

Islamic Development Bank



IDB Group

- From 23 countries in 1975 to 56 countries in 2008
- Africa: 27
- Asia: 27
- Europe: 1
- Latin America: 1
- Authorized Capital: ID* 30 billion
- Subscribed Capital: ID 16.3 billion
- Paid-in Capital: ID 3.3 billion
- AAA Rating by Moody's, Fitch, S&P
- Zero-Risk Rating by European Commission



IDB Group



Islamic Development Bank

Established in October 1975. The purpose of the Bank is to foster the economic development and social progress of member countries and Muslim communities individually as well as jointly in accordance with the principles of Shari'ah i.e., Islamic Law.



Islamic Research & Training Institute (IRTI)

Established in 1981 to undertake applied & basic research in Islamic Economics and Finance.



Islamic Corporation for the Development of the Private Sector (ICD)

Established in 1999 with the mandate to promote private sector development.



Islamic Corporation for Insurance of Investment & Export Credit (ICIEC)

Established in 1994. Providing Shariah-compatible export credit insurance, political risk insurance, technical assistance.



International Islamic Trade Financing Corporation (ITFC)

Established in January 2008. Promotes and enhances intra-trade and trade cooperation among OIC member countries through trade finance and promotion programs

IDB Group

Services

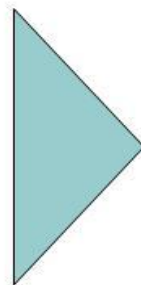
- Financing of Projects (Public, Private, PPP)
- Promoting the Islamic Financial Industry
- Trade Finance and Promotion
- Capacity Building and Technical Cooperation
- Risk Insurance
- Research and Training
- Fund/ Asset Management
- Special Assistance

Products

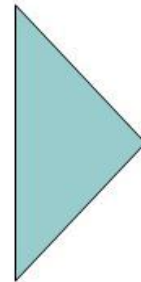
- Leasing
- Installment Sale
- Construction Finance (Istisna'a)
- Equity
- Credit Lines to commercial banks (SME)
- Technical Assistance (Loan & Grant)
- Interest-Free Loan
- Trade Finance (Murabaha)

IDB and Infrastructure

Infrastructure Strategic Plan (2010 - 2012)



Strong and Sustainable Growth



Close Daunting Infrastructure Gap in IDB MCs*

Safe Water: 320 Million People

Sanitation: 600 Million People

Mobile Phone: 842 Million People

Power: 1002 kWh (vs. 2596 kWh World Average)

Rural Transport: 332 Million People

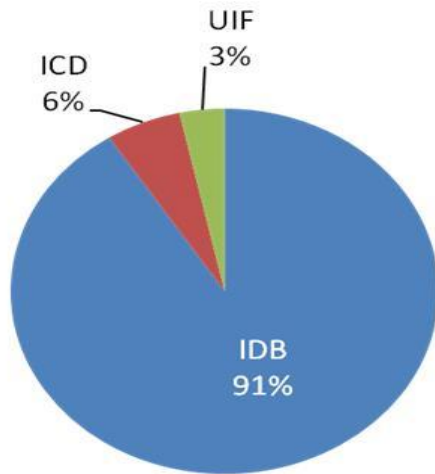
Strategic Thrusts of IDB 1440H Vision

1. Reform IDB
2. Alleviate Poverty
3. Promote Health
4. Universalise education
5. Prosper the people
6. Empower the sisters of Islam without breaching the tenets of Islam
7. Expand the Islamic financial industry
8. Facilitate integration of IDB Member Country economies among themselves and with the world
9. Improve the image of the Muslim world.

1440H Targets:

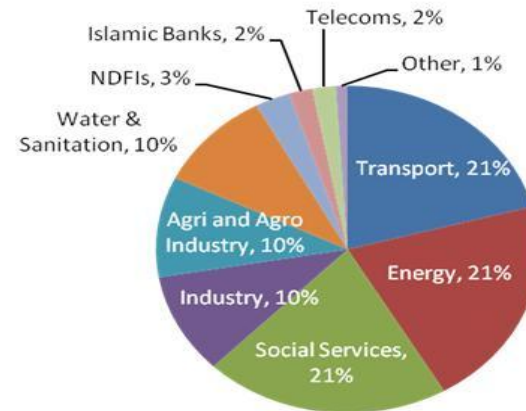
1. Double, at the least, the GDP of all Member Countries;
2. Halve, at the least, the number of LDMCs;
3. Graduate, at the least, Five Member Countries to the status of "Developed Nation" as classified by the World Bank; and
4. Halve, at the least, Income Inequity in all Member Countries. Growth with Equity being the Economic Development Goal of all Member Countries.

