, though training on this topic is being prioritized.
- **Farmer adoption gaps:** While knowledge levels have risen, implementation lags in specialized areas—such as coffee propagation techniques (3% for robusta vegetative propagation) or advanced post-harvest handling (9%).

Key figures 2024

4,471
farmers trained in Good Agricultural Practices and post-harvest handling across four provinces.

37%
of trained farmers are women.

59%
GAP knowledge and **50%** GAP implementation rate among surveyed farmers in the midline study.

786
kg/ha median coffee yield (green bean) for Arabica producers in pilot locations—a 13.7% average yield improvement from the previous year.

IDR 71.5 million median net coffee farm income (minus non-personnel costs) among midline respondents.

8
Master Trainers proposed new coffee-related business models; 6 received seed funding, pointing to diversification of the value chain.

SCOPI SUSTAINABLE COFFEE PLATFORM of INDONESIA

itfc International Islamic Trade Finance Corporation

MUG Program: Indonesia Coffee Export Development

TRAINING FOR FARMERS (ToF) IN NUMBERS

Master Trainers (MT):

Aceh **4** MT | **10** MT Candidates

North Sumatra **3** MT | **7** MT Candidates

Jambi **2** MT Candidates

South Sulawesi **1** MT Candidates

4.5% Champion Farmers Identified

52% Farm Profile Developed

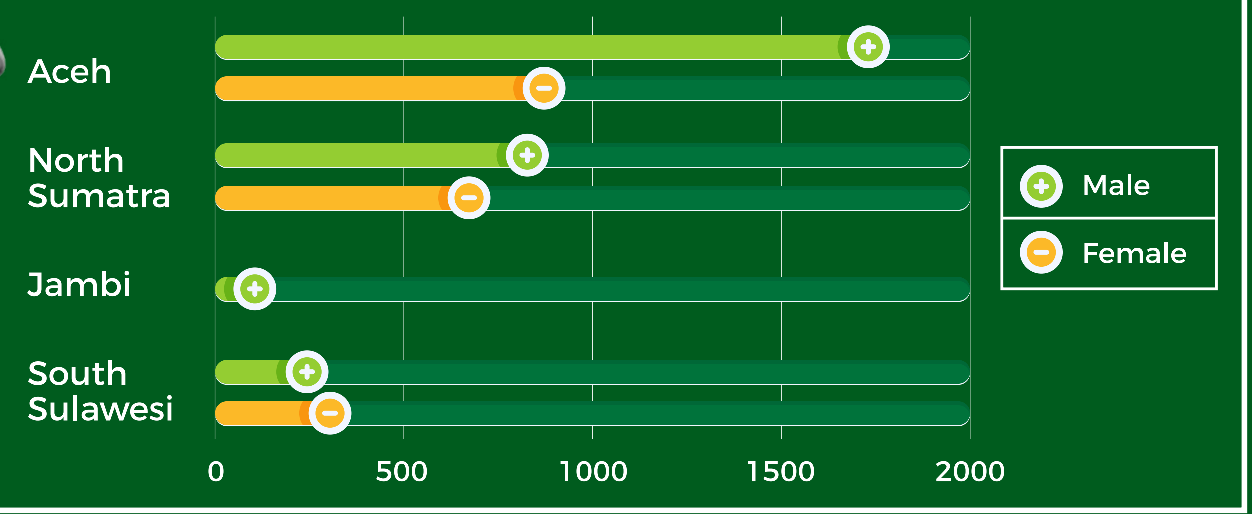
4,471 Farmers Trained

- **63%** 2,787 Male Farmers
- **37%** 1,684 Female Farmers

3,601 Ha Estimated total land size of trained farmers

187 Trained Farmer Groups in

127 Villages



03 OPERATIONAL PERFORMANCE

Operational performance forms the backbone of achieving impactful and sustainable development outcomes. This chapter critically assesses ITFC's performance across two key dimensions: delivery effectiveness and portfolio management. Our analysis underscores how internal efficiency and strategic alignment maximize the developmental impact for our member countries and the communities we serve.

Delivery Effectiveness

Portfolio Management

Strategic Engagements

Delivery Effectiveness

In 2024, ITFC achieved a solid performance, with trade finance approvals reaching US$ 7.3 billion across 110 operations, reflecting robust growth from US$ 6.9 billion in 2023. Disbursements also witnessed a notable increase, reaching US$ 6.7 billion—an 11% increase compared to the previous year's US$ 6 billion. This improved disbursement ratio, rising from 87% to 90%, highlights ITFC's enhanced efficiency in translating approvals into tangible financial support for Member Countries.

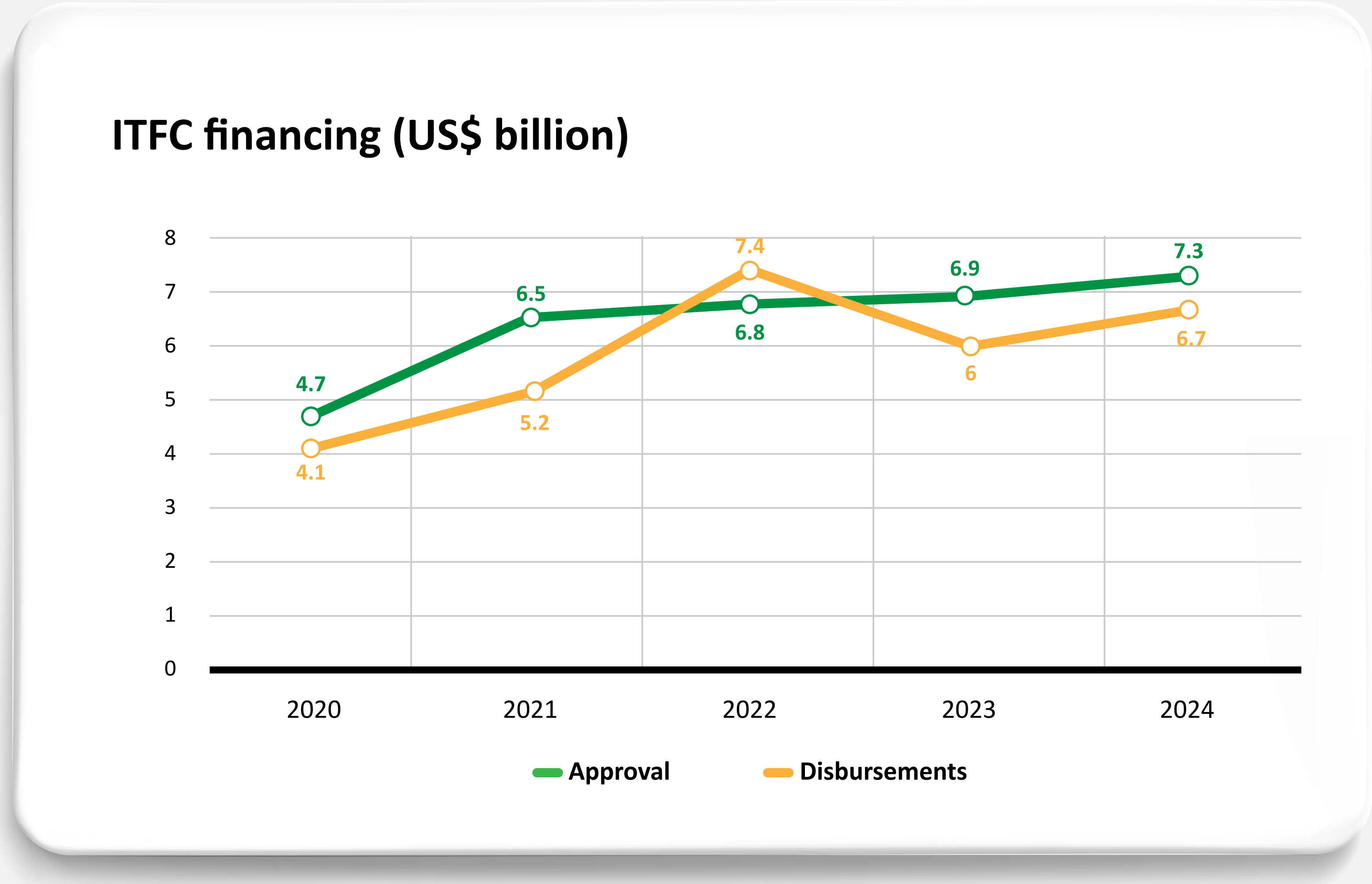
Intra-OIC trade continued to anchor ITFC's strategic priorities, with approvals increasing by 6.5% year-over-year to US$ 4.8 billion, maintaining approximately 67% of the total approvals. Since its inception, ITFC has cumulatively facilitated over US$ 58 billion of intra-OIC trade financing, significantly advancing economic integration and cooperation among member states in alignment with the OIC-2025 Program of Action.

