# IFN ISLAMIC SUSTAINABLE INVESTING THOUGHT LEADERSHIP REPORT

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# Sustainability: The future of Islamic finance

**The call for finance to be a force for good has become more urgent than ever, and the Islamic finance industry is heeding that call. Despite practitioners often being quick to point out the similarities between it and the sustainable finance movement, Islamic sustainable finance remains but a drop in the multitrillion-dollar ethical finance industry. Industry leaders, however, believe we are moving in the right direction, and with the right steps, the industry could deliver more meaningful impact through Shariah instruments with a sustainable core. VINEETA TAN dives deeper.**

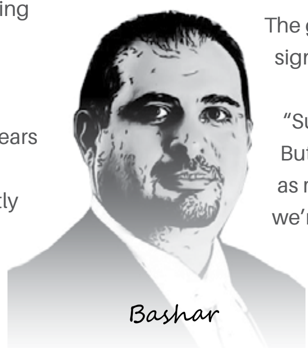
## Slow and steady

Don't let the abbreviations confuse you. Be it ESG [environmental, social and governance], SRI [socially responsible investing] or impact investing, these terms are parked under the wider sustainable finance umbrella and are often used interchangeably albeit with delicate differences. ESG may be a jargon first coined in 2005 but the concept dates back earlier with SRI taking off in the 1960s. Within the Islamic finance sector, however, these concepts are a relatively new phenomenon, with Islamic ESG or Islamic sustainable finance gaining more momentum over the last half a decade or so.

Take green bonds as an example. The first climate awareness bond, or green bond, was issued by European Investment Bank back in 2007. The landmark EUR600 million (US$678.27 million) offering triggered a domino effect which led to an ESG finance market that is worth over a trillion dollars and growing exponentially. The Islamic finance industry, however, trailed behind and only issued its first green Sukuk 10 years later in 2017. From then until July 2020, only 17 green Sukuk issuances have entered the market, and are mostly concentrated in Malaysia and Indonesia.

According to Bashar Al Natoor, the global head of Islamic finance at Fitch Ratings, about US$5.5 billion were raised through sustainability-linked Sukuk in 2020; this figure has been superseded in the first three quarters of 2021 alone, with almost US$7 billion already raised.

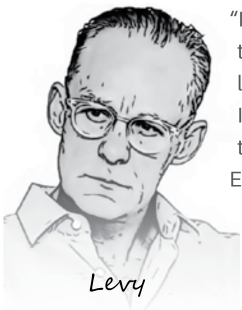
"If I look at how much was issued since 2017, it is less than US$20 billion, which is small compared to the size of the global Sukuk market which is around US$800 billion currently. So, in terms of actual size, the sustainable Sukuk market is still tiny," Bashar explained, adding that over 10% of Fitch's US$130 billion rated Sukuk outstanding has some elements of sustainable, transition and green, indicating that this theme is more apparent within the dollar space. Malaysia is an exception, with corporates driving the Islamic sustainable agenda in the local currency market.




The growth may be slow, but market practitioners take this as a sign in the right direction.

"Sustainability has always been at the heart of Islamic finance. But I think perhaps in the past we didn't bring it to the fore as much as we're doing now. And one of the reasons that we're doing it now is because in the conventional markets, sustainability, ESG financing has grown enormously in the last 15 years or so, and increasingly so in the last five years. So that depth of funding liquidity that's available in the conventional sustainable markets is something that Islamic finance is becoming increasingly aware of and tapping into. The combination of liquidity plus the fundamental purpose of Islamic finance have come together in the last three or four years," observes Farmida Bi, Norton Rose Fulbright's chair for the Middle East, Europe and Asia and the firm's European head of Islamic finance.

## That depth of funding liquidity that's available in the conventional sustainable markets is something that Islamic finance is becoming increasingly aware of and tapping into




The Islamic and sustainable convergence is indeed gaining serious momentum, evident by the numbers.

