



The Islamic Development Bank Group

Together We Build A Better Future



Malaysia - IDB Group Investment Forum & Launching of Member Country Partnership Strategy



Strategic Partnership for Development

9-11 May 2012



Presentation Overview

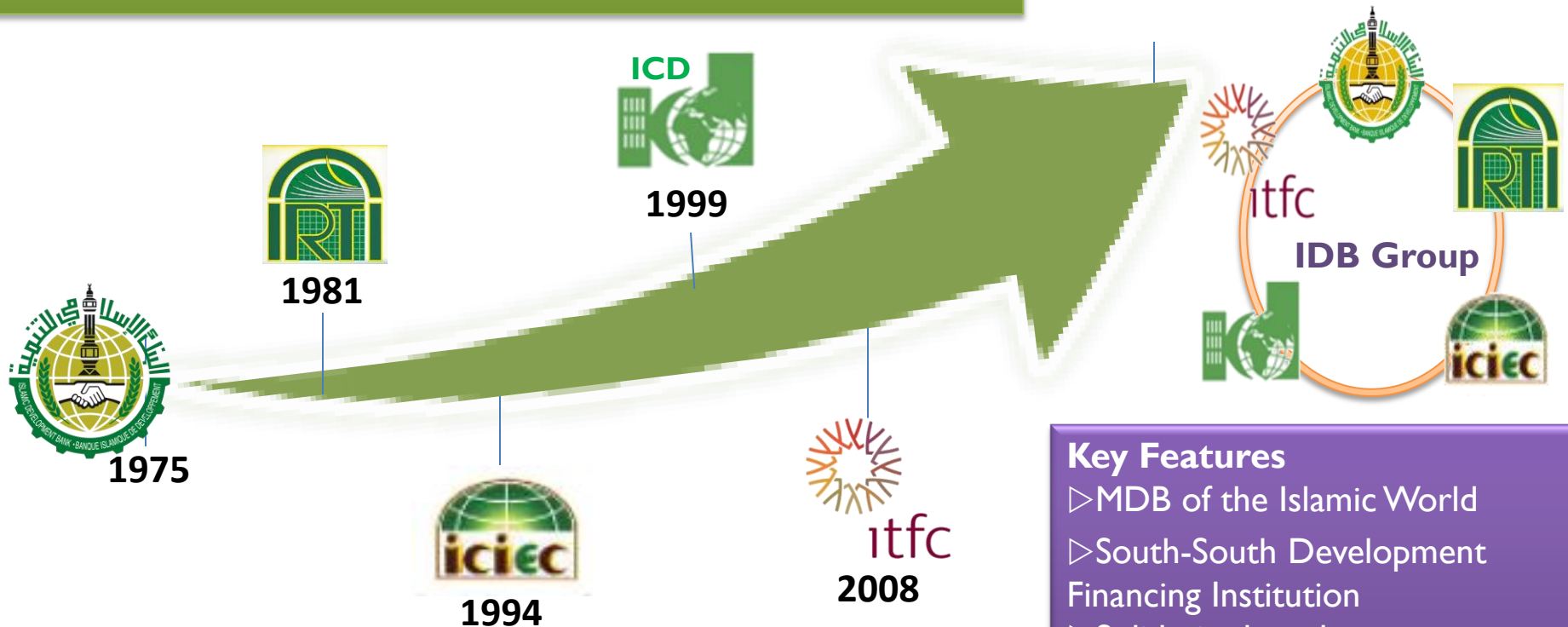
- i. IDB Group at a Glance
- ii. Vision 1440H (2020)
- iii. Products and Services
- iv. Special Funds, Programs & Initiatives
- v. IDB Group & Malaysia