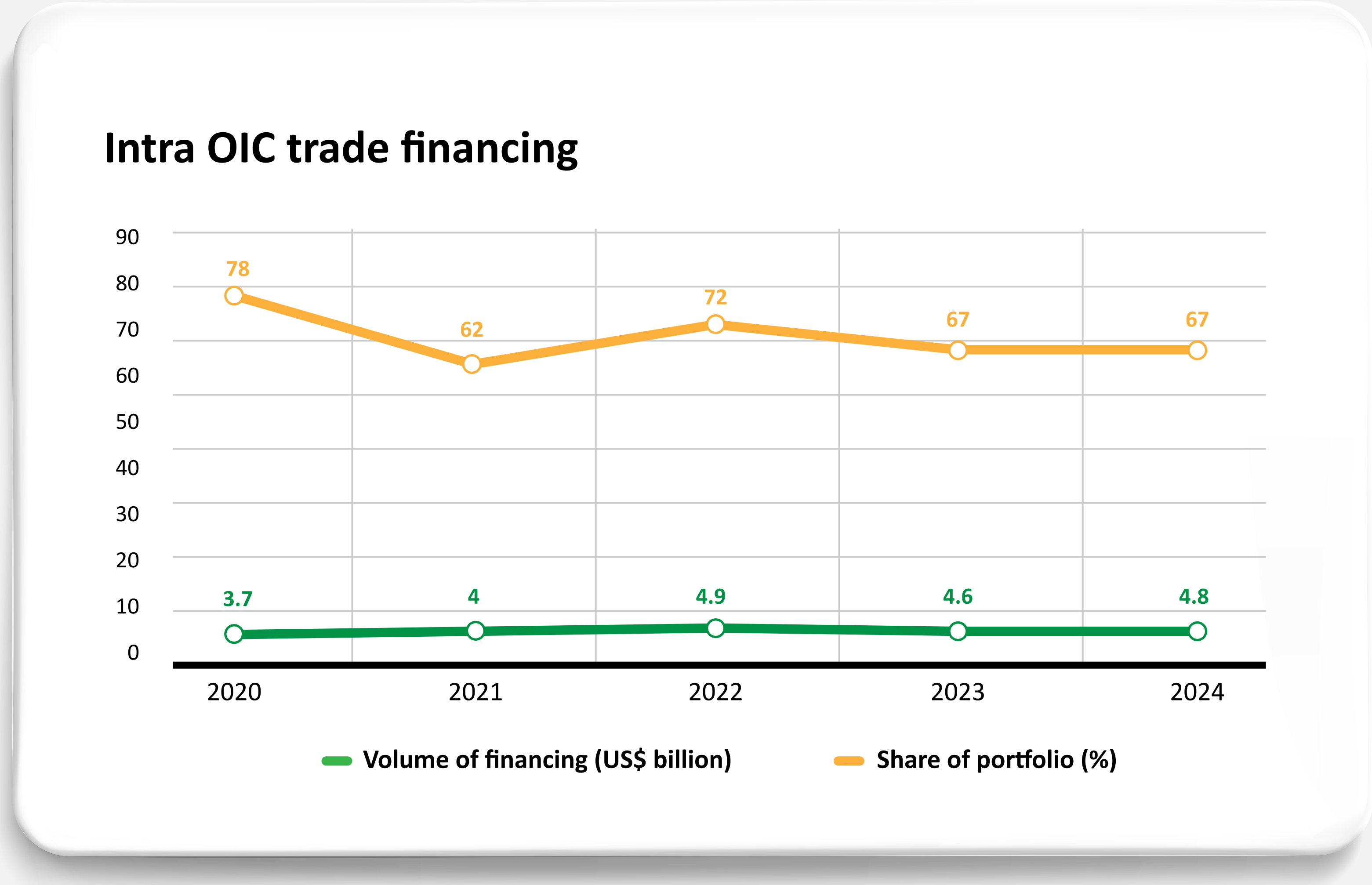
TRADE FINANCE APPROVALS REACHING
US$ 7.3 BILLION

ACROSS
110 OPERATIONS

DISBURSEMENTS REACHING
6.7 BILLION

DISBURSEMENT RATIO RISING FROM
87% TO 90%





INTRA-OIC TRADE APPROVALS INCREASING BY
6.5%

YEAR-OVER-YEAR TO
US$ 4.8 BILLION

REPRESENTING APPROXIMATELY
67%

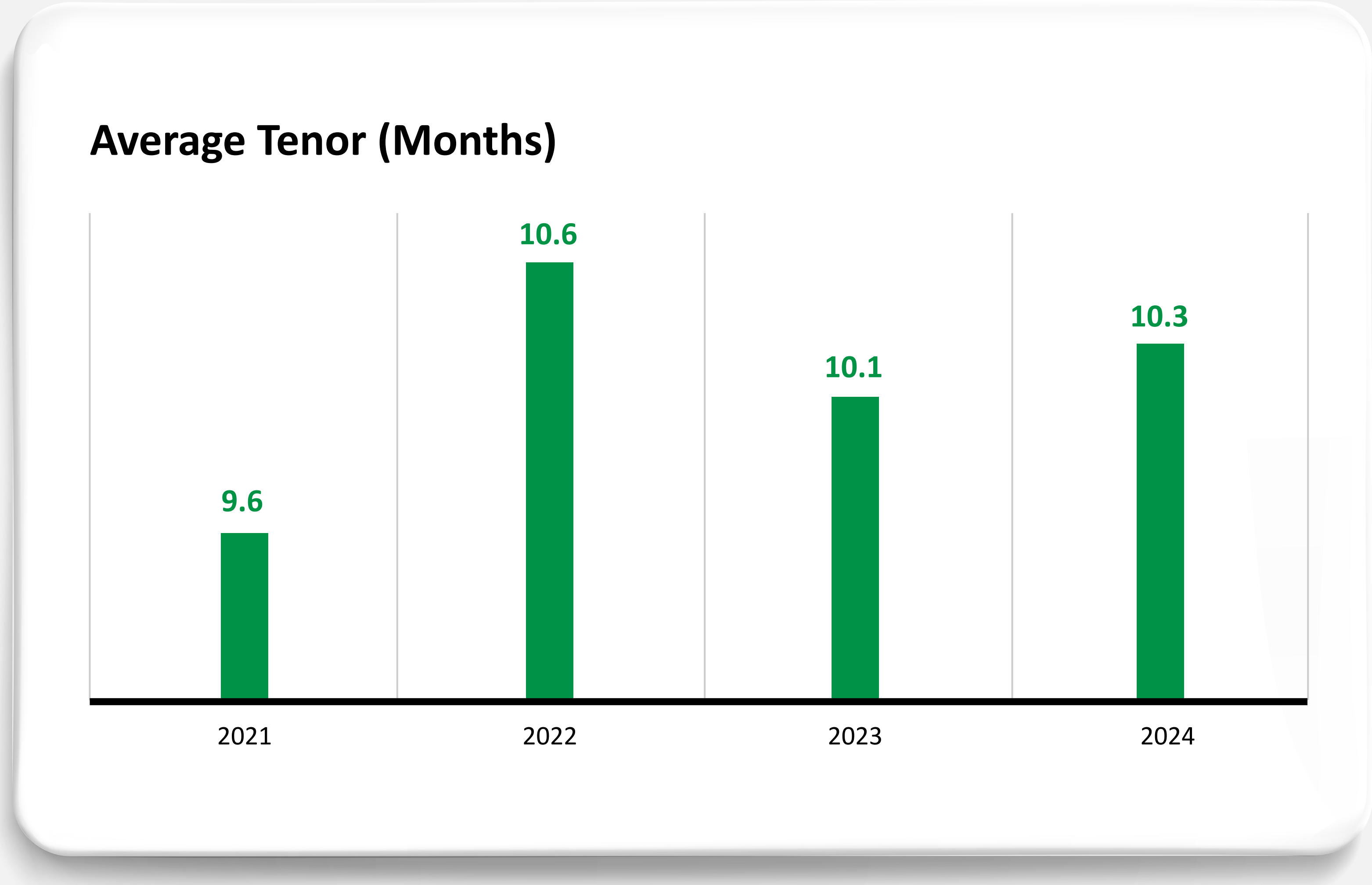
SINCE INCEPTION ITFC HAS CUMULATIVELY FACILITATED OVER
US$ 58 BILLION
OF TRADE BETWEEN MEMBER COUNTRIES

