



ISLAMIC FINANCIAL SERVICES BOARD

**STRATEGIC
PERFORMANCE PLAN**

2022-2024

**Advancing the IFSB Operations to
Address Evolving Global Challenges**

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ACKNOWLEDGEMENT

The IFSB Strategic Performance Plan (SPP) 2022-2024 was developed based on the four existing Focus Areas of the SPP 2019-2021, along with directions and guidance from the IFSB stakeholders. The SPP aims to expand and strengthen the IFSB's work plan in response to increasing aspirations and expectations of IFSB members, and to meet the demands in supporting the growth, resilience and stability of the Islamic financial services industry (IFSI) amidst the evolving global financial industry challenges.

I would like to convey our appreciation to the Honourable Members of the IFSB Council, the Executive Committee, the Technical Committee and IFSB Full members who shared valuable inputs throughout the development of this SPP.

My appreciation also goes to the IFSB Secretariat for their commitment, support, and contributions in the development of this SPP 2022-2024.

Dr. Bello Lawal Danbatta

Secretary General

1.0 Executive Summary

The new Strategic Performance Plan (SPP) 2022-2024 expands the work plan approved in the SPP 2019-2021 in response to the increasing aspirations of the Council and the Executive Committee (EC), expectations of IFSB members, and to meet the demands in supporting the growth of the Islamic financial services industry (IFSI).

As a result of the COVID-19 pandemic since March 2020, the Secretariat have had to re-prioritise its efforts and resources on key high-impact deliverables, mainly the standards development agenda, capacity building to support implementation of standards, and international collaboration.

Notwithstanding, the period also saw an increased focus by the Secretariat on planning and monitoring of the IFSB's performance, which resulted in extensive reviews of the IFSB's operational procedures and new initiatives in meeting members expectations through the offering of free-of-charge capacity building programmes, free access to the IFSB E-learning platform to all categories of the IFSB membership, increased engagement with members through new initiatives like the IFSB Regulatory Supervisory Authorities (RSAs) Forum, the Chief Executive Forums and roundtables.

Additionally, the Secretariat in response to the COVID-19 pandemic, has taken a number of initiatives to provide guidance and support to IFSB members that included issuance of public statements on policy recommendations to mitigate the impact of COVID-19 and by developing a compendium of policy responses that served as a reference toolkit for the members. Internally, the Secretariat has taken measures to ensure the health and safety of the staff of the Secretariat by developing an SOP on health and safety, establishing work from home and work rotation arrangements, forming a crisis management committee and developing a business continuity plan. Thus, aside from the focus on delivering expected outputs to support the global Islamic financial services industry (IFSI), the Secretariat dedicated significant time and resources on efforts to strengthen its internal procedures and systems.

Despite the external expectations, and internal challenges, under the strong leadership and guidance of the Council, EC, Technical Committee (TC) and support of its members, the IFSB has succeeded in meeting most of the targets in the SPP 2019-2021.

In recent years, with new emerging risks and vulnerabilities facing the global financial services industry and in consideration of the evolving aspirations and expectations of the IFSB members, the IFSB Council and EC, has laid down a new road map of transformation in order for the IFSB to be at par or ahead of other international standards setting bodies (SSB's). This new road map involves a comprehensive benchmarking analysis of the IFSB against its counterparts (conventional and Islamic international SSB's) and the IFSB Transformation agenda under the leadership of the EC Chairman, H.E. Dr. Perry Warjiyo, Governor of Bank Indonesia.

Based on the foregoing, the IFSB has conducted a comprehensive benchmarking exercise and it is currently undergoing a series of transformation initiatives. Hence, this SPP 2022-2024 is drafted based on the outcomes of the benchmarking exercise, assessment of the global economic and Islamic finance condition amidst the Covid-19 Pandemic, issues and trends, the transformation agenda, the guidance of all the Council, EC and TC members.

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As guided by the EC and the Council, this SPP has retained the strategic framework of the SPP 2019-2021, with enhanced focus on the quality of outputs, industry impact as outcomes, enhanced engagement with IFSB members and industry as well as integrated sustainability of financial and human resources that are meant to deliver the new principal accountabilities, the mandate and aspirations of the Council within the short- and medium-term strategies.