"I think over the last 12 months, there's been a lot of discussion and the good news is that the discussion has basically crossed into almost every aspect of Islamic finance. Everybody is now talking about [Islamic sustainable finance], which is a good start," Dr Scott Levy, CEO of Bedford Row Capital, opined.

There is indeed a lot of talk, backed by meaningful measures, at the top of the industry and at government levels, with the likes of Malaysia, Indonesia, and several administrations in the Middle East putting together policies and incentives to spur the sector. Malaysia introduced its SRI Sukuk Framework in 2014, Indonesia launched its Green Bond and Green Sukuk Framework in 2017, and the UAE this year released its 10-year sustainable finance framework which features Islamic instruments while Oman is developing an ESG finance framework as well.


However, there is still a lot of work to be done, not only at policy level, but also at issuer level as we move from a mindset of maximizing profits to a mindset of profit with purpose.

### Costly compliance

There is a cost to compliance, and this cannot be underestimated.

"In addition to complying with Shariah principles, you also have to comply with green bond principles and there are increasing layers of regulatory frameworks that are being built around Islamic sustainable finance," Farmida explained, adding that tapping the ESG market generally means having to get an ESG rating as well. "All of those are substantial obligations that you have to comply with, compared to going out into the market and issuing a conventional bond. So in order to jump through all of those different hoops, it has to be worthwhile."

## There is a cost to compliance, and this cannot be underestimated

Disclosure is a central challenge Islamic financial institutions face in fully embracing the sustainability agenda. Perhaps the lack of Islamic


financial institutions committing to globally-recognized frameworks such as the UN Principles of Responsible Investment and the UN's Principles of Responsible Banking, which require regular detailed reporting of one's sustainability efforts and impact, is an indication of the severity of this challenge. To date, only a handful of entities have adopted these principles.

"The commercial necessity of doing so isn't quite clear enough," Dr Levy highlighted. "If [issuers] can tap into the markets the way they have always done and take a very conservative and traditional approach, why do they need to do this? And there isn't yet a commercial imperative in the same way there is on the conventional side to put the effort into the reporting that's required."

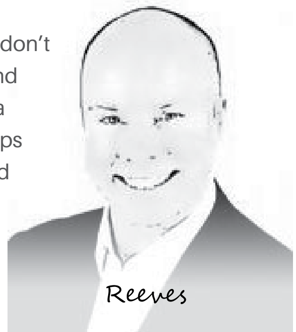
Professor Kevin Haines, Bedford Row Capital's head of social policy, echoes his colleague's sentiments: "There is an issue at the moment for Islamic finance about talking the kinds of language that is increasingly acceptable to investors. Investors are now expecting issuers to be conversant with these various regulatory frameworks and to be providing the data that investors need to demonstrate their compliance under these regulatory frameworks. This is early days but it is important for Islamic issuers to get conversant with these regulatory frameworks."

## Making it worthwhile

The reality is: it is not easy to use finance for good without risking greenwashing. And it is costly too. These merely compound the concerns conventional issuers have with Shariah finance, which is already perceived as more complicated and expensive. This leads us to ask: is the payoff justified?

Market practitioners believe so, albeit the fact that it may take a while to realize such gains.


"(In general) getting a real yield that is actually positive is a challenge, and if you're an Islamic investor, then you have further restrictions. You don't have the entire universe available to invest in and so finding something that is going to generate a yield is one thing, finding something that perhaps can generate a positive inflation built in the yield is another. Islamic attributes attached is even more of a challenge and of course increasingly, Islamic investors also want sustainability, they're not different from everybody else. Having a sustainable Islamic investment I think is an incredibly positive and virtuous thing and I think in some respects they it could potentially lead this and certainly the opportunity is there," noted Craig Reeves, the founder of Prestige Funds.




When we compare the performance of conventional and Islamic indices, it does look like conventional edges ahead of its Islamic counterpart. The conventional S&P Global 1200 has modestly outperformed the S&P Global 1200 ESG Shariah. However, according to Michael Orzano, the senior director of global equity indices at S&P Dow Jones Indices, over the longer term, the ESG jurisprudence have led to outperformance and also some reduction in volatility.


