Evolution of the IDB Group

1975

› Authorized: ID 2 billion
› Subscribed: ID 0.75 billion
› Paid-up capital: ID 0.28 billion

1975G

› 22 Member Countries

1981

Inception

1994

1999

2008

2015

41 Years After

› Authorized: ID 100 billion
› Subscribed: ID 50 billion
› Paid-up capital: ID 4.9 billion

› 57 Member Countries

2018G
Islamic Research & Training Institute (IRTI)
- Research and training arm of the IDB,
- Development of the Islamic Financial Services Industry (IFSI) to support socio-economic development of MCs.
- Activities: training, research, advisory, capacity building, etc.

International Islamic Trade Finance Corporation (ITFC)
- Advance trade across the Islamic World,
- Encourage intra-trade across OIC MCs,
- Help businesses to better access trade finance, and
- Provide them with the necessary trade-related capacity building

Islamic Solidarity Fund for Development (ISFD)
- Dedicated facility to fight poverty in MCs
- Target Endowment of US$ 10 billion

Islamic Corporation for the Development Of the Private Sector (ICD)
- Promote private sector development in MCs,
- Facilitate access to Islamic capital markets,
- Mobilize additional financial resources for private sector,
- Promote entrepreneurship, and encourage cross-country investments.
Established in 1975 with HQ in Jeddah, KSA

1,128 staff distributed across Entities & Regional Hubs

A Unique Model of South-South Cooperation

Global MDB: Membership 57 Countries Spreading over 4 Continents

11 Regional Hubs

- IDB Member Countries Account for 23% of World’s Population – 11% of World’s GDP
- Regional Hubs established in Nigeria, Indonesia,
- New Regional being established in Egypt, Uganda, UAE, Bangladesh, Suriname

Specialized Entities of the IDB Group
Foster socio-economic development in member countries and Muslim communities in Non-MCs

Promote comprehensive human development in the Muslim World

Promote & Expand the Islamic Financial Industry
Main Products and Services of the IDB Group

- Scholarship Programs
- Special Assistance
- Trade Financing & Promotion of Intra-Trade
- Capacity Development & Technical Cooperation
- Insurance of Investment & Export Credit
- Science & Technology Program
- Project Financing
- Fund / Asset Management
- Islamic Economics & Finance Research and Training
- Development of the Islamic Financial Services Industry
IDB Group Approvals

1395H-2017 Approvals
In Numbers

CUMULATIVE NET APPROVALS (1395H-2017)
IDB $89.5 billion
$128.7 billion

By country and Major Mode of Financing (1395H-2017)
- Project Financing
- Technical Assistance Operations
- Trade Financing
- Special Assistance Operations

TRADE FINANCING
IDB $5.8 billion
$714 million

PROJECT FINANCING
IDB $5.2 billion
$571 million

TECHNICAL ASSISTANCE OPERATIONS
IDB $2.7 million
$456 million

SPECIAL ASSISTANCE OPERATIONS
IDB $0.9 billion
$754.1 million

By number of operations
- 2,656 Trade Financing
- 2,542 Project Financing
- 1,574 Special Assistance Operations
- 1,451 Technical Assistance Operations
IDB Group Track Record in Infrastructure Financing and Development

Over 40 Years of Infrastructure Financing

33 years (1975-2008) $13 Billion

34% 32.4 Billion in Infrastructure Financing

40% 13 Billion

26% 2 years (2014-2015) $8.4 Billion
IDB Strategy

Overarching Vision

Strategic objectives

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 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
Cooperation Pillar Features from the IDB Group Strategy

**Trade**
- Trade Liberalization
- Trade Facilitation and Promotion
- Trade Finance

**Investment**
- Analytical studies on GPs
- Regional Investment Promotion Measures
- Capacity Building for facilitating FDI
- Sponsoring Investment Business Forums

**Regional Infrastructure Connectivity**
- Development of Regional Infrastructure Networks (T,E,C)
- Development of Regional Inter-Country Corridors
An economic corridor attracts investments to—and generates economic activities in—the areas or regions served by the corridor. However, physical links must already be in place.


A 10% drop in transport costs, in fact, increases trade by 25% (Limão and Venables 2001).