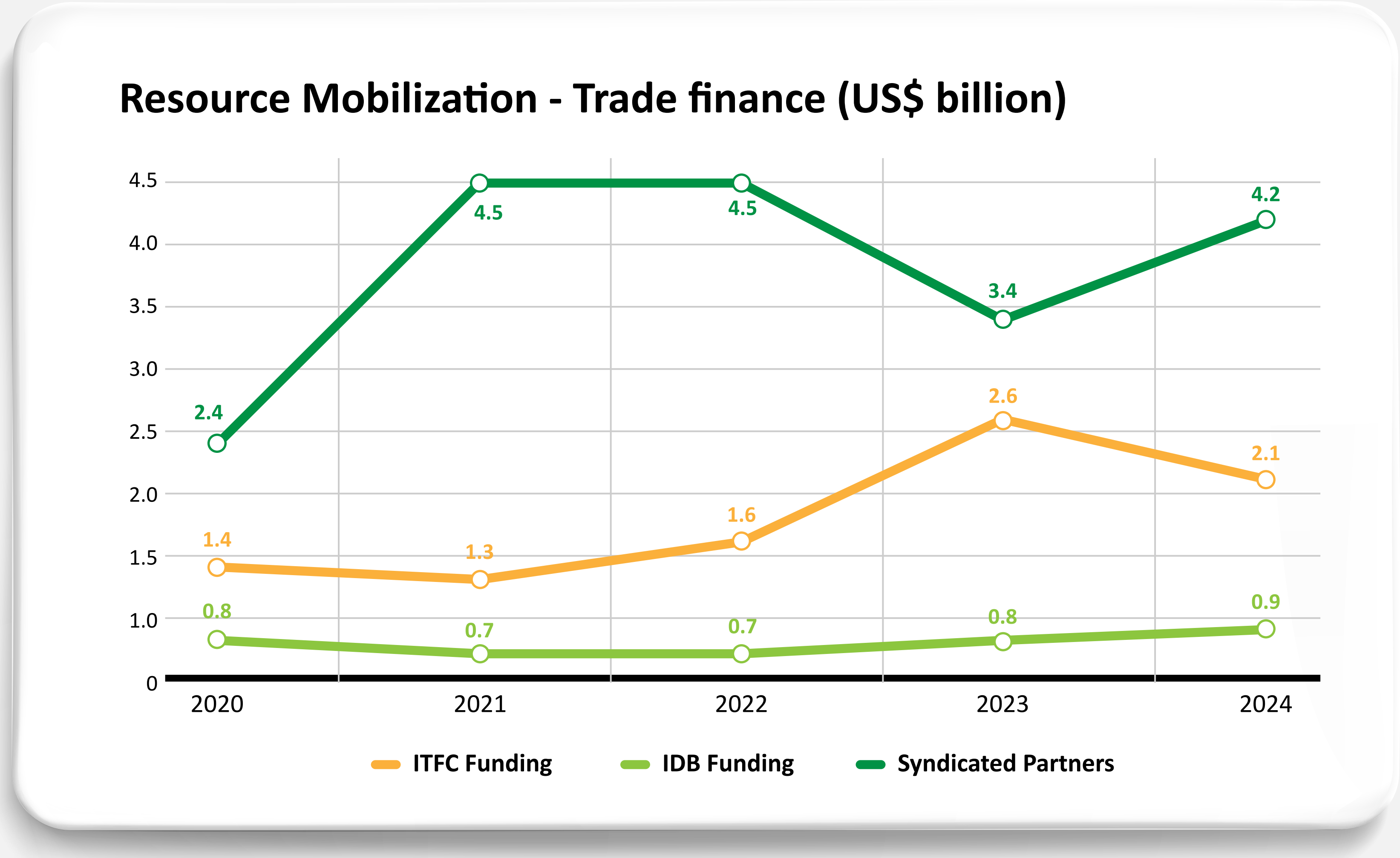
The average tenor of ITFC's financing operations slightly extended to 10.3 months, which reflects a strategic alignment to better accommodate member country requirements amid economic uncertainties.

ITFC continued to leverage partnerships effectively, mobilizing US$ 4.2 billion externally through syndications. Although the share of external resources mobilized dropped to 69% from 76% in the previous year, this was a result of ITFC's deliberate strategy to expand its internal resource deployment and diversify financing mechanisms. Importantly, ITFC retained its global leadership status in Islamic syndication, topping Refinitiv's rankings as the Leading Bookrunner and Mandated Lead Arranger for the fourth consecutive year.

