Presentation to the UNECE Workshop on “Rail-Road Corridors along Europe and Asia”

(Geneva, 7 September 2015)
Agenda

WHO WE ARE

WHAT WE DO

REGIONAL COOPERATION AND INTEGRATION
• A Unique Model of South-South Cooperation
• All Member Countries can benefit form IDB Financing
• **Global MDB:** Membership 56 Countries spreading over 4 continents
• **Membership Increased:** 22 countries in 1975 → 56 countries in 2012
The IDB Group Journey…

International Islamic Trade Finance Corporation (ITFC)
- Advance trade across the Islamic world
- Encourage intra-trade across OIC Member Countries
- Help businesses to better access trade finance
- Provide businesses with the necessary trade-related capacity building

Islamic Corporation for the Devt. of the Private Sector (ICD)
- Promote private sector development in Member Countries
- Facilitate access to Islamic capital markets
- Mobilize additional financial resources for private sector
- Promote entrepreneurship, and encourage cross-country investments.

Islamic Research & Training Institute (IRTI)
- Serve as research and training arm of the IDB
- Lead development of the Islamic Financial Services Industry (IFSI) to support socio-economic development of MCs
- Activities: training, research, advisory, capacity building, etc.

Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)
- Boost trade among OIC Member Countries
- Offer Shariah-compliant export credit insurance and reinsurance
- Provide political risk insurance to encourage investment flows

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“Vision For Human Dignity”

Vision Statement

By the year 1440 Hijrah (2020G) IDB Group shall have become a world class development bank inspired by Islamic principles, that has helped significantly transform the landscape of comprehensive human development in the Muslim world and helped restore its dignity.

Mission Statement

“Promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance and prospering the people”.
IDB Group Structure

Board of Executive Directors

President IDB Group

- Group Sharia Board
  - General Council
  - Group Ombudsman
  - Group Integrity Officer
  - World WAQF Foundation
  - Group Operations Evaluation
  - Group Internal Audit
  - Group Risk Management
  - Group Strategic Planning

- VP Finance
- VP Operations
- VP Cooperation and Capacity Development
- VP Corporate Services
- Chief Economist

IRTI
ICIEC
ICD
ITFC
Major Shareholders (Capital Subscription)

- Of IDB’s 56 Member Countries, 9 Countries make up about 83% of the total share-holding of IDB

- Authorized capital of US$ 150 Bn
- Subscribed capital of US$ 27.5 Bn
- Paid-up capital of US$ 6.8 Bn

- Saudi Arabia, 23.6%
- Libya, 9.5%
- Iran, 8.3%
- Nigeria, 7.7%
- United Arab Emirates, 7.5%
- Qatar, 7.2%
- Egypt, 7.1%
- Turkey, 6.5%
- Kuwait, 5.5%
- Other, 17.1%

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- Subscribed capital of US$ 27.5 Bn
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IDB Rating’s Affirmation (AAA)

STANDARD & POOR’S
(Since 2002)
Last Rating: Dec 2013

Moody’s
(Since 2006)
Last Rating: Nov 2013

Fitch Ratings
(Since 2007)
Last Rating: June 2013

IDB Sukuk are eligible for inclusion in the liquidity buffer of banks under the FSA supervision. (BIPRU 12.7.2)

EU Zero Risk Weighted
IDB Group Field Presence

**Regional Offices**

- Senegal, Guinea, Mali, Benin, Burkina Faso, Niger, Gambia, Togo, Sierra Leone, Cote d'Ivoire, Guinea Bissau
- Sudan
- Yemen

**Country Gateway Offices**

- Morocco, Tunisia, Mauritania, Algeria
- Uzbekistan
- Turkmenistan
- Pakistan
- Afghanistan

**Central Asia Region:** Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan

**North Africa Region:**
- North Africa: Morocco, Tunisia, Mauritania, Algeria
- Egypt
- Morocco, Tunisia, Mauritania, Algeria, Algeria

**South East Asia Region:**
- Malaysia, Brunei, Indonesia

WHO WE ARE
Products and Services

WHAT WE DO

Advisory Services

Loan, Murabaha, Iistisna, Equity, Leasing

Trade Financing

Technical Assistance & Scholarship

Murabaha

Research & Training

Takaful

Asset and Liquidity Mgmt.