"If we look at the trailing 10 years as of the 30th September 2021, the S&P Global 1200 Shariah gained an annualized 14.7% versus 13.1% for the conventional index, which is a pretty meaningful outperformance of over 1.5% per annum over 10 years. Interestingly on the volatility side, standard deviations were a little bit lower for the ESG SRI Index as well, which is interesting as it is a much narrower index," Orzano elaborated, adding: "Long-term outperformance was almost fully driven by the Shariah screens and the

ESG side of it didn't really have a large contribution because by design, the S&P ESG Index is constructed in an industry neutral basis so that it tends to closely track the conventional parent benchmark."

The ability to reach a wider investor base is often the driving reason to turn to Islamic sustainable finance. Beyond that, the trend toward doing good for the planet and people also attracts Islamic finance institutions to capitalize on this swelling demand.

## Private capital really is vital and this presents a considerable opportunity for the Islamic capital markets to mobilize funding and is also a very unique opportunity for Islamic finance

"In Europe, you will see green issuances resulting in savings of at least up to 10 basis points as compared to normal issuances. But in the case of Asia, including Malaysia, generally the difference is very marginal," Chung Chee Leong, CEO of Cagamas, Malaysia's national mortgage corporation and the country's largest debt issuer, shared. "In our case, we managed to get two basis points (in savings) for our 2020 issuance. With increased awareness, we will probably see in the future, potentially some savings issuing sustainability Sukuk as compared to regular Islamic offerings." Cagamas in 2020 priced a combined issuance of its inaugural ASEAN Sustainability SRI Sukuk and Islamic medium-term notes totaling RM450 million (US$106.08 million). Proceeds from the SRI paper was used to specifically fund the purchase of eligible Islamic financing for affordable housing.


### Urgent needs, attractive opportunities

For the most part, Islamic sustainable finance is here to stay, especially as the pandemic has created an urgent need for funding to recover.


"There is now a much greater focus on how to build back better as we come out of COVID. Many of the people who have been impacted the most by the coronavirus are in Muslim-majority countries and I think when those countries are looking at how they can rebuild that infrastructure, whether that's health, education, employment, there has been in Europe a very big focus on social bond issuances to try and ameliorate the effect of the pandemic. And those are structures and capital flows that these Muslim-majority countries can also tap into as the world generally tries to support development post-pandemic," noted Farmida.

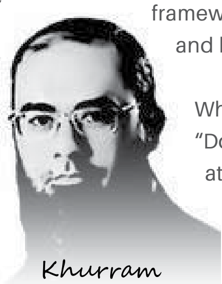
The Islamic Finance Council UK expects US$30-50 billion in capital for green and sustainability Sukuk up to 2025.

"It has been suggested that we need about US$7 trillion in infrastructure investment annually and between US$1.5 trillion to US$4 trillion every year for energy transition to meet the Paris [Agreement] targets; and with the commitments of the Glasgow Climate Pact, I'm sure

those numbers will then be increased and there aren't sufficient public funds to satisfy this. So, private capital really is vital and this presents a considerable opportunity for the Islamic capital markets to mobilize funding and is also a very unique opportunity for Islamic finance," according to Jennifer Schwalbenberg, the chief governance officer for the DDCAP Group.

## The starting point is to understand and be aware of what the conventional [space] is doing, then look at your industry, see where you can capitalize on the things that you already have and then develop the things that you like

COP 26 [UN Climate Change Conference 2021], contentious as it may have been, nonetheless pushed various nations toward some serious climate commitments.



Khurram

"The UAE was the first in the Middle East to announce their net zero ambition followed by Saudi Arabia and you must acknowledge that it's not easy for these countries. For these countries, which are some of the largest oil-producing countries in the world, to go next zero, they have to invest much more and they have to make much more effort as compared to other countries," said Khurram Hilal, CEO of group Islamic banking at Standard Chartered Bank.