AVERAGE TENOR OF FINANCING OPERATIONS SLIGHTLY EXTENDED TO

10.3 MONTHS





SYNDICATIONS REACHED

US$ 4.2 BILLION

SHARE OF EXTERNAL RESOURCES MOBILIZED DROPPED TO

69% FROM 76%

IN THE PREVIOUS YEAR

Islamic Syndication League Table

Top Bookrunner and MLA

#2	#1	#2	#1
2024	2023	2022	2021

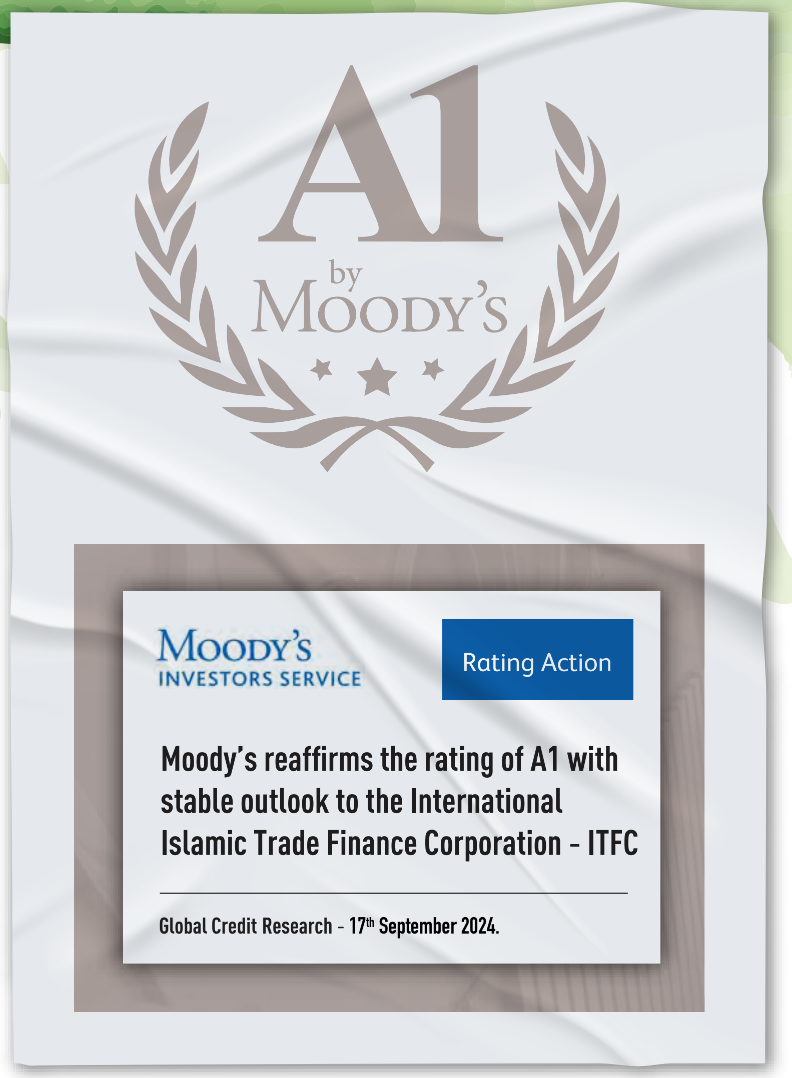
Islamic Syndication League Table

Top Bookrunner and MLA

#1	#1	#1	#1
2024	2023	2022	2021

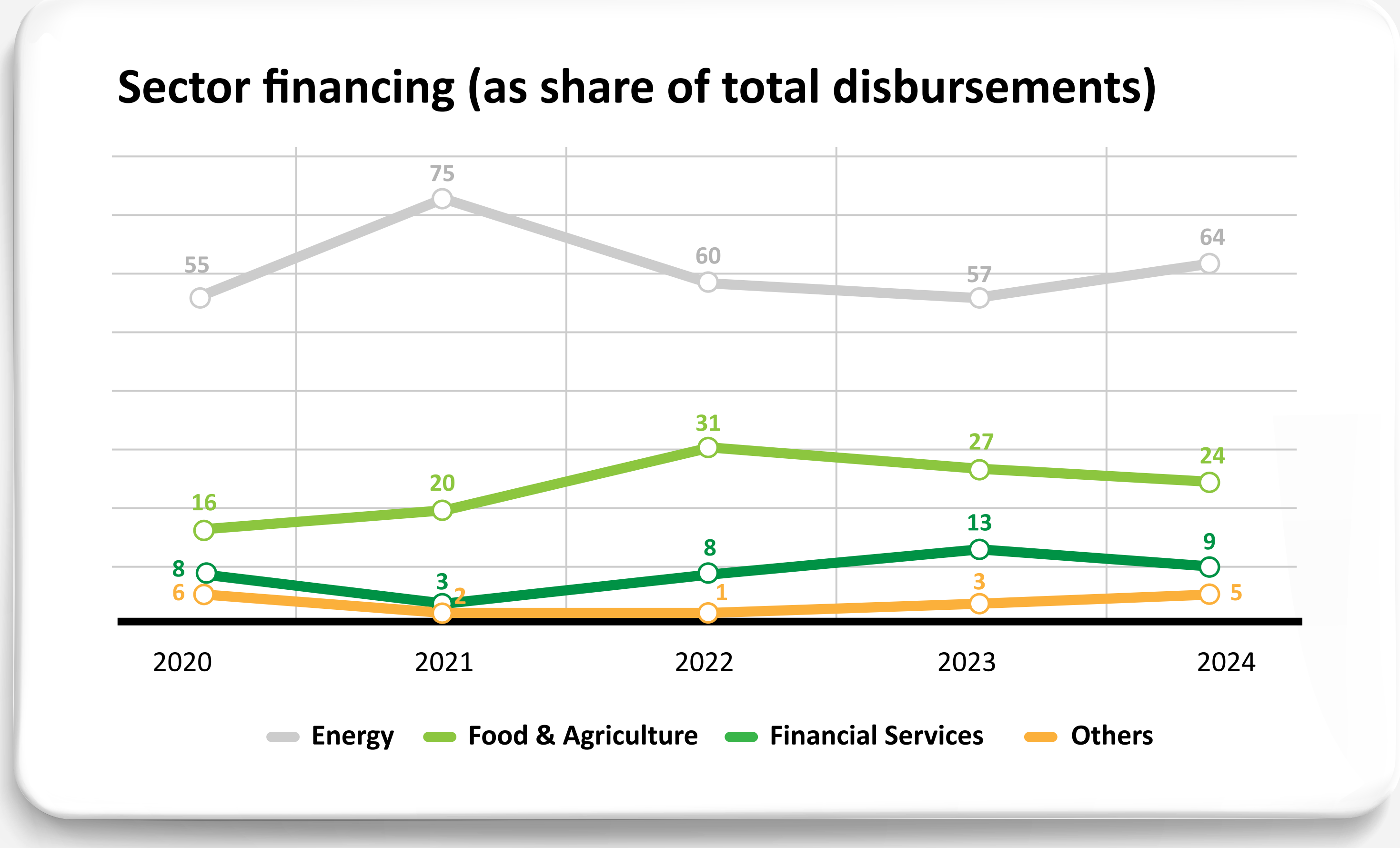
For every dollar approved by ITFC, an additional 3 dollars are mobilized from partners

Portfolio Management



Diversification remained a core focus, with non-energy sector approvals reaching US$ 3 billion, representing 41% of ITFC's portfolio. This shift notably addressed agriculture, food security, healthcare, and financial services sectors, reflecting ITFC's proactive response to critical sustainability and economic resilience needs. Notably, disbursements specifically targeting sustainability and food security amounted to US$ 1.6 billion, significantly contributing to the IsDB Group's Food Security Response Program and directly enhancing food security in vulnerable member countries.

Support for private sector development was sustained, with ITFC disbursements totaling US$ 567 million to 23 financial institutions. Such efforts underscore the Corporation's commitment to fostering private-sector-led growth and economic resilience within OIC member countries.



Geographically, ITFC expanded its operational scope, serving 26 countries, up from 22 in 2023, and onboarded 19 new clients across regions, including Algeria and Oman. Despite broader geographic outreach, the concentration of country resource allocation remains evident, necessitating continued strategic efforts to balance the portfolio further. Africa continued to receive the majority of disbursements (55%), while Asia accounted for 45%, reflecting a more balanced distribution than in prior years and illustrating successful regional diversification efforts.

ITFC's financial prudence and operational excellence continued to receive global recognition, evidenced by Moody's reaffirmation of ITFC's A1 rating. This endorsement underscores robust governance, strong capital buffers, and effective risk management.

Strategic Engagements

In line with strategic country-level engagement, ITFC signed comprehensive Country Programs and Annual Financing Plans with eight member countries, including significant commitments such as US$ 3 billion for Pakistan and EUR 800 million for Cameroon. These strategic engagements demonstrate ITFC's tailored approach to addressing diverse country-specific trade finance needs.

Country Programs and Annual Financing Plans signed in 2024

BANGLADESH
US$ 2.1 BILLION
(ANNUAL PLAN)

CAMEROON
EUR 800 MILLION
(FRAMEWORK AGREEMENT)

COMOROS
EUR 330 MILLION
(FRAMEWORK AGREEMENT)

EGYPT
US$ 1.5 BILLION
(ANNUAL PLAN)

TUNISIA
US$ 1.2 BILLION
(FRAMEWORK AGREEMENT)

PAKISTAN
US$ 3 BILLION
(FRAMEWORK AGREEMENT)

US$ 600 MILLION
(ANNUAL PLAN)

UGANDA
US$ 150 MILLION
(FRAMEWORK AGREEMENT)

UZBEKISTAN
US$ 600 MILLION
(FRAMEWORK AGREEMENT)

Looking forward, ITFC remains committed to exploring new frontiers by expanding its client base, strengthening partnerships, and delivering innovative, sustainable trade solutions. The Corporation is strategically positioned to respond to evolving economic contexts, ensuring continued impactful support to member countries in pursuit of inclusive and sustainable development.

Where do we allocate resources?

2024

TOTAL APPROVALS

US$ 7.3 BILLION

TOTAL DISBURSEMENTS

US$ 6.7 BILLION

Sectoral allocation:
(US$ billion, disbursed)

ENERGY

4

FOOD & AGRICULTURE

1.6

FINANCIAL SERVICES

0.5

OTHERS

0.4

Geographical allocation:
(US$ billion, disbursed)

ASIA

3

AFRICA

3.6

LDC

2.7

INTRA-OIC TRADE

4.8

Cumulative

TOTAL APPROVALS

US$ 82.7 BILLION

TOTAL DISBURSEMENTS

US$ 70.1 BILLION

Sectoral allocation:
(US$ billion, disbursed)

ENERGY

47.2

FOOD & AGRICULTURE

11.2

FINANCIAL SERVICES

6.3

OTHERS

5.4

Geographical allocation:
(US$ billion, disbursed)

ASIA

37

AFRICA

33.1

LDC

26.6

INTRA-OIC TRADE

58.3

Operational performance - Scorecard

Indicator	Source	Baseline (2017)	Results 2023	Results 2024	YoY Trend
Delivery Effectiveness					
Approvals. Trade Finance	Corporate database	4.2	6.9	7.3	
Disbursements, Trade Finance	Corporate database	3.4	6	6.7	
Tenor, Average	Corporate database	7.3	10.1	10.3	
External resources mobilized, (share of portfolio)	Corporate database	78.7	75.8	69.8	
Disbursement (share of approvals)	Corporate database	82	87	90	
Intra-OIC trade, share of portfolio	Corporate database	88	67	67	
Intra-OIC, volume of financing (US$ billion)	Corporate database	4.3	4.6	4.8	
Approvals generated by regional hubs (share)	Corporate database	48	87	93	
Employee engagement score (/10)	Staff survey	-	8.9	8.9	
Portfolio Management					
Non-petroleum trade, share of portfolio	Corporate database	41	46	41	
New clients, number	Corporate database	7	8	19	
Disbursements Asia (share of portfolio)	Corporate database	57	38	45	
Disbursements Africa (share of portfolio)	Corporate database	43	62	55	
Number of operations	Corporate database	54	123	110	
Number of Member countries served	Corporate database	19	22	25	

04 SUSTAINABILITY AND IMPACT MANAGEMENT

This Chapter describes ITFC's ongoing journey towards refining its impact measurement, verification, and management processes. It underscores how ITFC continuously enhances its governance, methodologies, processes and systems, demonstrating a commitment to continuously improving the accuracy and usefulness of its impact management system.

ITFC's Journey to strengthen sustainability and impact management

ITFC's Environmental and Social Policy: A Holistic Framework for Sustainable Impact

Managing E&S Risks: A Tailored Approach for Trade Finance

Integrated Carbon Accounting, Disclosure, and Offsetting

Strengthening ITFC impact reporting

ITFC's Journey to strengthen sustainability and impact management

ITFC's journey towards stronger impact management began by laying a robust foundation **between 2016 and 2018**, marked by the adoption of our Ten-Year Strategy that emphasizes additionality and measurable development impact.