Transport delays along the production chain have significant ramifications up and down the integrated production value chain. Up to 57% of total trip time wasted on borders and some drivers waiting as long as 2 weeks.

Transport costs are typically higher in developing, than in developed, countries because of poor infrastructure, ill-defined processes, weak regulations, and a low regard for transport facilitation, among other reasons.
Africa Regional Corridors

No. 1 Cairo-Dakar
Morocco
1. Sidi Yamar-Tanger Highway ($37.6m)
2. Taza-Oujda Segment of Fez-Oujda Highway ($193.9m)
3. Fez-Taza Segment ($118.6m)
4. Marrakech-Agadir Highway ($108.2m)
5. Noussekkrt-Neufchibiou Road ($60m)

No. 2 Algiers-Lagos (Trans-Saharan) – Malei Axis
Niger
1. Agadez-Zinder Road ($10m)
2. Arri-Assamaka Road ($15m)

No. 2 Algiers-Lagos (Trans-Saharan) – Niger-Chad Branch
Niger
1. F.S. for Diffe-Ngiaguim-Chad Border Road ($7.7m)
2. Gourte-Djadjri Road ($13.4m)
3. Dol-Big Rig Section ($118m) - Under Preparation
4. Massakory-Ngout Road ($210m)
5. Massaquut-Massakory Road ($10.3m)

No. 5 Dakar-Yaounde (Trans-Sahelien)
Senegal
1. Dielikato-Kedougou Road ($6m)
2. Seraye-Kita Regional Road ($9.5m)
Mali
3. Seraye-Kita Regional Road ($5.5m)
4. Sikasso-Mali/Burkina Faso Border Road ($8.5m)
Burkina Faso
5. Bobo-Diosekro/Onodara/Malian Border ($6.3m)
6. Kaya-Dior Road ($2m)

No. 6 Hambes-Djibouti ("Pilgrim’s Road")
Chad
1. Massaquut-Ngout Road ($6.6m)
2. Ar boutsokta-Birkine Road ($61.8m)
3. Bolobo-Arouacharal Road ($10.5m)
4. Monge-Mangime Road ($51.2m)
Regional Integration: Rail & Ports

- **The BERKET-ETERK-Turkmenistan-Iran Border Railway Project in Turkmenistan:**
  256 km long railway line as part of the North-South Corridor linking Kazakhstan, Turkmenistan, and Iran: IDB contribution of USD 370 million.

- **The West Iran Railway Line:**
  556 km long railway link connecting Samangan-Malayer-Kermanshah and Khosravi to Iraqi border (approved in 2007 and completed in 2013 with an IDB contribution of € 27 million).

- **Salalah Port in Oman:**
  (IDB: USD 53 million out of USD 251 million), increase of its capacity from 2 million TEU to 3 million TEU, resulted in an increase of revenues of over 100%. Capacity of the port increased to 5 million TEU by subsequent investments.

- **Mauritania: Modernization of Nouadhibou Mining Port Handling Equipment:**
  Iron Ore exports constitute over 40% of the total exports in Mauritania. The project succeeded in increasing SNIM’s iron ore production from 10.65 million tons in 2006 to 11.50 million tons in 2012.
Regional Integration: Energy Corridors

- **Central Asia-South Asia Regional Electricity Market Development Program:**
  CASA-1000 Power Transmission Line is the first phase of the CASAREM development program aiming to transfer surplus energy generation in Kyrgyz Republic and Tajikistan during the summer months when there are huge shortages in Pakistan and Afghanistan. IDB has approved $155 Million

- **TAPI Gas Pipeline:**
  Turkmenistan-Afghanistan-Pakistan-India (TAPI) Gas Pipeline project aims to export up to 33 billion cubic meters per year of natural gas, through a proposed 1,800-kilometer pipeline, from Turkmenistan to Afghanistan, Pakistan and India. IDB has approved $700 million for construction of the Turkmenistan segment of the TAPI Project

- **Inter-connection of power networks of KSA and Egypt with a possibility to expand to other MENA Countries:**
  Egypt-Saudi Electricity Interconnection Project is regionally important initiative aiming to facilitate energy trade between the two countries. It is connecting the Arab Maghreb and Mashreq regions and paving the way for its expansion to other IDB member countries in the region and thus contributing to energy trade in the Arab region. IDB has approved $440 million
RCI Planning Cycle