IDB Group at a Glance

38 Years in the Service of Development

▷ 1396-1433H / 1975-2012G



Key Features

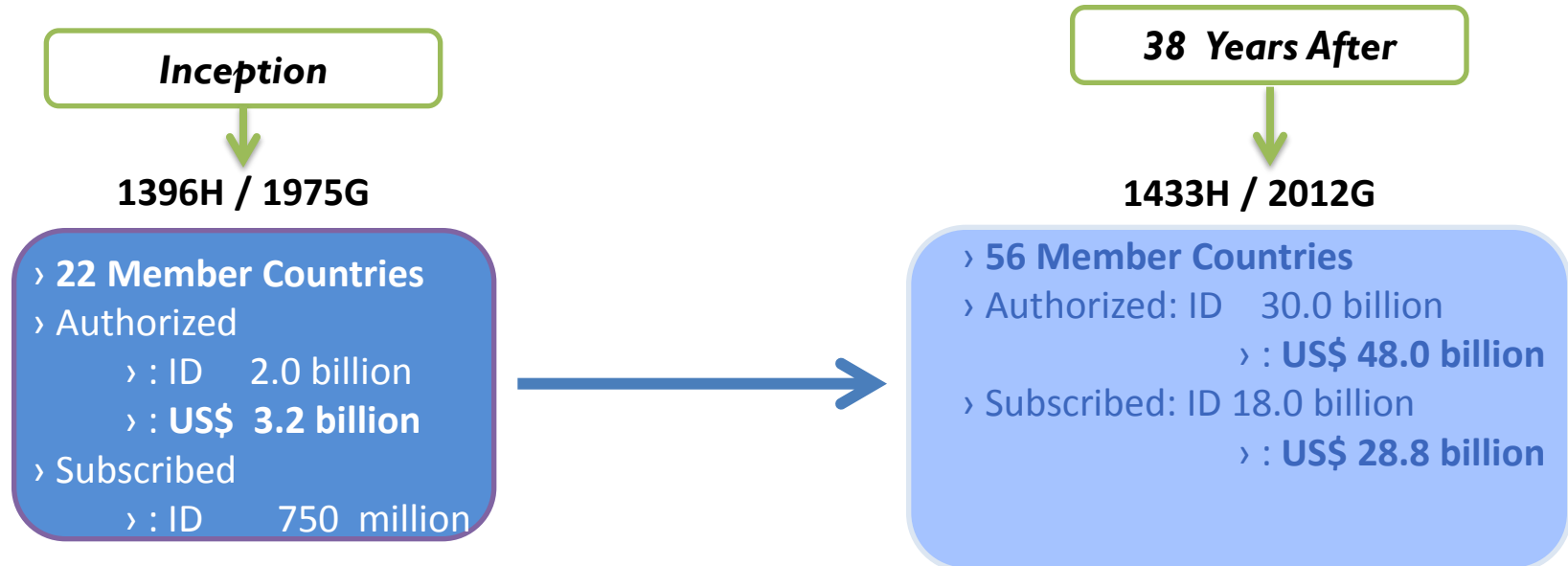
- ▷ MDB of the Islamic World
- ▷ South-South Development Financing Institution
- ▷ Solidarity-based
- ▷ *Shariah*-compliance
- ▷ Pioneer in Trade Finance
- ▷ AAA-rated



Islamic Development Bank

The Bank's mandate is to promote, comprehensive human development in the Muslim World

- ▷ Offer development financing
- ▷ Promote Islamic Financial Services Industry
- ▷ Provide knowledge services for development
- ▷ Build capacity & promote technical cooperation



Members / Entities of the Group



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.



Members / Entities of the Group



The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)

- Enhance trade among OIC Member Countries,
- Offer Shariah-compliant export credit insurance and re-insurance,
- Provide political risk insurance to encourage investment flows.



Members / Entities of the Group



Islamic Corporation for the Development 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; Develop SMEs; and encourage cross- country investments.



Members / Entities of the Group



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 them with the necessary trade-related capacity building.



Our Clients

- ▷ Government
- ▷ Private Sector
- ▷ NGOs

56 Member Countries across **4** Continents

+

Muslim Communities in Non-Member Countries

- | | | |
|-------------------|---------------------|--------------------------|
| 1. Afghanistan | 20. Indonesia | 38. Pakistan |
| 2. Albania | 21. Iran | 39. Palestine |
| 3. Algeria | 22. Iraq | 40. Qatar |
| 4. Azerbaijan | 23. Jordan | 41. Saudi Arabia |
| 5. Bahrain | 24. Kazakhstan | 42. Senegal |
| 6. Bangladesh | 25. Kuwait | 43. Sierra Leone |
| 7. Benin | 26. Kyrgyz Republic | 44. Somalia |
| 8. Brunei | 27. Lebanon | 45. Sudan |
| 9. Burkina Faso | 28. Libya | 46. Suriname |
| 10. Cameroon | 29. Malaysia | 47. Syria |
| 11. Chad | 30. Maldives | 48. Tajikistan |
| 12. Comoros | 31. Mali | 49. Togo |
| 13. Cote d'Ivoire | 32. Mauritania | 50. Tunisia |
| 14. Djibouti | 33. Morocco | 51. Turkey |
| 15. Egypt | 34. Mozambique | 52. Turkmenistan |
| 16. Gabon | 35. Niger | 53. Uganda |
| 17. Gambia | 36. Nigeria | 54. United Arab Emirates |
| 18. Guinea | 37. Oman | 55. Uzbekistan |
| 19. Guinea Bissau | | 56. Yemen |