The SPP 2022-2024 builds on the four existing Focus Areas of the SPP 2019-2021. As guided by the Council and the EC, the Secretariat will be continuing with the current Strategic Key Result Areas (SKRAs) which are reflected in 12 Outcomes and 29 Outputs, as follows:

- **SKRA 1:** Formulation and Issuance of Prudential Standards, Research and Statistics
- **SKRA 2:** Facilitating the Implementation of Prudential Standards and Capacity Development
- **SKRA 3:** Increasing Value in the IFSB Membership, Global Visibility and Attractiveness
- **SKRA 4:** Efficient Management of Resources

The key policy themes of the SPP are focused on greater quality of outputs, greater impact on the industry, greater engagement with members and other stakeholders, and greater financial and human resources sustainability for improved efficiency and productivity.

To achieve these goals, the SPP 2022-2024 aims to mobilise strategies that incorporates guidance from the Council, EC and TC in the form of meeting resolutions for the short-term as covered in the Strategic Work Plan (SWP) 2022 and in the medium-term (2023-2024), which are covered in this SPP.

Furthermore, to support the implementation of the SPP 2022-2024, financial sustainability (funding) strategies, manpower requirements and a balanced budget forecast that will support the IFSB to deliver its outputs, are also highlighted in the new SPP.

The key strategies for 2022 will include delivering enhanced impact of the IFSB to its members and the industry through enhanced quality support and initiatives on the implementation of the IFSB standards and how the IFSB would be addressing the digitalisation of the global IFSI.

2.0 Background

2.1 The IFSB's Mandate and Organisational Objectives

The mandate of the IFSB is to “promote the stability and resilience of the Islamic financial services industry through the issuance, and facilitating the implementation, of global prudential standards and other initiatives that foster knowledge sharing and cooperation.”

The IFSB was established as a result of the need to have internationally recognised and unified standards for fostering effective regulation and supervision of the IFSI. The founding members of the IFSB envisioned that the IFSB will act 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 the sound growth, and support the resilience and stability, of the global IFSI.

The objectives of the IFSB stated in Article 4 of the IFSB Articles of Agreement are:

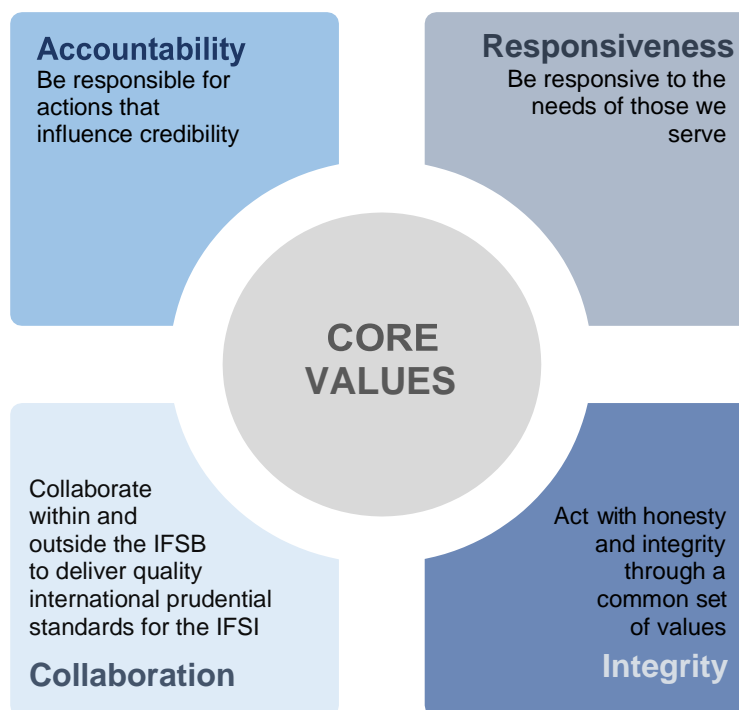
- i. To promote the development of a prudent and transparent Islamic financial services industry through introducing new, or adapting existing, international standards consistent with Sharīah principles, and recommend these for adoption.
- ii. To provide guidance on the effective supervision and regulation of institutions offering Islamic financial products and to develop for the Islamic financial services industry the criteria for identifying, measuring, managing and disclosing risks, taking into account international standards for valuation, income and expense calculation, and disclosure.
- iii. To liaise and cooperate with relevant organizations currently setting standards for the stability and the soundness of the international monetary and financial systems and those of the member countries.
- iv. To enhance and coordinate initiatives to develop instruments and procedures for efficient operations and risk management.
- v. To encourage cooperation amongst member countries in developing the Islamic financial services industry.
- vi. To facilitate training and personnel development in skills in areas relevant to the effective regulation of the Islamic financial services industry and related markets.
- vii. To undertake research into, and publish studies and surveys on, the Islamic financial services industry.
- viii. To establish a database of Islamic banks, financial institutions and industry experts.
- ix. Any other objectives which the General Assembly of the IFSB may agree from time to time.