Gov. + IDB (Financing)

Gov + IDBG

Paratners:
• RCI Financing Facilities
• Partnership Mechanisms

Projects Without Fin. Gap

Projects with Fin. Gap

Country Programs/ MCPs

IDB Portfolio of RCI Projects

IDBG’s Vision 1440 and 10 YS

IDB’s RCI Strategy

Four Sub-regional Programs

Sub-Regional/ Regional Projects
Enhance Cross Border Connectivity

Improve Investment Climate

Mainstream Trade and Islamic Finance to Promote Cross-Border Development

Facilitate Cooperate to Provide Regional Public Goods
Vision: IDBG MCs coexist harmoniously and achieve sustainable and interdependent growth through mutual cooperation.

Mission: Working as ‘One IDBG’ in cooperation with public and private sector partners to bring together member countries, regional cooperation organizations and communities to achieve inclusive growth through joint actions.
Outcomes of IDB Consultative Forums with RCOs / RECs

Main Recommendations from 2016 and 2017

1 - Priority Areas for Inter-agency Cooperation
- Development of regional transport, energy and communication connectivity networks/corridors.
- Trade and investment
- Agriculture and food security
- Health, Education and social development
- Private Sector Development
- Capacity building in RECs/RCOs
- Fund raising/resource mobilization for implementation of the selected projects

2 - Inter-agency coordination Platform
- Regional Level (Annual Consultative Forum at the Sidelines of the IDBG AMs)
- Sub-regional Level (Africa, Asia, and MENA)

3. Quick win initiatives for 2016-2017
- Establishment of the GIS Database
- Development/Activation of Inter-Country Corridors
IDB contributed USD 454 million to the Trans-Saharan Road (TSR) as one of the African inter-connecting routes. It aims to open up the Sahara desert regions and to connect the Maghreb and Sub-saharan sub-regions through four sections linking two capitals of Maghreb (Algiers and Tunis) to four Sub-Saharan capitals i.e. Bamako, Niamey, N’Djamena and Lagos over a distance of 9,400 km.

IDB is finalizing study aiming at the commercialization of the KTI railroad corridor with ECO and UNESCAP including the establishment of a Regional Corridor Management Mechanism.

IDB contributed USD 370 million to the BERKET-ETERK segment in Turkmenistan. It is a 256 km long railway line as part of the North-South Corridor linking Kazakhstan, Turkmenistan, and Iran (KTI).

IDB has started a study aiming at the commercialization of the TSR with UNCTAD including the establishment of a Regional Corridor Management Mechanism.
Objectives of the Regional Transport Geographic Information System (GIS) Database

- In 2017 IDB partnered with UNECE to initiate the creation of IDBs GIS of Regional Infrastructure Connectivity Networks.
- The first phase of the initiative covers 11 countries in the Eurasia region before expanding elsewhere.

<table>
<thead>
<tr>
<th>Provide GIS (digital) Maps of infrastructure networks in T, E and C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify and visualize missing links and investment gaps in the infrastructure networks of IDB MCs</td>
</tr>
<tr>
<td>Geo-mapping of selected projects with their estimated cost and implementation timeline</td>
</tr>
<tr>
<td>Facilitate resources mobilization by information sharing/showcasing of selected projects</td>
</tr>
<tr>
<td>Provide a dynamic platform for sharing information on regional connectivity programs in various sub-regions</td>
</tr>
</tbody>
</table>
Way Forward

The efficient regional connectivity would be possible through coordinated actions by MCs, RCOs, and active participation of bilateral and multilateral financial/development institutions.

This could be realized through establishment of coordination/consultation platforms at regional/sub-regional levels with participation of MCs, RCOs and Development community with a view to put together their limited technical and financial resources for selective and high impact interventions.