This year's UN Climate Change Conference saw the formation of the Glasgow Financial Alliance for Net Zero, a global coalition of 450 institutions from 45 countries committed to accelerating the decarbonization of the world economy and reaching net zero emissions by 2050. These institutions are not only augmenting their internal policies but also revising their investing and lending criteria for projects focusing on achieving net zero, signaling deep capital flows into the sustainable finance sector.

### Turning words into action

So how do we, as an industry, capture these Islamic sustainable opportunities? As Schwalbenberg observed: "We had two weeks of moving intentions and wonderful announcements [at COP 26] but now we need to put that into reality and make it happen. It's no longer about goals and aspirations. It really needs to be about action. And with this, I think there really is a key role in the Islamic finance agenda for green finance, but also transition finance."

Bashar concurs. "I think the starting point is to understand and be aware of what the conventional [space] is doing, then look at your industry, see where you can capitalize on the things that you already have and then develop the things that you like. First is to build awareness, then realization of putting strategies and regulations and frameworks to improve that and then installing that in the system and having an ecosystem and incentivize issuers."

When it comes to regulations and policies, Dr Scott's advice is: "Don't be afraid of regulation – that's the first step. Look internally at your internal processes, have a brief read of the UN SDGs and understand where you fit into the things that the world is talking about at the moment."

At the heart of this movement is the importance of nurturing the right people to drive this change.

"We need to think about how do we get staff in Islamic banks to be equipped with the right knowledge? How do we create a future-ready workforce? We need our training and our learning institutions to focus in this area because this is the future of finance. They need to help develop the next generation of Islamic bankers who understand the dynamics of sustainable finance, who understand climate change, net zero carbon footprint, social finance and inclusion. They need to be fully up to speed with these concepts and not just knowing them, but also owning these concepts and also championing [them]," Khurram strongly believes.

## Leveraging tech

And just as the Islamic finance industry is using technology to advance their cause, technology should also be leveraged in our journey of Islamic sustainability.


Mohammed

"Technology can definitely play a significant role in achieving environmental and social goals. We have instances of application of blockchain technology and Islamic social finance, such as the use of digital identities for monitoring the end-use of the contents of funds, as well as the preservation or development and proper use of Waqf or Islamic endowments for achieving various societal goals. Most of such goals find a place in the UN Sustainable Development Goals (SDGs)," according to Mohammed Alim, CEO-designate of IBF Net Group.

IBF Net is currently working on miniaturizing the Islamic economy, with a focus on Islamic social and sustainable finance using blockchain technology, and has launched several projects to this end. One of the projects is the Confluence platform which seeks to measure the impact of projects from the standpoint of Shariah and the UN SDGs.

"The platform combines the performance of the given projects against these metrics using an algorithm and produces a score or a classification scheme. This score reflects the impact of the projects using the lens of Shariah objectives, as well as the SDGs as perceived by the stakeholders. Given the availability of tools for measurement of environmental and social impact, for example carbon footprint, our platform identifies and adopts a suitable method for measurement and conversion of such impact into social cryptos. In this case, products can earn or liquidate such cryptos, which represent both types of impact acting at an exchange to alter their risk return impact profile in the market," Mohammed explained.

## Moving forward

The notions of sustainability and ethics are not new in Islamic finance, although it is only in recent years that the industry is focused on harnessing and delivering sustainable impact in a more formal and structured manner. To many, this is the future of Islamic finance.

"This trend is a growth trend and I think this has already been cemented in the past three years; even at the height of COVID-19, we saw this segment growing, and I think this will continue in the short to medium term at least. If the government's strategies and milestones and objectives are really pursued in a very dedicated way, we could see more transformation of this segment, even in the long term, where it becomes a significant part of the industry," Bashar opined.

The push is also seen from the demand side, encouraging the supply side.