In this foundational phase, we established the Development Impact Framework, which became essential for systematically tracking our performance, and we published our first Annual Development Effectiveness Report (ADER).

From 2019 to 2022, ITFC transitioned into a phase of learning and scaling up. We strengthened our organizational structure by establishing a dedicated Monitoring and Evaluation Unit, enabling more rigorous measurement and assessment of our development effectiveness. During this period, the Development Impact Framework underwent its first comprehensive revision, introducing new indicators and enhanced granularity. We also incorporated systematic scoring of development impacts at both corporate and transaction levels, embedding these insights into our decision-making processes. A key milestone in this phase was the adoption of an ex-post evaluation policy, explicitly designed to enhance learning from our interventions and continuously improve our practices. Additionally, we joined the IFI Working Group on Indicator Harmonization (HIPSO), enabling knowledge sharing and alignment with international best practices.

Since 2023, ITFC is placing greater emphasis on Environmental and Social (E&S) governance. We have adopted our first comprehensive E&S policy, accompanied by a detailed 10-Year E&S Action Plan. To operationalize these commitments, a dedicated Sustainability Committee and associated sub-committees have been established. Importantly, we introduced independent impact verification into our reporting processes, significantly enhancing the accuracy, credibility, and transparency of our reported data.

Looking ahead (2025 and beyond), ITFC is committed to building a comprehensive sustainability practice. We will introduce explicit directives to manage E&S risks and define clear carbon accounting methodologies. Additionally, our reporting framework will evolve significantly, transitioning to the "Sustainable Trade Impact Framework," designed to reflect a holistic approach encompassing E&S impacts, risks, and climate disclosures. We also plan to adopt a digital platform to effectively manage sustainable impact and systematically track our results. Finally, this transformation will culminate in the launch of a comprehensive, integrated Sustainability Report aligned with leading international reporting standards.

Through this structured and strategic evolution, ITFC remains dedicated to strengthening its sustainability practices and continuously improving its approach to measuring and reporting development impacts.

2016-2018

Setting the Foundation

- ITFC's Ten Year Strategy promotes additionality and measurable development impact
- Adoption of the Development Impact Framework to track performance
- Launch of the first edition of the Annual Development Effectiveness Report

2019-2022

Learning and Scaling Up

- Establishment of a dedicated Monitoring and Evaluation Unit
- First Revision of the Development Impact Framework
- Adoption of an Ex-post evaluation policy to foster learning
- Introduction of development impact scoring at corporate and transaction levels to inform decision making
- ITFC became a member of the HIPSO

2023-2025

Strengthening the E&S Governance

- Adoption of ITFC's first E&S policy
- Definition of the 10-Year E&S Action Plan
- Establishment of a Sustainability Committee and relevant sub-committees
- Introduction of Impact verification in ITFC reporting

2025-2026

Towards a comprehensive Sustainability Practice

- Adoption of Directives to manage E&S risks and define Carbon Accounting methodologies
- New Results Framework: Sustainable Trade Impact Framework
- Adoption of a digital platform to manage Sustainable Impact and track results
- Launch of a more comprehensive and integrated Sustainability Report

Ongoing Initiatives

- Mainstreaming E&S risks
- Carbon Accounting
- Aligning Sustainability Reporting with standards
- Sustainable Impact Management Platform

ITFC's Environmental and Social Policy:
A Holistic Framework for Sustainable Impact

The Environmental and Social (E&S) Policy, approved by the Board of Directors during its 82nd meeting on October 16, 2024, marks a significant milestone as it is ITFC's first comprehensive policy dedicated to environmental and social matters. This policy is a pivotal step in advancing ITFC's commitment to creating positive impact in these areas while effectively mitigating any potential negative effects of its financing activities.

Key Drivers:

The policy is underpinned by several key drivers, ensuring its relevance and alignment with both global and institutional priorities:

- **Relevance to MCs' Needs and the Global Agenda:** This includes addressing the pressing climate and social needs of ITFC's MCs, which is in alignment with the UN SDGs and the Paris Agreement.
- **Alignment with the IsDB Climate Action Agenda:** The policy is harmonized with the broader Islamic Development Bank (IsDB) agenda on climate action, outlined in IsDB's climate policy and action plan.
- **Compliance with Evolving ESG Regulatory Requirements:** As global environmental, social, and governance (ESG) regulations tighten, the policy ensures that ITFC remains compliant and proactive in addressing these requirements.

Scope:

The policy integrates environmental and social considerations across five core areas of ITFC's operations:

- **Internal Operations:** Reducing ITFC's carbon footprint and promoting digital transformation to improve efficiency and sustainability.
- **Trade Finance Activities:** Promoting sustainable and inclusive trade finance that benefits both the environment and society.
- **Trade Development & Advisory Services:** Providing integrated solutions, including capacity-building, technical assistance and advisory services to support clients and MCs to address social inclusion and sustainability issues.
- **Treasury Activities:** Mobilizing Shari'ah-compliant sustainable resources to fund projects with positive social and environmental impacts.
- **Assessment, Reporting & Disclosure:** Establishing robust and transparent E&S reporting practices aligned with international standards, ensuring accountability and continuous improvement.

The E&S Policy reflects a holistic approach that integrates both environmental and social dimensions, addressing not only climate change but also critical social issues such as financial inclusion, gender equality, and food security. This inclusive vision acknowledges the interconnectedness of environmental and social factors, enabling ITFC to create more balanced, sustainable trade solutions that align with its mission to drive development across member countries.

Implementation Roadmap:

To support the policy's effective implementation, ITFC is finalizing a series of initiatives that will embed E&S principles across its operations:

- **Ten-Year Action Plan for Products and Services:** Outlines clear targets and milestones to integrate E&S-focused products and services into trade finance, development, advisory, and treasury activities, enhancing ITFC's overall E&S offerings.
- **Five-Year Action Plan for Internal Carbon Emissions:** Aims to reduce ITFC's internal carbon footprint while fostering a green and sustainable work environment.
- **Results Framework and Monitoring &Evaluation Directives:** Development of a new Results Framework and a set of Directives (E&S Safeguards, Development Effectiveness, Carbon Accounting) to strengthen monitoring, evaluation, and reporting of ITFC's E&S performance.
- **Awareness and Capacity Building Initiatives:** Targeted awareness programs to equip staff with the necessary tools and knowledge to implement ITFC's E&S agenda effectively.

objective

Accelerate the progress of member countries' climate change and sustainable development agenda by promoting inclusive and sustainable trade solutions

policy components

How we organize our work | How we serve -our clients | How we mobilize resources

Internal Operations → **trade finance** → **trade development and advisory** → **treasure activities**

cross cutting: e&s assessment, reporting and disclosure

Sustainability Governance in ITFC

Board Level

Executive Committee
Oversee and review all matters related to development effectiveness

Management Level

Sustainability Committee
High-level steering committee. Lead the integration of sustainability principles across ITFC's strategies, operations, and activities.

Technical Level

Sub-Committee Products and Services
Promote sustainable and inclusive trade solutions through trade finance, advisory, trade development, and treasury services

Sub-Committee Culture and Capacities
Enhance organizational awareness through employee training and effective communication of ITFC's sustainability impact.

Sub-Committee Monitoring, Assessment and Reporting
Establish a credible and transparent reporting system that provides stakeholders with clear insights into ITFC's sustainability performance.

Coordination

Strategy Department
Coordinate the implementation of environmental and social (E&S) initiatives across ITFC.

Managing E&S risks:
A tailored approach for trade finance

Financial institutions now face a range of environmental and social risks that can lead to financial losses, damage reputations, and expose them to regulatory fines and litigation. Moreover, aligning with national climate change agendas is essential as local and international regulations tighten in support of initiatives like the Paris Agreement and the UN Sustainable Development Goals.

Existing methodologies and standards are generally not tailored to capture the nuanced risk profile inherent in trade finance. This gap creates challenges for financial institutions trying to design effective E&S safeguards for transactions traditionally considered low risk.

Project Phases and Deliverables

Nov 14, 2024
Project Kick-Off

May 25, 2025

Phase 1:
- **Analysis of current transactions risk profile**
- **Materiality Assessment**

Phase 2:
- **E&S Principles**
- **Risk classification methodology**
- **Define an E&S section template**
- **E&S Directives**

Phase 3:
- **Documentation of risk methodology;**
- **Document detailed implementation guidelines**
- **Training** materials and delivery

Designing effective E&S safeguards for trade finance transactions is particularly challenging due to the following reasons:

1. Traditional Perception of Low Risk:
Trade finance is viewed as low risk, leading to a gap in the standards and processes designed to assess and mitigate E&S risks.