2.2 The IFSB Mission and Core Values

The mission of the IFSB is to promote the stability and resilience of the Islamic financial services industry, through issuance, and facilitating the implementation, of global prudential standards and other initiatives that foster knowledge sharing and cooperation.

A set of core values drives the operations of the IFSB. These core values are universal and apply in all aspects of its operations.

Illustration 1: Core Values

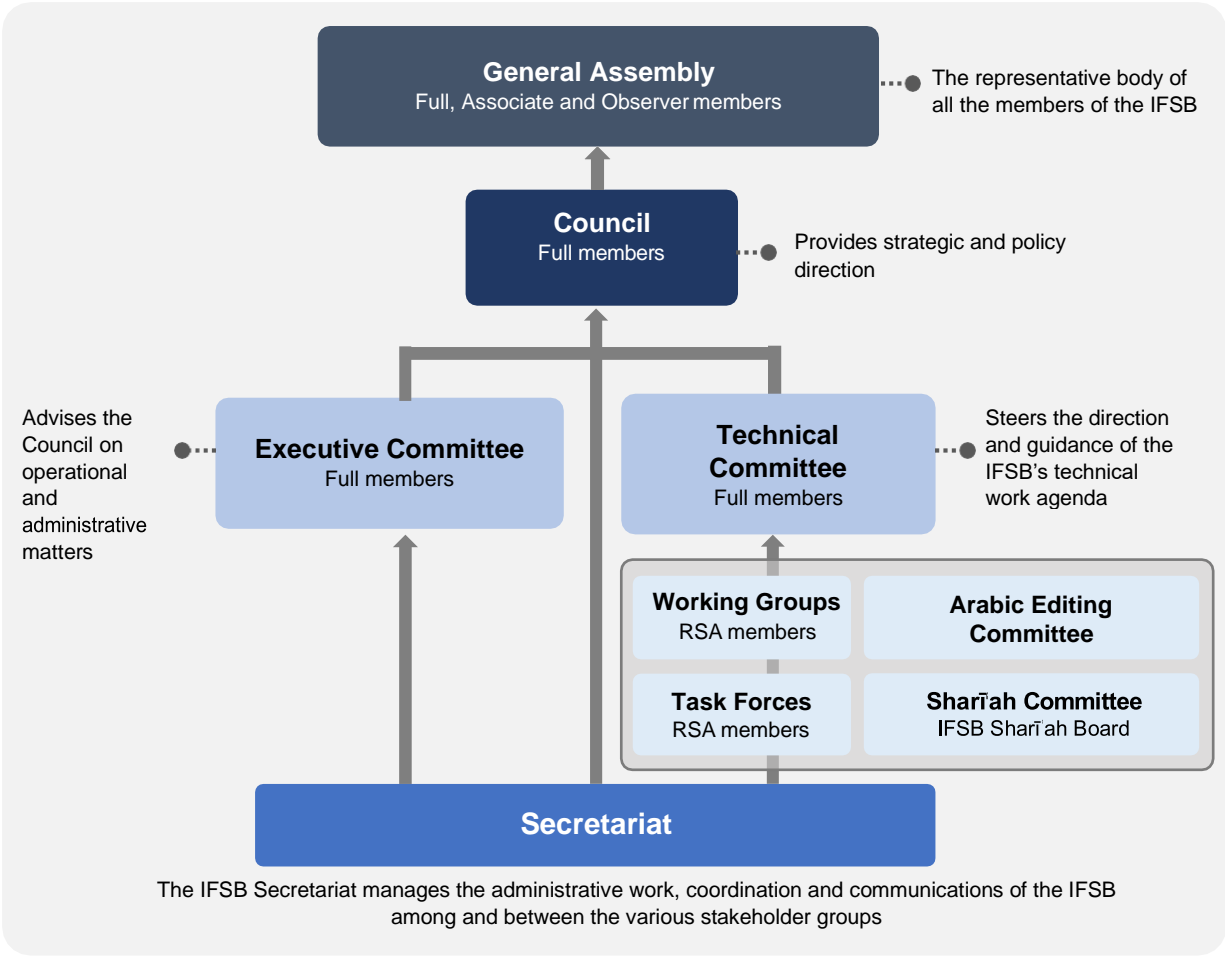


2.3 Leadership and Governance Structure

The IFSB comprises of Full, Associate and Observer Members, who make up the General Assembly of the IFSB.