Expansion of the GIS mapping initiatives to include Power networks, Trade and Telecommunications

- Sharing data and information on transport and other sectors development in common Member Countries
- Expansion of GIS Application to common MCs in the Middle East and North Africa and to Sub Saharan Africa
- Selection of additional inter-country corridors for replication of the experience of the TSR and KTI corridors
- Identification of selected and high impact regional projects for consideration by development community
Thank you
## Cooperation Pillar of the 10 YS: KPIs for Implementation

<table>
<thead>
<tr>
<th>Vision</th>
<th>Integrated/prosperous OIC Region: Free movement of goods, services, capital, and people.</th>
</tr>
</thead>
</table>
| Objectives | • Increase the intra-OIC Trade  
• Increase the Share of OIC in global FDI inflow  
• Regional connectivity (Transport, Energy, and Communication)  
• Reduction of time/cost of trade (in selected Trade/Transport Corridors) |
| Performance Indicators | RCI Strategy and 4 Sub-Regional Programs  
Inclusion of RCI related Pillar all future MCPSs  
IDB project approvals dedicated to RCI: $7 b  
Trade finance dedicated to intra-OIC: $54 b  
Increasing Intra OIC Trade and Invest. Insured to $25 b.  
Financial facility dedicated to RCI: $2.5 b |
IDBG 10 Year Strategy: A Paradigm shift

Transition from its primary role as a ‘provider’ to a ‘connector’ and ‘catalyzer’ of regional cooperation among MCs.

Demand Driven Op.  →  Policy Backed Operations

Country Focused Programming  →  Country and Regional Programming

Hard infrastructure  →  Soft and hard infrastructure
Infrastructure Focus

IDB Group Infrastructure Strategic Plan aims at “addressing economic development challenges through infrastructure development”

• Focusing on the Basic Services Sector
• Bridging the Access Gap to Basic Services
• Rural Development
  • Renewable Energy Solutions
  • Rural Electrification
  • Clean Water Supply
  • Accessibility
Transport Division

Key Focus Areas

- Development of International Transport Corridors
  - Trans-Sahara Highway (TSH)
  - CAREC Transport Corridors
- Improve Transport Infrastructure
  - Roads, Railways, Airports, Seaports
- Increase Accessibility
  - Rural Networks

Significant Projects

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Project Description</th>
<th>IDB Participation (US$ m)</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Western-Europe – Western-China Road Corridor</td>
<td>224</td>
<td>Kazakhstan</td>
</tr>
<tr>
<td>2.</td>
<td>Padma Multi-Purpose Bridge</td>
<td>140</td>
<td>Bangladesh</td>
</tr>
<tr>
<td>3.</td>
<td>Akieni-Okondja Road</td>
<td>107</td>
<td>Gabon</td>
</tr>
<tr>
<td>4.</td>
<td>Marrakech - Agadir Highway</td>
<td>106</td>
<td>Morocco</td>
</tr>
<tr>
<td>5.</td>
<td>Regional Roads Development</td>
<td>65</td>
<td>Indonesia</td>
</tr>
<tr>
<td>6.</td>
<td>Singrobo-yamou Soukro Highway (Phase III)</td>
<td>61</td>
<td>Cote d’ivoire</td>
</tr>
</tbody>
</table>
The Priority Agenda for 2016-2018

Regional Transport Connectivity: a Network-Cum-Corridor Approach:

- Development of a Regionally integrated Network of MMT:
  - Establishment of Regional Transport GIS Database
  - Pipeline of projects along the identified networks

- Commercialization of trade/transport corridors in:
  - Africa
  - Asia
  - MENA
The IDB’s Transport GIS Database

✓ Provide a regional picture of the transport networks and selected road, railway and maritime projects with their estimated cost and implementation plan.

✓ Facilitate the mobilization of resources by showcasing of the selected projects/pipelines.

✓ Become a knowledge based institution and a source of information/data on regional connectivity
Monitoring physical and non-physical barriers to trade through 62 trips in 11 Arab countries along 14 routes.
Main obstacles to international Trade by road transport

Border-crossing remains the main impediment to trade by road. 44% of transport time lost at borders and some drivers waiting about 2 weeks.

Main causes of waiting times at borders are well known:

« Inappropriate procedures and lack of mutual recognition »
IsDB-AULT-IRU Joint Project

The Way Forward:

Action Plan for safer and more efficient road transport in the Arab Region.
Moving Forward: Transport Infrastructure Focus

With the guidance of the IDB’s Vision and the emerging challenges in the development landscape, the IDB Transport Sector Policy is planned to be built on the following four pillars:

- Transport in support of economic growth and regional integration.
- Transport that enables social inclusion.
- Promoting Road Safety
- Sustainable Transport.