IDB Group Field Presence



**Group Regional
Office of Dakar**



Covers 11
Countries in
West Africa



**Group Regional
Office of Rabat**



Covers 4 Countries
in **North Africa**



**Group Regional
Office of Almaty**



Covers 6 Countries
in **Central Asia &
Europe**



**Group Regional
Office of KL**



Covers 3 Countries
in
Southeast Asia

5 new Gateway Offices: Bangladesh, Egypt, Indonesia , Nigeria, Turkey

ICIEC Office in Dubai (To be Enhanced to serve the IDB Group)

13 Field Representatives/Consultants for IDB in Member Countries, 4 new Reps planned



“Vision for Human Dignity”

Vision Statement

“By the year **1440 Hijrah (2020G)**, IDB 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 help 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 Thematic Strategic Thrusts

Comprehensive Human Development and Poverty Reduction

**Infrastructure Development/
Prospering the People**

Economic Cooperation and Regional Integration

Islamic Financial Sector Development

Private Sector Development

Capacity Development

IDB 1440H (2020) Vision Strategic Thrusts

Reform IDB

Alleviate Poverty

Promote Health

Universalise Education

Prosper the People

Empower the Sisters of Islam

Expand the Islamic Financial Industry

Facilitate Integration of IDB MCs

Improve the Image of the Muslim World



Cross Cutting Areas of Operations

Private Sector
Development

Capacity
Development

Economic
Cooperation &
Regional
Integration

**PPP, Joint
Ventures, BOT
and Financing
key Private
Sector Dev.
programs**

**Knowledge &
Technology
transfer,
Collaboration in
Scientific
Research, and
Human &
Institutional
capacity
development**

**Financing
regional
projects and
building
capacity of the
regional
organizations**



Products and Services



Project Financing

- *Public (Sovereign)*
- *Private (Non-Sovereign)*
- *Public-Private Partnerships (PPPs)*



Trade Financing & Promotion of Intra-Trade between Member Countries



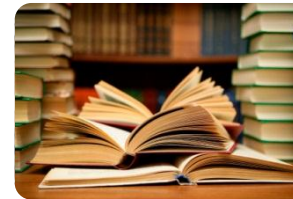
Insurance of Investment & Export Credit



Capacity Development & Technical Cooperation



Fund / Asset Management



Islamic Economics & Finance Research and Training



Development of the Islamic Financial Services Industry

Special Programs

- **Science & Technology Program**
- **Scholarship Programs**
- **Special Assistance Program**
- **Adahi (Qurban) Project**

OVERVIEW OF THE IDB GROUP



Modes of Financing

Loans

Grants

Leasing

**Installment
Sale**

**Istisna'a
(Construction
Financing)**

Equity

Profit Sharing

**Lines of
Financing**

**Murabaha
(Trade
Financing)**



Member Country Partnership Strategy (MCPS)

- Cornerstone of the IDB Group's engagement strategy with member countries
- Maximize effectiveness of IDB Group Resources
- Realize IDB Group Synergy / Complementarity
- Special emphasis for Reverse Linkages (Guiding Policy under preparation, First Workshop conducted in March 2012 at IDB HQ)

7 MCPSs Completed and under active implementation

- Indonesia, Mali, Mauritania, Pakistan, Turkey, Uganda and Malaysia
- All projects for approval in 1433H(2012G) based on MCPSs

At advanced stage (near Completion)