"We're definitely seeing a high level of demand from clients around the world for both ESG and for Islamic indices. Both of these are big areas of focus for us as an index provider. There have been significant inflows into ESG index products, including ETFs [exchange-traded funds] around the world over the past year, and we've also started to see Islamic ETFs in the US and Canada really gather momentum," Orzano shared. "I think the investment community is really just starting to think about combining broad-based ESG and Shariah investing together. I think we're likely to see a lot of new product development in the space over the next few years."

Schwalbenberg concurred: "I think as the strength of this agenda in the market increases, and that momentum builds, we will see the different institutions increasing their offerings and their options to the market. And it will be organic because as the sustainable finance sector grows and the products and services and practices become more prevalent, institutions will become more cognizant of this and they will realize they will miss opportunities and be at a disadvantage if they don't participate. Islamic sustainable finance will be recognized as the new normal and commitment will follow."

Corporates and Islamic issuers are already lining up their ducks.

"We see a lot of our traditional energy clients setting up new projects in a sustainable and renewable way and we are expecting a number of projects that were conventionally financed now being refinanced in a sustainable way going forward. So as a firm, we are expecting to do a lot more sustainable finance, certainly in the conventional markets, but hopefully much more in the Islamic markets as well," Farmida shared. It is learned that Cagamas and Standard Chartered are each preparing to introduce new products. Chung, CEO of Cagamas, revealed that the firm is looking to issue green Sukuk while Standard Chartered is working on expanding its Islamic green mortgage offering, Islamic social finance tools and Islamic ESG wealth management services, and is building on creating sustainability solutions for the wider Halal market including Islamic sustainable supply chain instruments.

As the multitrillion-dollar Halal industry continues to grow in its own space and globalize, I think it is important that they harness the socially responsible funding mechanism

"I think it's a great opportunity for growth that and we have this great upside in front of us," Khurram explained. "As the multitrillion-dollar Halal industry continues to grow in its own space and globalize, I think it is important that they harness the socially responsible funding mechanism, mechanisms of Islamic finance and strive to give holistic Halal solutions to faith-conscious clients.

"We need more innovation, we need more solutions in this space. This is an open field for all banks, all partners to come in and play their role."


# Islamic sustainable finance and the IFSB initiatives

*By Dr Bello Lawal Danbatta,*
*the secretary-general of the IFSB*

*Authored by*

## Background

The cardinal triad of sustainable finance: environmental, social and governance (ESG) aligns with the fundamental objectives of the Shariah upon which Islamic finance is premised. The inherent attributes of Shariah as a means toward preservation of order, prevention or removal of hardship and promotion of shared prosperity perhaps explains the importance accorded to sustainable finance in the Islamic financial services industry (IFSI). Islamic sustainable finance, as a fusion of both Islamic finance and sustainable finance, therefore would entail a process through which ESG objectives are given due consideration in both investment and financing decisions in a Shariah compliant manner for the purpose of economic sustainability and shared prosperity.

Prior to the outbreak of the COVID-19 pandemic, there were already global concerns including in the IFSI relating to climate change, green economy and socioeconomic inclusion, etc, which are all very relevant in the context of Islamic finance. Global warming stemming from human expansion of the greenhouse effect due to activities related to oil and gas usage, power plants based on fossil fuels, oil drilling, transport and vehicles, consumerism, farming, industrialization and overfishing[1] are all linked to global climate change. In fact, climate change is cited as one of the key manifestations of environmental degradation, which portends serious threats to both lives and livelihood in the form of extreme weather, rising sea level, natural disasters, famine, disease and even increased poverty.[2]

There has been notable successful issuance of green and other sustainability Sukuk prior to and after the outbreak of the pandemic. Nonetheless, the relative importance of Islamic sustainable finance for delivering the global environmental, socioeconomic and governance agenda has been brought further to the fore as the world enters into the recovery phase of the pandemic and investments are being made on critical sustainability projects and economic activities. To achieve a sustainable post-pandemic recovery would therefore require significant reforms in how the ESG considerations are taken into account in both Shariah compliant investment and financing decisions on related economic activities. This would also require widespread participation of the IFSI to transform and adapt in order to keep contributing to the global society and economy.