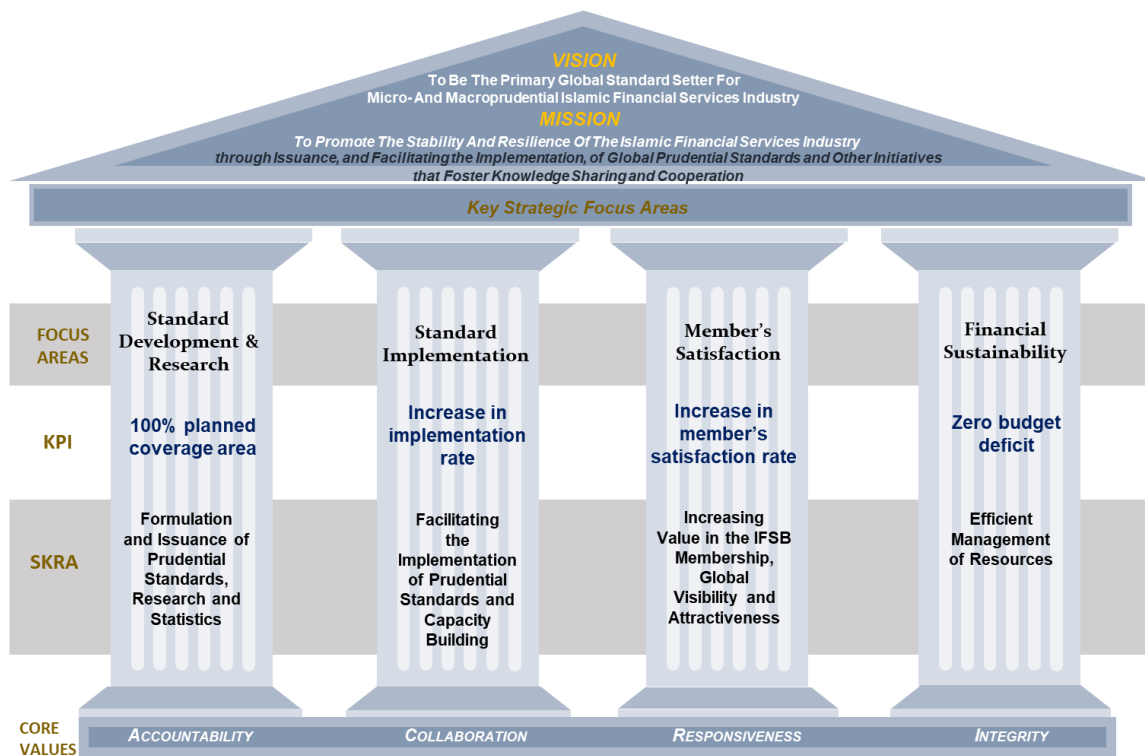
The Council represents the senior executive and policy making body of the IFSB. The Executive Committee is the body responsible for reviewing and providing recommendations on strategic, administrative and operational matters of the IFSB to the Council. The direction and guidance of the IFSB's technical work agenda is steered by the TC. The IFSB Secretariat manages the administrative work, coordination and communications of the IFSB among and between the various stakeholder groups, in serving the players and institutions of the global financial services industry (See Illustration 2).

Illustration 2: The IFSB Governance Structure



2.4 IFSB's Strategic Framework for SPP 2019-2021

The strategic focus areas of the former SPP, which was aligned with the vision, mission and core values of the IFSB, is illustrated below. The EC in its meetings, resolved for the Secretariat to maintain the below framework for the new SPP 2022-2024, but with greater emphasis on the quality of outputs and greater focus on member engagement as well as outcome measurement and reporting.



3.0 Global and Industry Outlook

The development of the SPP has been informed by the developments and outlook for both the global financial and Islamic financial services industry.