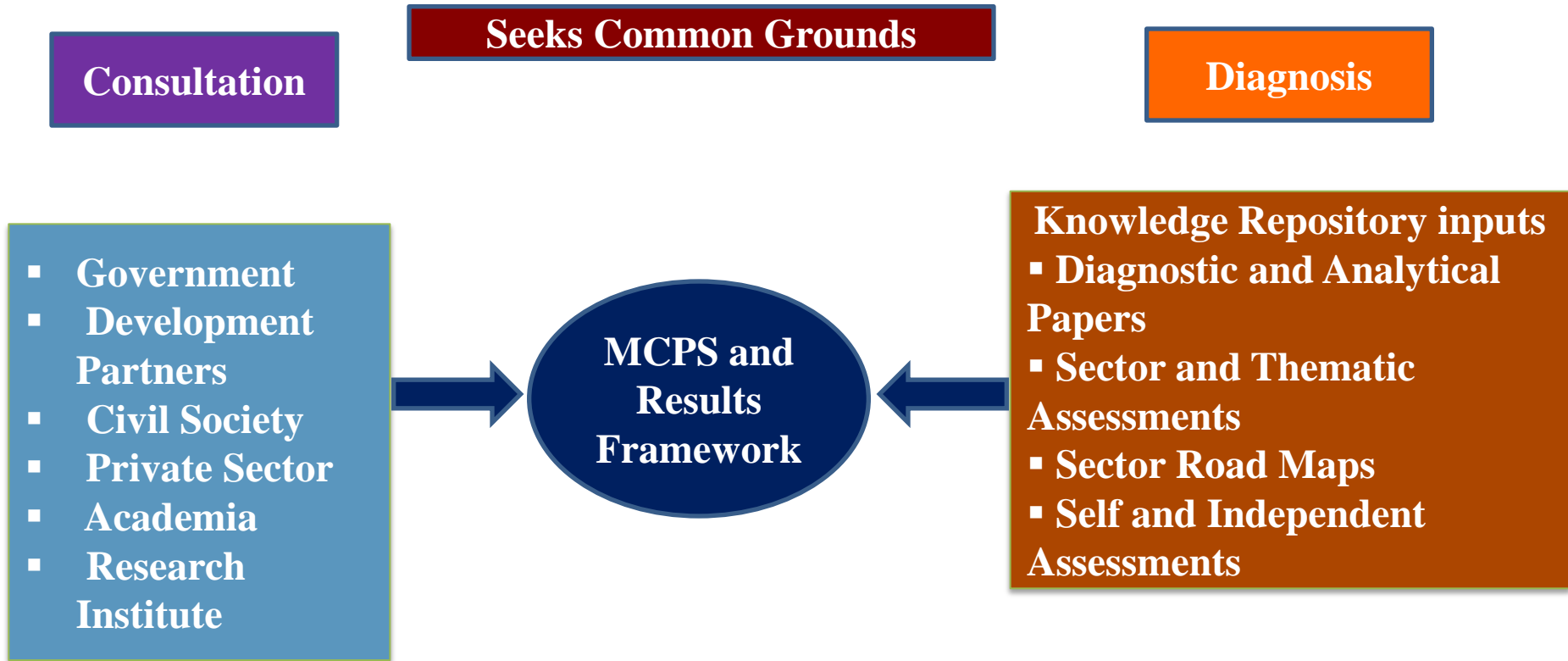
Kazakhstan, Kuwait, Morocco and Senegal

Under active preparation

Niger , Bangladesh, Uzbekistan, Sudan, Bahrain, Egypt, Syria, Tunisia, GCC Regional , Fragile and Post Conflict States