Sukuk and Fee-based

Insurance of Inv. & Export Credit

Grants / Loans

Fee-based

Fee-based

Scholarship / Research Grants
Evolution of IDBG Annual Commitments
(From 1976 to Dec 2014)

$\begin{align*}
\text{Billion USD} \\
1983 \quad 1993 \quad 2003 \quad 2013
\end{align*}$
IDBG Cumulative Commitments

Cumulative Commitments: US$ 100.6 billion (As of Dec 2014)

WHAT WE DO
IDB Group Commitments by Sector (as of Dec 2014)

- **Industry and Mining**: 14%
- **Energy**: 45%
- **Finance**: 5%
- **Education**: 4%
- **Agriculture**: 12%
- **Water & Urban**: 6%
- **Transport**: 10%
- **Others Health**: 1%, 3%

What we do:
- Health: 3%
- Industry and Mining: 14%
- Finance: 5%
- Education: 4%
- Agriculture: 12%
- Water & Urban: 6%
- Transport: 10%
- Others Health: 1%, 3%
IDB Commitments by Sector in 2014

- Energy: 38%
- Transport: 20%
- Water & Urban: 14%
- Agriculture: 16%
- Education: 9%
- Health: 2%
- Finance: 1%
Regional Distribution of IDB Group Commitments (As of Dec 2014)

- ASIA: 15, 37%
- SSA: 22, 12%
- MENA: 19, 51%
IDBG Partners

Working with over 100 Partners world-wide

Development Financing

Economic Development Cooperation

Islamic Finance-Economy
The Coordination Group

- Donor coordination forum established in 1970s
- 10 institutions (ADFD, AFESD, AGFUND, AMF, BADEA, IDBG, KFAED, OFID, QDF and SFD)
- $184 billion of total CG assistance (end-2013)
- $15 billion of CG assistance in 2013 (inc. trade)
- Biannual meetings to discuss co-financing opportunities & co-financed projects
  (WBG is attending since 2011)
WHAT
WE DO

WHO
WE ARE

REGIONAL
COOPERATION
AND
INTEGRATION

WHAT
WE DO
IDBG Next 10-Year Strategic Framework

IDBG Vision

- **INCLUSIVENESS:** Become a preferred partner for MCs economic and social development
- **CONNECTIVITY:** A strong catalyst for South-South Cooperation
- **IFS GROWTH:** The leading reference in Islamic Finance

**Strategic objectives**

**Overarching Vision**

**Strategic pillars**

- Economic and social infrastructure
- Private Sector Development
- Inclusive Social Development
- Cooperation between Member Countries
- Islamic Financial Sector Development

**Guiding Principles**

- Selectivity
- Resource Mobilization
- Manage for Result
- Financial Sustainability
- Group Synergy
- Build Capabilities in Strategic Pillars
- Link Strategy to Budget & Resources

1 Capacity development is integrated in each strategic pillar
Regional Cooperation and Integration among Member Countries

IDB's Vision and Mission

Country Programs/MCPSs

Projects Without Fin. Gap

Projects with Fin. Gap

Gov. +IDB (Financing)

Gov+ IDBG + Partners:
- RCI Financing Facilities
- Partnership Mechanisms

IDB’s RCI Strategy

Sub-regional Programs

IDB’s Portfolio of RCI Projects

Sub-Regional/National Projects

Project Selection Criteria

LOOKING AHEAD
Main Objectives of the RCI Strategy

Facilitating the cross border movement of Goods, Services, People, Capital, Information/Knowledge through:

- Regional Connectivity including infrastructural connectivity (transport, energy, and ICT) - (hard aspects of RCI)
- Facilitation and liberalization of trade and investment through simplification, harmonization and unification of policies, regulatory frameworks, and procedures (soft aspects of RCI)
- Mobilization of technical and financial resources for implementation of RCI projects.
Objective 1 of the 3 YRP: Help MCs Access Regional/Global Markets

- WTO
- TPS-OIC
- RTAs

- Customs and border gates modernization
- Glob./Intl. conventions & Agr.
- Simplification, harmonization and unification of standards, procedures and regulations

- Commodity Studies
- Business Forums
- Exhibitions
- Capacity Building for Export Promo. Agencies
Objective 2 of the 3 YRP: Regional and sub-regional Connectivity

- Transport
- Energy
- Communications

GIS Database of the Regional Infrastructure Network

Pipeline of project along the identified networks

Development of Sub-regional Corridors

- 2 Rail
- 3 Road
- 1 Maritime
- 1 Multimodal
Objective 3: Establishment of Financial Arrangements/facilities Dedicated to RCI

- Sub-regional partnership platforms similar to Arab Coordination Group
- Regional/sub-regional infrastructure funds
- Special Funds for provision of grant resources (mainly to LDCs)
- Creation of facility/ies for preparation of regional projects
THANK YOU

TOGETHER WE BUILD A BETTER FUTURE
ENSEMBLE NOUS CONSTRUISONS UN AVENIR MEILLEUR

معاً نبني مستقبلاً أفضل