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4.0 The SPP 2022-2024

The Strategic Performance Plan (SPP) 2022-2024 is a results-based strategy that charts a medium-term roadmap for the IFSB to engage its stakeholders in strengthening the stability and resilience of the global Islamic finance industry. The key outcomes and outputs for each of the 4 SKRAs are outlined below.

4 SKRAs	12 Outcomes (OC1 – OC12)	29 Outputs (OP1 – OP29)
SKRA 1: FORMULATION AND ISSUANCE OF PRUDENTIAL STANDARDS, STATISTICS	OC1: Enhanced Guidance on the Prudential Regulation and Supervision of the IFSI	OC1:OP1: <i>Standards, Guidance Notes, Technical Notes and Report</i>
		OC1:OP2: <i>Translations of Standards</i>
	OC2: Timely and Quality Research and Studies to Support the Industry Needs	OC2:OP3: <i>Research Papers</i>
		OC2:OP4: <i>Other Papers and SB Strategic Intent paper</i>
	OC3: Enhanced Monitoring and Analysis of the Industry's Growth, Stability and Soundness of the IFSI	OC3:OP5: <i>PSIFIs Database</i>
		OC3:OP6: <i>IFSI Stability Report</i>
SKRA 2: FACILITATING THE IMPLEMENTATION OF PRUDENTIAL STANDARDS AND CAPACITY DEVELOPMENT	OC4: Increased Capacity Building Initiatives on the IFSB Standards and Guidelines in Member Jurisdictions	OC4:OP7: <i>FIS/RSA/CBM[^] Workshops and Train the Trainers Programme</i>
		OC4:OP8: <i>E-Learning and E-Workshops</i>
		OC4:OP9: <i>Outreach Programmes (Sharing of Experiences Session)</i>
	OC5: Enhanced Technical Support to Member Jurisdictions for Effective Implementation of the IFSB Standards and Guidelines	OC5:OP10: <i>Technical Assistance and Policy Advice</i>
		OC5:OP11: <i>Frequently Asked Questions and Implementation Guidelines</i>
	OC6: Enhanced Monitoring and Assessment of the Adoption of the IFSB Standards in Member Jurisdictions	OC6:OP12: <i>Implementation Survey</i>
OC6:OP13: <i>Impact Assessment (ICAP Templates for ICAP1, ICAP2 & ICAP3)</i>		
SKRA 3: INCREASING VALUE IN THE IFSB MEMBERSHIP, GLOBAL VISIBILITY	OC7: Effective and Timely Communication and Engagement with the IFSB Members	OC7:OP14: <i>Member's Participation and Engagement</i>
		OC7:OP15: <i>Membership Strategies</i>

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AND ATTRACTIVENESS		OC7:OP16: <i>Membership Drive and Outreach</i>
	OC8: Enhanced Cooperation with Stakeholders for Awareness and Knowledge Sharing	OC8:OP17: <i>Platforms for Cooperation and Digitalisation of the IFSI</i>
		OC8:OP18: <i>Industry Engagements</i>
		OC8:OP19: <i>Knowledge Sharing</i>
	OC9: Greater Global Visibility and Collaboration with Stakeholders and International Counterparts	OC9:OP20: <i>Corporate Visibility</i>
		OC9:OP21: <i>Marketing Communications</i>
OC9:OP22: <i>International Collaboration and MoUs</i>		
SKRA 4: EFFICIENT MANAGEMENT OF RESOURCES	OC10: Increased Efficiency in the Utilisation of Financial Resources	OC10:OP23: <i>Finance Management</i>
	OC11: Enhanced Productivity and Effectiveness in Operations with strong Organisational Culture	OC11:OP24: <i>Administrative Management, Planning and Monitoring</i>
		OC11:OP25: <i>Human Resources Policy Implementation</i>
		OC11:OP26: <i>Establishment of the IFSB Shariah Board</i>
	OC12: Enhanced Internal Control System	OC12:OP27: <i>Strategy and Governance Report</i>
		OC12:OP28: <i>Transformation</i>
		OC12:OP29: <i>Compliance, Risk and Audit Assessment</i>

^FIS - Facilitating the Implementation of IFSB Standards; RSA - Regulatory and Supervisory Authorities; CBM- Capacity Building for Market Players

4.1 SKRA 1: Formulation and Issuance of Prudential Standards, Research and Statistics

SKRA Focus Policy Theme: *Greater Quality of Outputs*

- Maintains the focus of SKRA 1 on the IFSB's Standards, Research and Statistics Agenda.
- All the outputs under this SKRA are under the oversight of the Technical Committee.