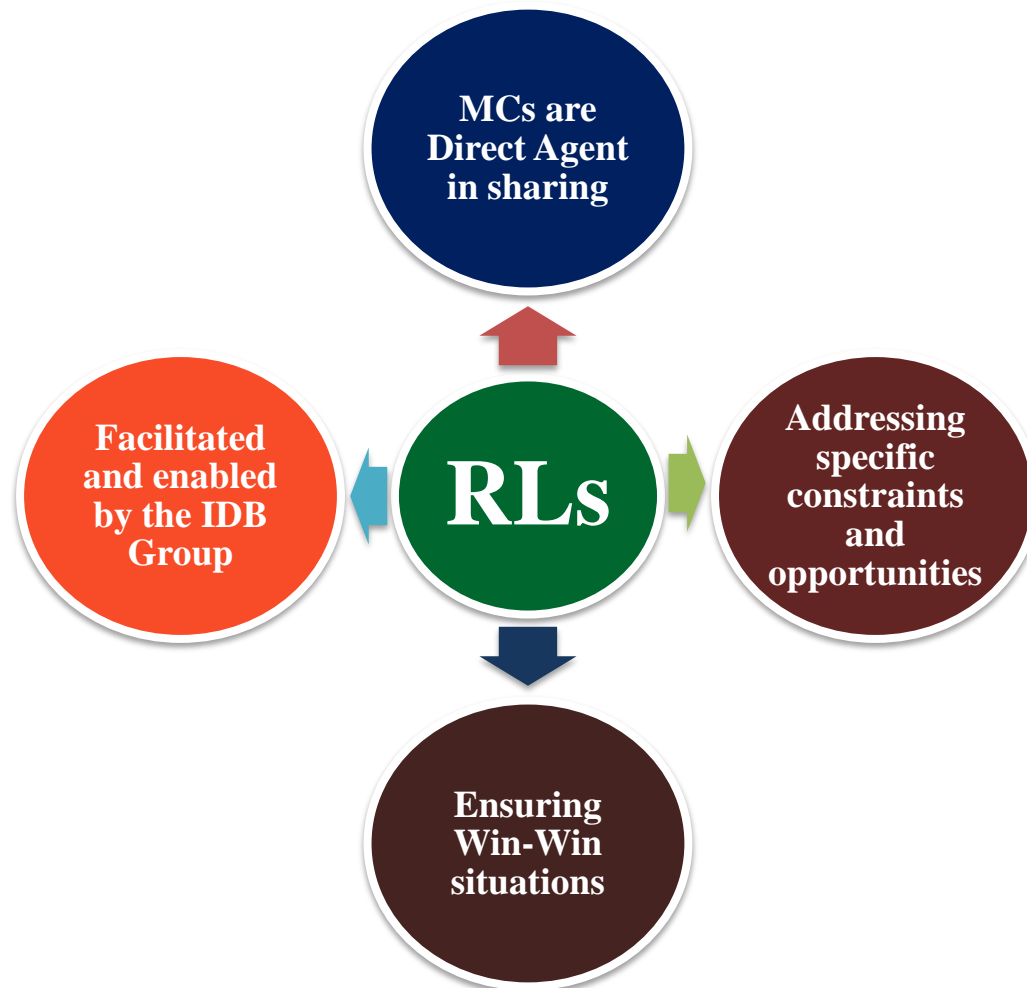


MCPS FRAMEWORK

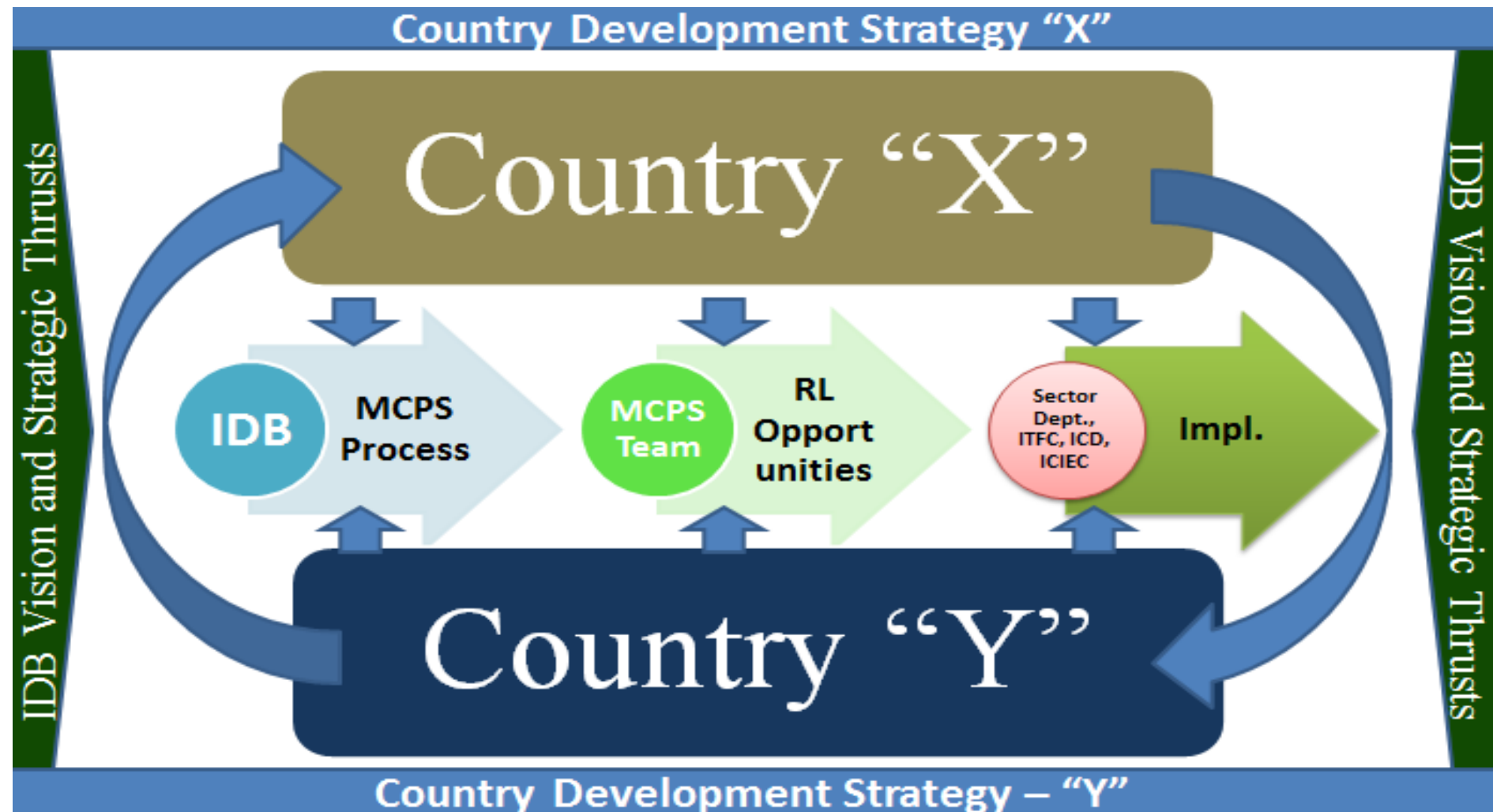


Reverse Linkages

**Reverse Linkages (RLs) are specific activities for mainstreaming
“South-South” Development Approach**



How are MCPS and RLs Linked?

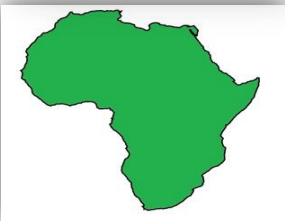


Special Funds, Programs & Initiatives



Islamic Solidarity Fund for Development (ISFD)

- Dedicated facility to fight poverty
- Target Endowment of US\$ 10 billion
- Flagships: Integrated Community Driven Development (ICDD), Vocational Literacy (VOLIP), Microfinance, Sustainable Villages



Special Program for the Development of Africa (SPDA -I)

- Aims to support investments in social & infrastructure sectors in Sub-Saharan Africa
- Total Size: US\$ 12 billion (US\$ 4 billion from IDB Group) over 5 years (2008 – 2012)



Jeddah Declaration on Food Security

- Supports Member Countries affected by the global food crisis (2008 – 2012)
- Total IDBG : US\$ 1.5 billion over 5 years