2. Inadequate Existing Methodologies:
Current approaches and guidelines often fail to capture the peculiarities of trade finance transactions, including the short-term, flow nature of these deals and the often-complex supply chain structures involved.

3. Diverse Exposure:
Trade finance institutions face multiple layers of risk—from environmental impacts along the supply chain to social issues such as labor practices and community impacts—which are not sufficiently addressed by standard risk management frameworks.

In response to these challenges, ITFC, with the support of Petra ESG, has embarked on a project aimed at developing tailored E&S safeguards specifically designed for the trade finance sector.

The project includes:

- **Defining E&S Risk Assessment Principles:** Establishing a framework to identify and assess the unique E&S risks in trade finance transactions.
- **Developing a Risk Classification Methodology:** Creating a systematic approach for categorizing trade finance transactions based on their E&S risk profile.
- **Integrating E&S Considerations into Decision-Making:** Designing an E&S section template for inclusion in credit memorandums to ensure that environmental and social factors are embedded into financing decisions.
- **Enhancing Due Diligence Processes:** Providing clear directives and processes for the E&S review of transactions, with a focus on aligning with industry's best practices while addressing the sector's peculiarities.

This tailored approach acknowledges the shortcomings of existing standards and seeks to provide a robust framework that addresses the full spectrum of risks, thereby protecting both the financial institution and its stakeholders.

PetraESG

"Working with ITFC on this project has been a unique and inspiring experience. Our collaboration underscores the necessity of a tailored approach to managing environmental and social risks in trade finance—risks that traditional frameworks don't capture adequately. By aligning our work with the ICC Principles for Sustainable Trade Finance and other leading industry standards, we are not only setting a new benchmark for E&S risk management in trade finance but also positioning ITFC at the forefront of sustainable finance."

Tamara Close,
Senior Director, Petra ESG

Integrated Carbon Accounting, Disclosure, and Offsetting:

Elevating Transparency and Leadership in Climate Reporting

In line with ITFC's broader sustainability transformation, we are laying the foundation for a robust carbon accounting framework that captures both our internal emissions and those associated with our core business: trade finance. Our dual-track approach reflects our commitment to environmental transparency and positions ITFC as a leader in climate reporting within the trade finance industry.

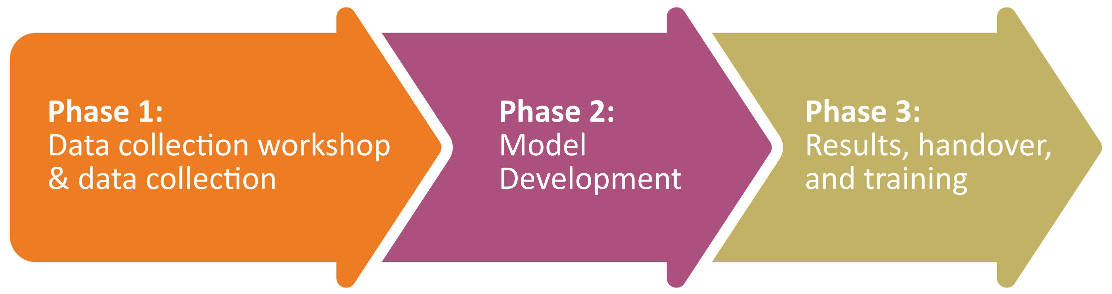
1. Organizational Carbon Footprint

ITFC has worked with the Carbon Trust to build a best-in-class carbon accounting system for measuring and reporting greenhouse gas (GHG) emissions across Scopes 1, 2, and 3 for its internal operations. This project is already in implementation and is expected to conclude by the end of May 2025.

Key objectives include:
Calculating a Scope 1, 2 and 3 carbon footprint for ITFC for FY2024 in accordance with the GHG Protocol Standard.
Developing a Directive and Footprinting Methodology Report, outlining the method for calculating Scope 1, 2 and 3 emissions in alignment with the GHG Protocol and carbon accounting best practices, as well as roles and responsibilities for ITFC team members.

Providing a training on the use of the carbon footprint model to the ITFC team, highlighting the roles and responsibilities of ITFC stakeholders in the footprinting process and how to update the footprint annually.

This initiative will not only improve our internal environmental performance but also reinforce transparency in our disclosures.



2. Trade Finance Emissions Methodology Project

The true carbon footprint of a financial institution lies not only in its operations but also in its financed emissions, the emissions associated with the transactions and projects it supports.
Most global frameworks, such as the Partnership for Carbon Accounting Financials (PCAF), currently do not account for short-term, revolving trade finance transactions, which form the bulk of ITFC's business model. This methodological gap presents both a challenge and an opportunity.
To address this, ITFC is working with the Carbon Trust to co-develop a fit-for-purpose methodology tailored specifically for trade finance emissions. This ambitious project is set to launch in June 2025 and conclude by December 2025.

Key objectives include:

- Developing a innovative methodology to estimate emissions associated with short-term Islamic trade finance products.
- Integrating the framework within ITFC's Monitoring & Evaluation systems and future ESG disclosures.
- Conducting sectoral emissions profiling for transactions in key value chains (e.g. oil/gas, cotton, cereals...).
- Developing a white paper about the methodology, aiming to improve and influence global standards for carbon reporting in trade finance.

Through this initiative, ITFC is not only measuring its impact, but also helping to define how the industry should account for trade finance emissions, positioning itself as a climate reporting leader in this space.

Working with:

CARBON TRUST

"The Carbon Trust is pleased to be working with ITFC on pioneering an innovative trade finance emissions methodology. This project aims to deliver a methodology and framework that addresses a critical gap in current carbon accounting standards. This innovative approach not only accurately captures short-term financed emissions but also sets new frontiers in disclosure practices within the trade finance sector. The Carbon Trust is looking forward to supporting ITFC on this transformative journey and to contribute to elevating industry benchmarks for environmental transparency."

Toby Kwan
Senior Manager, Sustainable Finance
the Carbon Trust

ITFC's Carbon Offsetting Experience

ITFC has actively offset its carbon footprint as part of its journey toward net zero. In 2023, ITFC procured high-quality carbon credits through Regional Voluntary Carbon Market Company (RVCMC) auctions in Nairobi, Kenya, supporting projects that combine CO_2 avoidance and removal across Africa and other Global South regions. This effort, which offset our Scope 1 & 2 emissions, directly complements our Organizational Carbon Footprint Project—an initiative aimed at establishing a robust baseline for internal emissions reporting and driving our ambition to reach net zero in our operations.

More recently, ITFC was among the 23 Saudi and international companies that joined the newly launched RVCMC voluntary carbon market exchange platform. On its first day of trading, the platform facilitated inaugural auctions that offered high-integrity carbon credits from 17 global climate projects. With features such as institutional-grade infrastructure, transparent pricing, and open market connectivity—including functionalities tailored for Islamic Finance—this platform marks a major milestone in scaling carbon offsetting efforts. The enhanced liquidity and robust market data provided by the platform will further empower ITFC to strategically purchase carbon credits, ensuring continued progress toward achieving a net zero internal carbon footprint while setting industry benchmarks in sustainable trade finance.

These offsetting activities not only bolster ITFC's internal decarbonization efforts but also demonstrate our leadership in climate action and social responsibility within the trade finance sector.

ITFC is committed to making its internal business operations carbon neutral by:

1. Calculating greenhouse gas (GHG) emissions across all scopes.
2. Reducing carbon emissions through innovative measures and initiatives.
3. Purchasing carbon offsets to neutralize our internal carbon footprint.

Strengthening ITFC impact reporting

ITFC published its first edition of the Annual Development Effectiveness Report (ADER) in 2016 and has consistently produced annual reports since then, highlighting our commitment to transparency and accountability. The Development Impact Framework, which has provided the foundation for these reports, underwent significant enhancements in 2019. These enhancements introduced additional impact indicators and increased the granularity of data collection, allowing for more precise measurement and deeper insights into our development effectiveness.

A pivotal advancement in our reporting process was the introduction of external impact verification and assurance, first piloted in 2023. This limited assurance exercise, conducted by Bluemark, has substantially strengthened our data governance, enabling greater accuracy, reliability, and credibility in the information we share with stakeholders. The verification process has also offered us valuable insights by benchmarking our reports against industry standards, thereby identifying areas for continuous improvement in both the reliability and completeness of our reporting.

Furthermore, with the recent adoption of ITFC's Environmental & Social (E&S) policy and the anticipated implementation of comprehensive E&S Safeguards and the Carbon Accounting Framework, our impact reporting is poised for further evolution. Beginning next year, we will transition to a new results framework designed to comprehensively capture both development outcomes and associated E&S impacts and risks, including robust climate-related disclosures. In doing so, ITFC is considering alignment with global sustainability reporting standards such as the Global Reporting Initiative (GRI) and the International Sustainability Standards Board (ISSB). This strategic evolution underscores our ongoing efforts to maintain industry-leading practices in impact measurement, management, and reporting.