Key Expectations for the 2022-2024 period:

- **Issuance of 2 Standards**, Technical Notes or Guidance Notes annually
- **Publication of 3 research** and 1 staff paper annually
- **Issuance of 3 translated standards** for each language; Arabic, French and Russian
- Maintain the annual **publication of the IFSI Stability Report**
- **Revamping of the PSIFIs data compilation guideline** annually
- **Increase the issuance of PSIFIs data from 3 to 4** disseminations annually

4.2 SKRA 2: Formulation and Issuance of Prudential Standards, Research and Statistics

SKRA Focus Policy Theme: *Greater Impact*

- Maintains the focus of SKRA 2 on facilitating the Implementation of the IFSB's Standards and Guidelines in member jurisdictions.
- Enhances the focus on the monitoring and assessment of implementation in member jurisdictions.
- Increases and expands cooperation with member RSAs, predominantly Council members, on implementation efforts and initiatives.
- Promotes the implementation agenda to be on the work agenda of member international organisations with common mandates.
- All the outputs under this SKRA are under the oversight of the Technical Committee.

Key Expectations for the 2022-2024 period:

- **Increase** the number of country/regional workshops for member RSAs
- **Improve** the IFSB E-Learning Portal by a) enhancing content and b) increasing promotion
- **Introducing Experience-sharing Sessions**
- **Development of a template for new IFSB standard**
- **Supporting international cooperation and coordination on emerging issues**, e.g. Climate change related financial risks etc.

4.3 SKRA 3: Increasing Value in the IFSB Membership, Global Visibility and Attractiveness

SKRA Focus Policy Theme: *Greater Engagement*

- SKRA 3 highlights the participation and engagement by member countries while ensuring continuous engagement and timely communication with members.
- It also aims to increase the visibility of the IFSB, thus bringing forth the value of the IFSB membership.
- A key impact of this SKRA will be seen in the intangible and long-term benefits to the IFSB, in terms of increased credibility in the international arena.
- The focus of international collaboration in this SPP is to further strengthen the collaboration with member countries and strategic partners, because **greater engagement will certainly influence the sustainability** of the IFSB.

Key Expectations for the 2022-2024 period:

- **Enhancements in membership engagement** is aimed at providing more value to the members and increasing their satisfaction with interaction with the IFSB.
- **Platform for cooperation on digitalisation** of the global IFSI.
- **Members and potential member's outreach** through more emphasis on high-level meetings.
- **Enhancing communication channels** by increased presence in social media, such as LinkedIn, Twitter and Facebook.
- To produce a '**Stakeholder Engagement Plan**' as an outcome from the Benchmarking Analysis Exercise.
- **Post-cooperation survey** with host countries.
- Introduction of new output to further strengthen the members' engagement.

4.4 SKRA 4: Efficient Management of Resources with Good Corporate Governance Practices

SKRA Focus Policy Theme: *Greater Sustainability*

- SKRA 4 retains the focus on Finance and Administrative, Human Resource and Strategic Planning activities of the IFSB. These activities are also supported by a Transformation Officer in transforming the IFSB to be at par with other international organisations.
- It retains monitoring and reporting on the overall strategic, financial, human and administrative resource matters to the management and stakeholders.
- SKRA 4 aims to strengthen the IFSB's going concern, internal governance, operational procedures and internal controls, which will in turn result in increased efficiency, effectiveness and productivity.

Key Expectations for the 2022-2024 period:

- **Focus on strengthening and streamlining internal procedures and work processes** over the SPP period for increased efficiency
- **Efficient management** of financial and human resources
- **Enhancements in the organisational performance monitoring and reporting**
- Exercise to realign staff job descriptions and roles is planned to facilitate the delivery of the SPP targets
- Cascading key performance indicators (KPIs') into Individual Performance Indicators (IPI)
- **Cost-effectiveness** is expected to increase over the SPP period
- **E-Quarterly report** to the Executive Committee
- **Introduction of the Annual Report** in line with the recommendations of the benchmarking exercise
- **Enhancing the corporate culture** of inclusiveness and transparency for a better work environment in line with principal accountabilities