[1] Berry, "*Top 10 Causes of Global Warming*", Sustainability Magazine, 2021

[2] Bank Negara Malaysia Discussion paper, "*Climate Change and Principle-based Taxonomy*", 2019

A considerable number of international organizations, global leaders as well as regulatory and supervisory authorities (RSAs) have been responding to this issue through various measures in order to reduce greenhouse gas emissions. Examples are: (i) Paris Agreement in which 197 countries were involved and pledged to a legally binding commitment toward climate change objectives, (ii) Declaration by the United Nation Human Rights Council on the 8th October 2021 stated that access to clean and healthy environment is considered as a fundamental human right and lately, (iii) UN Climate Change Conference (COP26) 31st October–13th November 2021 has agreed to: (a) secure global net-zero emission by mid-century and keep limiting global warming to above 1.5oC industrial levels 'alive' or within which, (b) adapt to protect communities and natural habitats, (c) mobilize finance, and (d) work together to deliver.

## Principles and examples of Islamic sustainable finance

Indeed, the principle of ESG aligns with the Islamic principles and objectives set out in the concept of Maqasid Shariah which include: the safeguard of life, intellect, religion, wealth and dignity of mankind. Furthermore, as the term ESG, sustainable and responsible investment (SRI) and impact investing are gaining popularity, and there have been efforts in the IFSI to also key into this trend, for instance through the issuance of global green Sukuk, sustainability Sukuk, SRI Sukuk, etc. The presence of sustainable-driven Islamic financial instruments, along with the risks faced by the IFSI, would require the RSAs' attention to ensure and guide the IFSI in their respective jurisdictions in incorporating the new climate-related risks into their risk management framework for the purpose of maintaining the overall financial system's resilience and stability.

Green Sukuk have emerged in some IFSB member jurisdictions, notably Malaysia and Indonesia, in responding to achieving the goals of sustainable finance and resolving the climate change issues. In this case, green Sukuk channel investment which brings not only commercial value but also environmental benefits by avoiding environmentally-degrading activities. At least, Islamic principles of: (i) Wasatiyyah (equalibrium) to maintain the balance of Mizan (natural state of the world) such as avoidance of waste, extravagance and corruption and (ii) prohibition of Fasad (promotion of disorder) to prevent unethical transactions and dealings that have Riba (interest), Gharar (uncertainty) and Maysir (gambling) are among the main principles to promote and support the sustainable finance and environmentally friendly financing activities.[3]

Last but not the least is Islamic social finance which has also played a significant role prior to and during the pandemic, and will remain very crucial in the post-pandemic era. Notable Islamic social finance instruments such as Islamic charity (Shadaqah), alms giving (Zakat) and endowment (Waqf) have been extensively used to assist the needy and also promote wealth distribution and shared prosperity. During the current pandemic, many countries have adopted and intensively applied social and humanitarian policies and programs such as rental payment relief, pension funds, wage subsidies, capacity-building initiatives and mobilization of social funds to support certain sectors

[3] Liu and Lai journal article, "Ecologies of Green Finance: Green Sukuk and Development of Green Islamic Finance in Malaysia", 2021.

in the economy via Islamic social finance. They have not only reserved and secured the financial and purchasing power of the people but also balanced both commercial and social finance for the sake of public welfare.

To sustain the economy of the grassroots, the recent initiatives enumerated by the World Zakaf Forum (WZF)[4] to extend the roles of Islamic social instruments should be appreciated and noted as another role of Islamic finance during the difficult conditions due to the pandemic. These include:

a. Strengthening collaboration with the respective governments to mitigate the spread of the pandemic.
b. Establishing a contingency plan to assist the most vulnerable and underprivileged group of people due to possible multidimensional crises.
c. Consolidating Zakat resources to assist the medics, paramedics and humanitarian volunteers in the front line with the endeavor to overcome the negative impacts of the pandemic.
d. Exchanging information and experience in handling the pandemic among WZF member countries.
e. Providing critical assistance to those working in the informal sector of the economy which highly depends on daily income sources.
f. Strengthening global cooperation among WZF member countries for potential collaboration to conduct crowdfunding donations in order to help member countries.