2017 2018 2019 2020 2021 2022 2023

Aligning metrics and reporting with industry peers

ITFC has taken proactive steps to enhance impact reporting by aligning with global best practices and forging partnerships with leading international financial institutions. A cornerstone of these efforts is our collaboration with the HIPSO Whole Group—a dynamic partnership of multilateral and bilateral development institutions committed to fostering greater development impact through common, harmonized indicators.

In 2021, ITFC endorsed the Multilateral Development Banks' Harmonized Framework for Additionality in Private Sector Operations and became a member of the International Financial Institution (IFI) Working Group on Indicator Harmonization (HIPSO Whole Group). This partnership has enabled us to join 27 other IFIs as a signatory of The Harmonized Indicators Memorandum of Understanding, reflecting a long-term commitment to shared learning and a client-centric approach.

During the Annual Meeting held in June 2024 in London, it was agreed to establish a dedicated working group for trade finance. This working group will define common indicators to measure the impact of trade finance operations, further reinforcing our commitment to robust impact reporting.

HIPSO

Benefits of ITFC's HIPSO Membership include:

01 Aligning Methods and Metrics with international best practices

01 Knowledge Sharing through thematic working groups

01 Promoting Impact Investing among clients

Current HIPSO Metrics in ITFC's Development Impact Framework:

- Direct Jobs Supported (#)
- Volume of Purchases From (Domestic) Farmers (mt)
- Value of Purchases From (Domestic) Farmers ($)
- Farmers Reached (#)
- Value of Export Sales ($)
- Volume of Export Sales ($)
- Oil/Gas Delivered to End-Customers (mt)
- Energy Generated (MWh)
- Community Development Contributions ($)
- Payment to Government ($)

Strengthening Impact Reporting through Third-Party Verification

Third-party verification is essential to ensure the credibility and accuracy of impact data. Recognizing this, ITFC first engaged BlueMark in 2023 to verify the Development effectiveness report and provide a limited assurance to a pre-defined set of reported indicators. This initial experience was highly beneficial, helping ITFC enhance data governance, ensure accuracy, and build stakeholder trust.

The engagement has now evolved into a strategic, multi-year partnership with BlueMark covering 2025–2027. Under this expanded agreement, BlueMark will support ITFC across two distinct services:
Annual Impact Reporting Verification and Assurance: Independent assurance and verification of ITFC's impact reporting. This annual exercise ensures the completeness and reliability of reported results, including by providing limited assurance of a select set of KPIs, and identifies areas for improvement in ITFC's broad approach to impact reporting.

Impact Management Practice Verification: This verification assesses ITFC's impact management practices against industry standards, including the Operating Principles for Impact Management (OPIM), and provides tailored recommendations to strengthen our internal processes.

Through this multi-year partnership, ITFC aims to further strengthen both its impact reporting and internal impact management systems, ensuring alignment with global best practices and enhancing the overall effectiveness of our development interventions.

During the Annual Meetings of the HIPSO in June 2024, hosted by the British International Investment (BII), ITFC led and moderated a session on the role and importance of impact verification services with representatives from IFC, BII, Bluemark and Impact Frontiers

BLUE MARK

"ITFC continues to set the standard in impact investing through its sustained commitment to independent verification. The choice to have a subset of the impact KPIs in their Annual Development Effectiveness Report assured on an annual basis demonstrates their dedication to best-in-class impact management, accountability, and transparency. We are proud to support ITFC on this journey and look forward to our ongoing partnership."

Paige Nicol,
Senior Director, Europe and APAC

LOOKING AHEAD

As the global development landscape becomes increasingly unpredictable and fragmented, the role of trade—and ITFC as a leading trade solutions provider—has never been more critical. In 2025 and beyond, ITFC stands at the confluence of growing demand for resilience, inclusion, and sustainability within trade ecosystems, particularly across the OIC member countries.

The ongoing geopolitical disruptions, from regional conflicts to the reshaping of global supply chains, have intensified trade vulnerabilities, especially in low-income and commodity-dependent economies. In this context, ITFC's mandate to promote intra-OIC trade, expand access to Islamic finance, and address structural trade bottlenecks offers an essential mechanism for economic stabilization and integration.

Going forward, ITFC will deepen its focus on inclusive growth, expanding its reach to underserved markets, particularly smallholder farmers, SMEs, and women-led enterprises. As the trade finance gap continues to widen—especially for the most vulnerable—ITFC’s tailored instruments will remain essential in crowding in private capital and scaling impact.

Equally, sustainability will be further elevated to a foundational lens through which all interventions are assessed. The adoption of the Environmental and Social Policy and the forthcoming Sustainable Trade Impact Framework mark the beginning of a new era for ITFC sustainability practice. —Going forward, environmental, social and climate risks will be systematically embedded across operations, from origination to reporting.

Looking ahead, ITFC will also continue to champion evidence-based impact management, aligning its reporting with global frameworks to ensure that the impact of its interventions is transparent, measurable, and accountable.

ANNEXES

Annex I Verifier Statement

Verifier Statement

Summary of Findings from Impact Reporting Verification

Prepared for International Islamic Trade Finance Corporation (ITFC): May 1, 2025

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 the 2024 Annual Development Effectiveness Report ("the Report") ahead of its publication, drawing on BlueMark's proprietary framework and approach to verifying impact reports.

Summary conclusions

- BlueMark's verification findings indicate the 2024 Annual Development Effectiveness Report (ADER) to be a complete and reliable representation of the firm's impact strategy and reported results, demonstrating leading practice within the current state of impact reporting and broad alignment to the Impact Performance Reporting Norms.

Completeness:

- The 2024 ADER builds on previous reports by reinforcing ITFC's mission to advance trade as a catalyst for development in OIC member countries. The ADER reports impact data at the portfolio-level, by impact theme, and at the transaction-level, within select case studies. ITFC also reports investor contribution metrics, focused on technical assistance and funding for capacity building.
- To expand on the completeness of its reporting, ITFC should report transaction-level data relative to prior year's performance (within case studies) and consider reporting portfolio-level metrics relative to targets or benchmarks. To more holistically convey impact performance, ITFC should consider reporting ESG performance data, negative impacts, and Sustainable Impact Framework scores within future reports.

Reliability:

- The 2024 ADER has a chapter dedicated towards ITFC's sustainability and impact management approach and methodological notes providing definitions and sources for all metrics within the Development Impact Framework. ITFC collects impact data from utilization reports and client self-assessments and has a process in place to review the quality of impact data.
- In future, ITFC should codify its internal quality control protocols, noting the roles and responsibilities of team members involved. Furthermore, ITFC may consider expanding its overview of data collection processes to include the frequency of data collection, as well as data review. ITFC could also elaborate on its process for engaging with end-stakeholder and update its methodological notes to further highlight industry standard alignment and calculation methodologies.

Verifier Statement

Summary of Findings from Impact Reporting Verification

Prepared for International Islamic Trade Finance Corporation (ITFC): May 1, 2025

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 Report;
3. Analysis of the Report was organized by the following key criteria, informed by BlueMark's research and Impact Frontiers' Impact Performance Reporting Norms:
   - Completeness: Assessment of completeness of reporting against the impact strategy and impact performance results at both the portfolio- and investment-level.
   - Reliability: Assessment of the clarity and quality of impact performance data presented in the report, including underlying data management systems and practices.

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.

[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.

Annex II Assurance Statement

Independent Limited Assurance Statement

International Islamic Trade Finance Corporation

Development Effectiveness Report 2024

Prepared for International Islamic Trade Finance Corporation: April 30, 2025

Introduction

BlueMark was engaged by the International Islamic Trade Finance Corporation (ITFC) to conduct a limited assurance of select information in its Development Effectiveness Report 2024, 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 13 preselected KPIs reviewed in the Development Effectiveness Report 2024:

- KPI 1: *Approvals ($)*
- KPI 2: *Disbursements ($)*
- KPI 3: *LDC financing ($ disbursed)*
- KPI 4: *External resources mobilized ($)*
- KPI 5: *Intra-OIC trade ($ approved)*
- KPI 6: *Average tenor (months)*
- KPI 7: *Food commodities imported (mt)*
- KPI 8: *Number of corporates and SMEs (#)*
- KPI 9: *Direct jobs supported (#)*
- KPI 10: *Volume of purchases from (domestic) farmers (mt)*
- KPI 11: *Value of purchases from (domestic) farmers ($ disbursed)*
- KPI 12: *Oil/gas delivered to end-customers (mt)*
- KPI 13: *Number of people trained (#)*

BlueMark can therefore provide limited assurance for the 2024 data reported against each of the KPIs listed above. The measurement criteria 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 2024, 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 IMal system, ITFC's other data collection and impact management 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 2024, including background materials related to each of the five specified KPIs.
    - Specific documentary evidence reviewed by BlueMark included the Development Effectiveness Report 2024, ITFC's IMal system, and a sample of utilization reports, self-assessment reports and credit memos, along with

Independent Limited Assurance Statement

International Islamic Trade Finance Corporation

Development Effectiveness Report 2024

Prepared for International Islamic Trade Finance Corporation: April 30, 2025

underlying calculation methodologies and assumptions. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.[1]

2. Survey of ITFC staff responsible for defining and implementing data collection protocols at ITFC.
3. Delivery of assurance findings to ITFC, outlining BlueMark's conclusions.