- Meeting both urgent, medium and long term needs of mainly LDMCs



Youth Employment Support Program in Arab Countries

- High-level of Unemployment amongst Youth in Arab Countries identified as one of the key causes for recent political turmoil and unrest
- Initial Size: US\$ 250 million
- Areas: Micro-Finance, Vocational Training, Entrepreneur development, MSME Development, advisory services

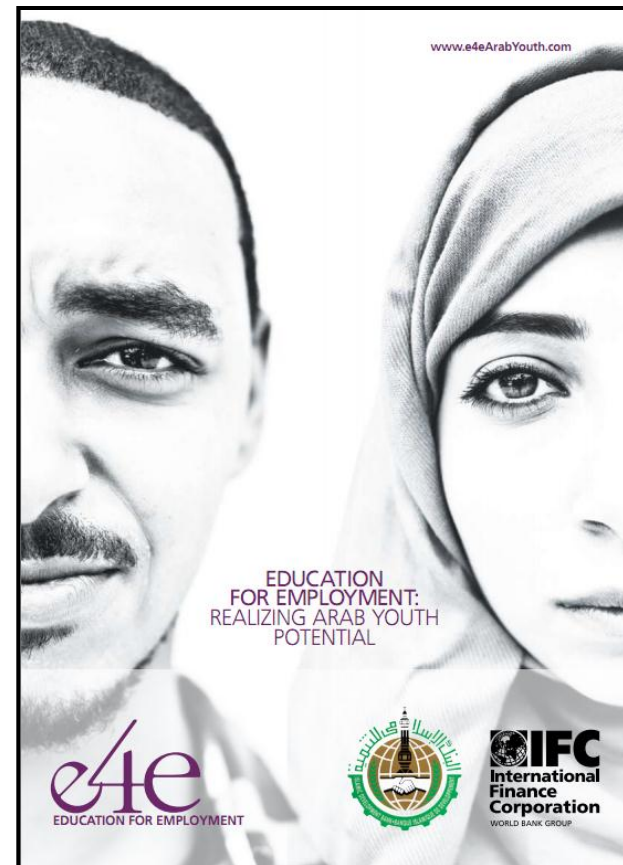
OVERVIEW OF THE IDB GROUP



Education for Employment: Realizing Arab Youth Potential (E4E)

- Joint initiative between IDB and International Finance Corporation (IFC) – World Bank Group

- To Tackle youth un-employment
- To Unleash the potential of Arab Youth
- To use the private sector as a powerful force for positive change
- To jointly mobilize US\$ 1.5 – 2.0 bill. for E4E programs
- Egypt & Tunisia programs under preparation (Initial Projects of US\$ 50 mn)



IDB Group Cumulative Financing in Member Countries (since inception)