Furthermore, such Islamic social finance instruments (ie Zakat, Sadaqah, Waqf) could be coordinated together and integrated with the fiscal policy of the governments in the form of safety nets and pro-poor expenditure. Governments could look at issuing Sukuk that is linked with temporary cash Waqf to mobilize social and benevolent funds at below market rates for financing various safety net measures. Cash and corporate Waqf funds could also have a useful role when a government begins unwinding its holdings of corporate assets in the recovery phase.

## IFSB initiatives on Islamic sustainable finance

The mandate of the IFSB is to promote the stability and resilience of the IFSI through issuing and facilitating the implementation of global prudential standards and other initiatives that foster knowledge-sharing and cooperation. In relation to supporting sustainable finance, the IFSB acts as a body for coordinating and giving guidance on good practices in the regulation and supervision of Islamic financial services, which would also serve to promote sound growth and support the resilience and stability of the global IFSI.

The IFSB, in December 2020, issued 'IFSB-25: Disclosures to Promote Transparency and Market Discipline for Takaful/Retakaful Undertakings'. Also, in December 2018, the IFSB issued 'IFSB-22: Revised Standard on Disclosures to Promote Transparency and Market Discipline for Institutions Offering Islamic Financial Services [Banking Segment]'. In these standards, a dedicated section is provided on the ESG disclosure requirements in order to promote market discipline and transparency in the IFSI. The IFSB also issued in December 2019 'TN-3: Technical Note on Financial Inclusion and Islamic Finance'. In this document, the IFSB provides a detailed technical guide on the priorities and considerations that are pertinent for regulatory and supervisory oversight for financial inclusion through the IFSI of member jurisdictions.

In addition to a dedicated research paper titled 'The Role of Social-Impact Sukuk in the Recovery-Phase of COVID-19' to be issued in December 2021, the IFSB has also included in its strategic work plan for 2021 a dedicated paper on ESG. Furthermore, in its flagship Islamic Financial Services Industry Stability Report, the IFSB has consistently addressed developments relating to green and sustainability financing in the IFSI especially in the Islamic capital markets segment of the report. Specifically, in the recently issued Islamic Financial Services Industry Stability Report 2021, a chapter is dedicated to the role of Islamic social finance in a post-COVID-19 recovery phase. Notable examples and best practices across jurisdictions were highlighted.

> The mandate of the IFSB is to promote the stability and resilience of the IFSI

To ensure the sustainability of the IFSI during and post-pandemic, the IFSB has assessed the impacts of the pandemic on the IFSI (Islamic banking, Takaful and Islamic capital market) and held various events (conferences, webinars, forums, etc) to elaborate the issues and ways ahead with regulators, market players and Islamic scholars on ESG issues. These platforms provided by the IFSB offer opportunities to various stakeholders to identify extant ESG investment gaps and financing initiatives, best practices, exchange of ideas and information, regional and international collaboration, etc.

For instance, the IFSB recently held its 15th Summit in November 2021 in Jeddah, Saudi Arabia where nine central bank governors, 24 other distinguished high-level speakers representing key stakeholders in the IFSI and 200 other participants from the RSAs, international organizations, the private sector, academia and the media attended. ESG issues featured prominently across the seven panel discussion sessions and keynote addresses delivered during the global event.

As the IFSB will not relent in its efforts toward providing guidance and support to its member jurisdictions in order to promote the stability and growth of the IFSI through Islamic sustainable finance, the IFSB will be conducting its 13th Public Lecture in Abu Dhabi that is co-organized and hosted by the Central Bank of the UAE on the 8th December 2021 with the first session lecture to be on sustainability.

The IFSB also issues public statements and updates its compendium of policy responses to COVID-19 in its member jurisdictions on related matters. All related IFSB materials are available for free download via: www.ifsb.org.

[4] World Zakat Forum (WZF) Press Release (2020)