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

We are responsible for:

- 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 International Ethics Standards Board for Accountants (IESBA) Code, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

[1] The scope of BlueMark's assessment procedures does not include providing limited assurance over the resulting 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.

Independent Limited Assurance Statement

International Islamic Trade Finance Corporation

Development Effectiveness Report 2024

Prepared for International Islamic Trade Finance Corporation: April 30, 2025

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 (R) is subjective and will be interpreted differently by different stakeholder groups. Our assurance was limited to the underlying documentation reviewed, and the responses derived from ITFC staff. Our assurance is limited to policies and procedures in place as of April 29, 2025.

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's stakeholders to demonstrate the credibility of data presented within the Development Effectiveness Report 2024. 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.

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Name: Paige L. Nicol, Senior Director

Signature of Engagement Partner: Paige Nicol

For and on behalf of BlueMark PBC

April 30, 2025

Independent Limited Assurance Statement

International Islamic Trade Finance Corporation

Development Effectiveness Report 2024

Prepared for International Islamic Trade Finance Corporation: April 30, 2025

Appendix

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

- Reviewed data policies and Development Impact Framework guidelines to clarify the responsibilities and protocols associated with data collection and entry.
- Surveyed 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 the 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: Approvals ($)

- *Criteria: Total value of the financing commitments approved during the reporting period*

KPI 2: Disbursements ($)

- *Criteria: Total value of the financing utilized by the clients during the reporting period*

KPI 3: LDC financing ($ disbursed)

- *Criteria: Value of the total disbursements allocated to the LDCs (as per the UN-LDC list) during the reporting period*

KPI 4: External resources mobilized ($)

- *Criteria: Total value of the resources mobilized outside ITFC capital during the reporting period*

KPI 5: Intra-OIC trade ($ approved)

- *Criteria: Value of the total approvals allocated to trade between member countries during the reporting period*

KPI 6: Average tenor (months)

- *Criteria: Average tenor of ITFC financing*

KPI 7: Food commodities imported (mt)

- *Criteria: Volume of food commodities imported by clients during the reporting period*

KPI 8: Number of corporates and SMEs (#)

- *Criteria: Number of corporates and SMEs benefitting from ITFC financing through partner banks during the reporting period*

KPI 9: Direct jobs supported (#)

- *Criteria: 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 10: Volume of purchases from (domestic) farmers (mt)

- *Criteria: Volume of the client's purchases of raw materials from farmers during the reporting period*

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International Islamic Trade Finance Corporation

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Prepared for International Islamic Trade Finance Corporation: April 30, 2025

KPI 11: Value of purchases from (domestic) farmers ($ disbursed)

- *Criteria: Value of the client's purchases of raw materials from farmers during the reporting period*

KPI 12: Oil/gas delivered to end-customers (mt)

- *Criteria: Volume of oil/gas delivered to end-customers during the reporting period*

KPI 13: Number of people trained (#)

- *Criteria: Number of people trained through ITFC's funded capacity building/technical assistance programs during the reporting period*

Annex III Methodological Note

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

Tier I and II – Global and Strategic Goals

Share of Intra-OIC trade	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. 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. 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.
Trade Finance Gap (in US$ trillion)	The estimated shortfall between the demand for trade finance and available supply, particularly in developing and emerging markets. 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. 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.
Islamic Banking assets (in US$ trillion)	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. 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. 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.

Tier III – Development Results

Inclusive Growth

LDC Financing (% of portfolio)	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).
LDC financing (US$ million)	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).
Direct jobs supported	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).
Farmers reached – Trade Finance	Number of farmers that are linked to the client company as suppliers, buyers, contractors or farming employees during the reporting period. (Source Self-Assessment).
Value of Purchases From (Domestic) Farmers	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.
Volume of Purchases From (Domestic) Farmers	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.

Tier III – Development Results

Sustainability

People provided with access to electricity	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)
Energy Generated (#GWh)	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)
Renewable energy, share of portfolio	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)
Health Patients served	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)
Export Sales (US$ million)	Gross value of export sales of the product generated by agribusiness clients over the reporting period.
Households provided with access to food (# millions)	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)
	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)
Volume of food commodities purchased (in thousand mt)	ITFC primarily tracks this data through its trade finance transaction records. Each transaction would specify the type and volume of food commodity traded.
LNG, share of energy portfolio	The percentage of ITFC's energy portfolio dedicated to Liquefied Natural Gas (LNG), cleaner than other fossil fuels. (Source Corporate Information System)
Clients with an environmental policy (share)	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.

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

Approvals. Trade Finance	The total value (in US$) of trade finance transactions approved by ITFC within a given period. This reflects ITFC's commitment to providing financing and its potential to generate development impact. (Source Corporate database)
Disbursements, Trade Finance	The actual amount (in US$) 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)
Tenor, Average	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)
External resources mobilized, (share of portfolio)	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)
Disbursement (share of approvals)	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)
Intra-OIC trade, share of portfolio	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)
Intra-OIC, volume of financing (US$ billion)	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)
Approvals generated by regional hubs (share)	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)
Client satisfaction score (/100)	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).

Tier IV – Operational Performance

Employee engagement score (/10)	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)
Non-petroleum trade, share of portfolio	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.
New clients, number	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.
Disbursements Asia (share of portfolio)	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.
Disbursements Africa (share of portfolio)	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.
Number of operations	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.
Number of Member Countries served	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.

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Annex V List of Capacity Building Activities (2024)

Program	Beneficiary	Training Title / Category	No. of Women Trained	No. of Men Trained	Total
Advisory Services	SQB – Uzbekistan	Islamic Finance Training	1	10	11
Advisory Services	JoPACC – Jordan	Supply Chain Finance			19
Advisory Services	Arab Fertilizer Association (AFA)	Documentary Credit Workshop			31
AfTIAS 2.0 Program	Algeria	Enhancing the competitiveness of the (ICT) sector	14	26	40
AfTIAS 2.0 Program	Algeria	Enhancing the competitiveness of the Agro-food industry	9	27	36
AfTIAS 2.0 Program	Egypt	Training is a STEP towards Export	81	306	387
AfTIAS 2.0 Program	Mauritania	Improving the competitiveness of the Artisanal Dyeing plant	11	13	24
AfTIAS 2.0 Program	LAS	Supporting the upgrade of the Arab economic integration system	30	95	125
AfTIAS 2.0 Program	AOAD	Facilitating Agricultural Trade in the Arab region	52	67	119
AfTIAS 2.0 Program	Jordan	Export Launchpad – Jordan	17	10	27
AATB Program	Road Transport Training Center in Togo	ToT for trainers at the Road Transport Training Center in Togo		20	20
AATB Program	Ministry of Maritime Economy, Fisheries, and Coastal Protection TOGO	Capacity Building Workshop And Technical Assistance/Training For Economic Actors Of Selected Export Value Chains	19	25	44
AATB Program	Chamber of Commerce and Industry Benin	How to Export with the AfCFTA" Training Programme			259
AATB Program	Ministry of Agriculture in Mauritania	ACSAD project , Training course for agricultural engineers specializing in wheat			20
Integrated Trade Solutions	SCOPI (partner), small-holder farmers- Indonesia	Indonesia Coffee Program under the Indonesia Integrated Trade Solutions	761	1043	1804
Integrated Trade Solutions	Ministry of Planning and Economic Development in Egypt	Macroeconomic and Trade Indicators	9		9
Integrated Trade Solutions	CEET Staff in Togo	Financial modeling and analysis skills	1	18	19
Integrated Trade Solutions	Ministry of Economic Development and Trade of Tajikistan (co-organizer)	Islamic Trade Finance	6	39	45
Integrated Trade Solutions	CBN & Private Sector in Nigeria	Non-Interest Banking and Islamic Trade Finance	10	22	32
Targeted Intervention	Ministry of commerce in Pakistan	Trade Negotiation	9	21	30
					3101

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