Type of Operation	US \$ Billion
Project Financing	38.53
Trade Financing	41.42
Technical Assistance	0.40
Special Assistance	0.72
Total	81.07
ICIEC Insurance Coverage	15.26



IDB's Rating Affirmations

**STANDARD
& POOR'S**

**"AAA" & 'A-1+' Short-Term
"Stable" Outlook**

MOODY'S

**"Aaa" & 'P-1' Short-Term
"Stable" Outlook**

FitchRatings
KNOW YOUR RISK

**"AAA" & 'F1+' Short-Term
"Stable" Outlook**



EU Zero Risk Weight



Major Development Partners

Coordination Group



ARAB FUND FOR ECONOMIC & SOCIAL DEVELOPMENT



الصندوق السعودي للتنمية
The Saudi Fund for Development



صندوق أبوظبي للتنمية
ABU DHABI FUND FOR DEVELOPMENT



AGFUND
Arab Gulf Program for Development

International Organizations / MDBs / Bilaterals



OIC & Affiliates



Asian Development Bank
FIGHTING POVERTY IN ASIA AND THE PACIFIC



THE WORLD BANK



European Bank
for Reconstruction and Development



European
Investment
Bank



Inter-American Development Bank



UNITED NATIONS



The Islamic Development Bank Group
<http://www.isdb.org>

معاً نبني مستقبلاً أفضل
TOGETHER WE BUILD A BETTER FUTURE
ENSEMBLE NOUS CONSTRUISONS UN AVENIR MEILLEUR

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OVERVIEW OF THE IDB GROUP

A Vision For Human Dignity
VISION
1440H

IDB Group & Malaysia



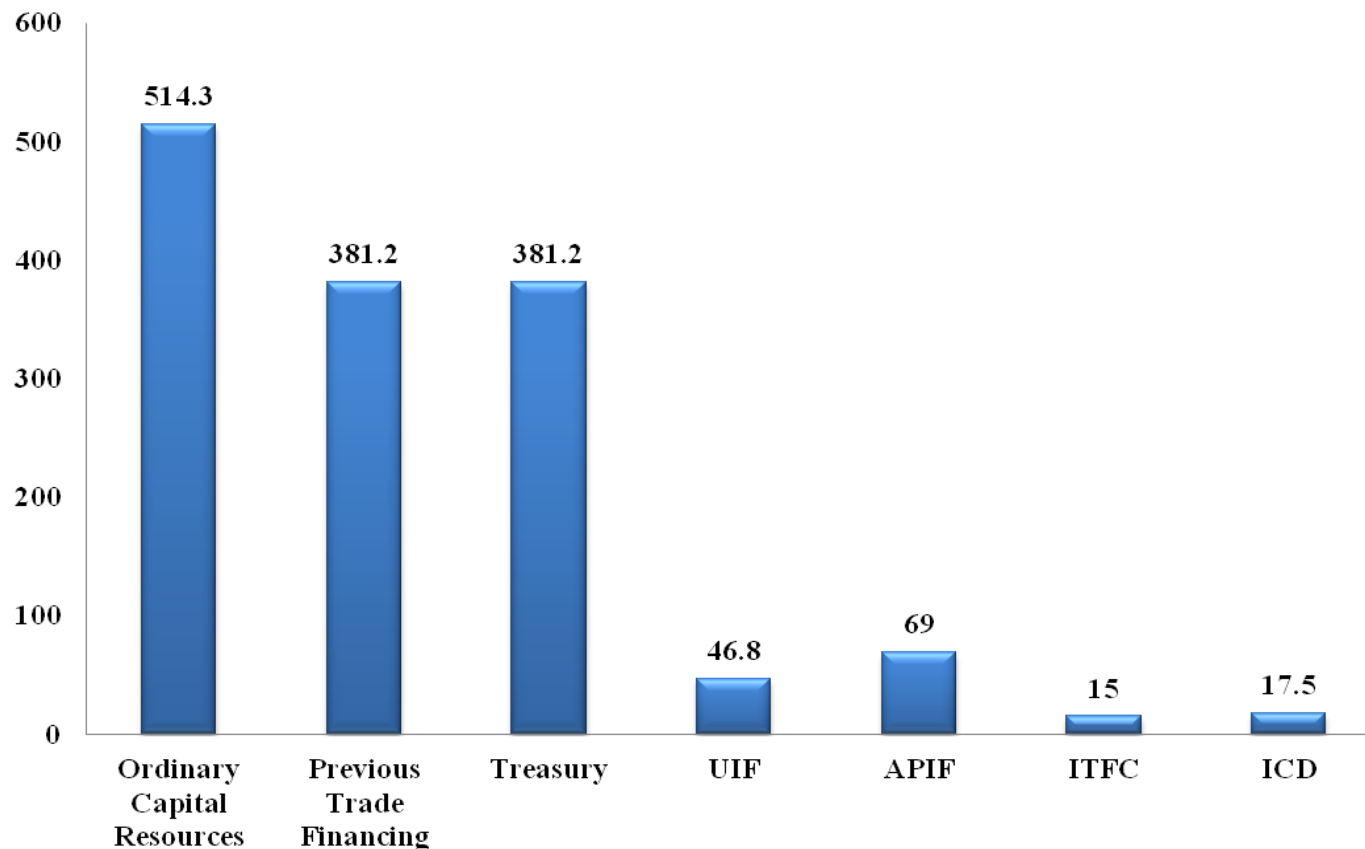
IDB Group and Malaysia

- Malaysia joined IDB on August 12, 1974 as a founding member;
- Malaysia and IDB have been development partners for the last 38 years;
- IDB has a Regional Office in Malaysia;
- Total IDB Group 177 Operation for a total amount of US\$ 1.43 billion-The first IDB operation in Malaysia was approved on 8/9/1977 (Pahang Cement Sdn. Bhd., equity).
- Joint capacity building programs for OIC Member Countries.



IDB Group Intervention in Malaysia (Total US\$ 1,434 million)

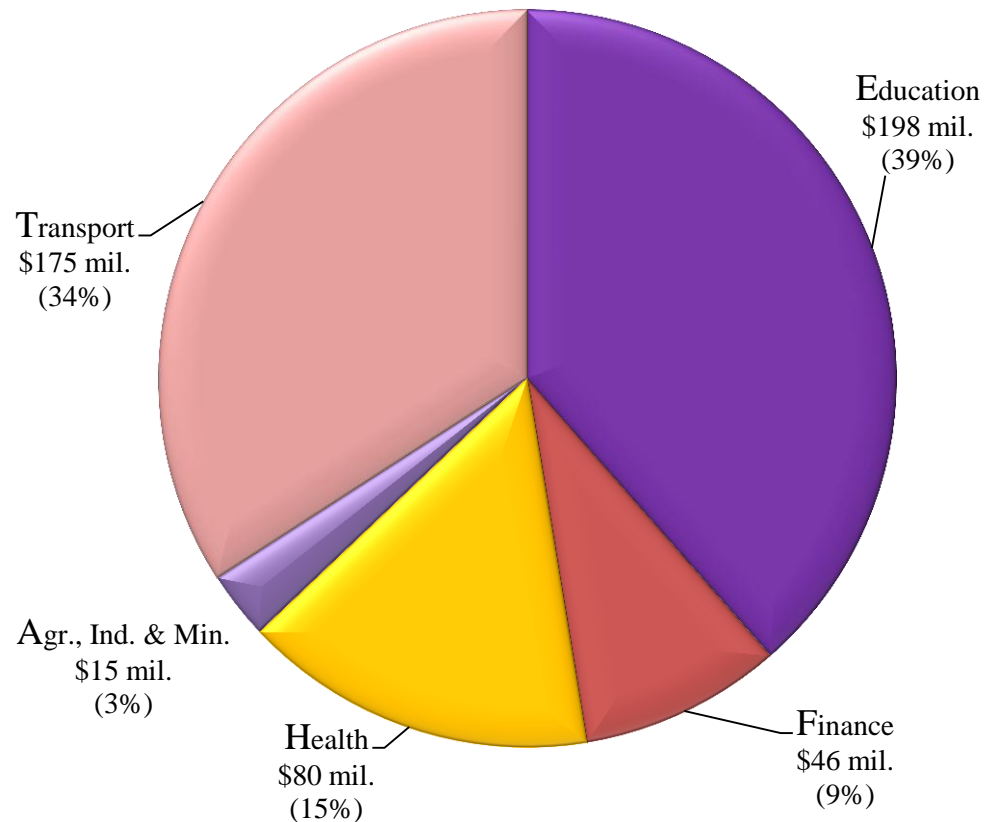
1396H-1432H
(1975 – 2011)



IDB Exposure in Malaysia

(Total Ordinary Financing = US\$ 514.3 million)

Sectoral Distribution of OCR Financing (January 1976 – December 2011)



معاً نبني مستقبلاً أفضل

TOGETHER WE BUILD A BETTER FUTURE



The Islamic Development Bank Group

Providing resources ▪ Fighting poverty ▪ Restoring dignity

<http://www.isdb.org>