IDB Group Infrastructure Financing (1975 – 2008)

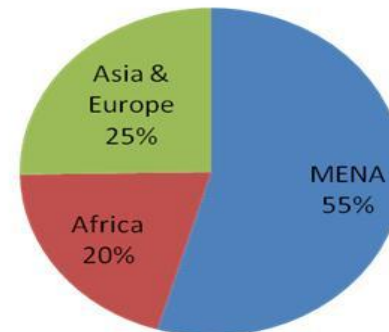


~\$23 Billion

By Sector

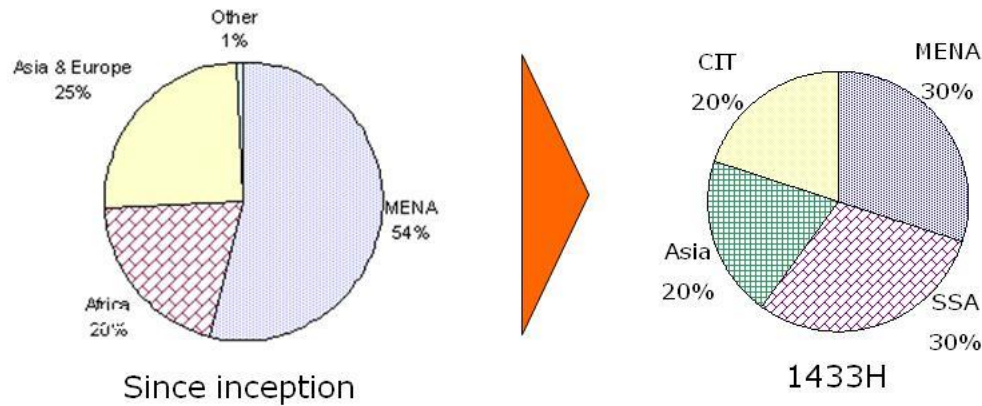


By Region

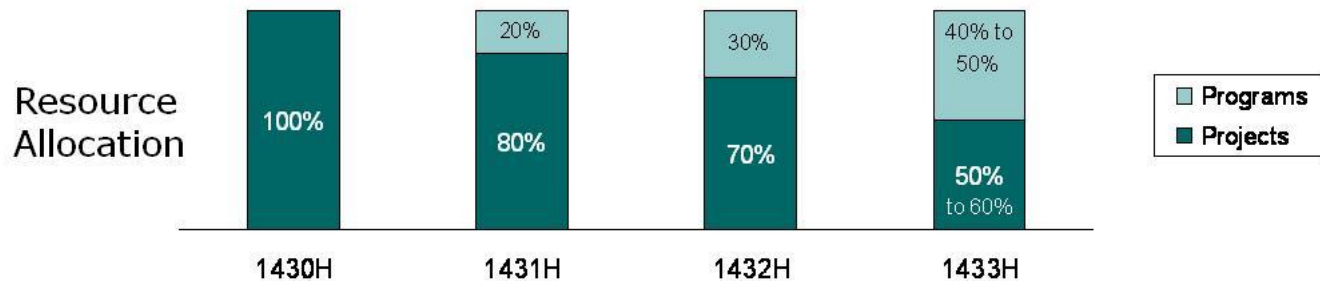


IDB Group – Future Strategic Direction

Regional Balance in Financing



Programmatic Approach



IDB Group – Future Strategic Direction

→ Sectoral Focus in Infrastructure

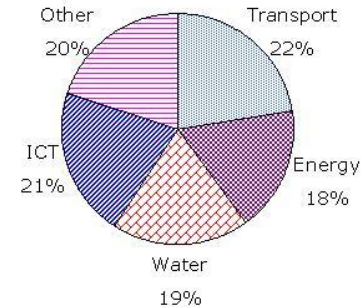


Transport

Water

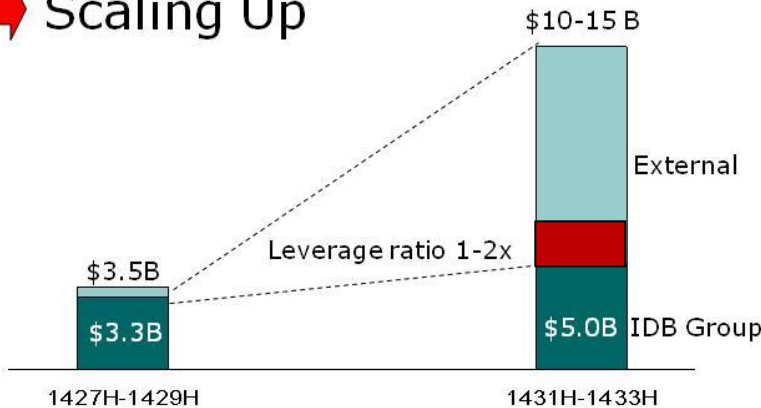
Energy

ICT



- Four Core Sectors
- 80% Financing Allocation
- Absorptive Capacity?

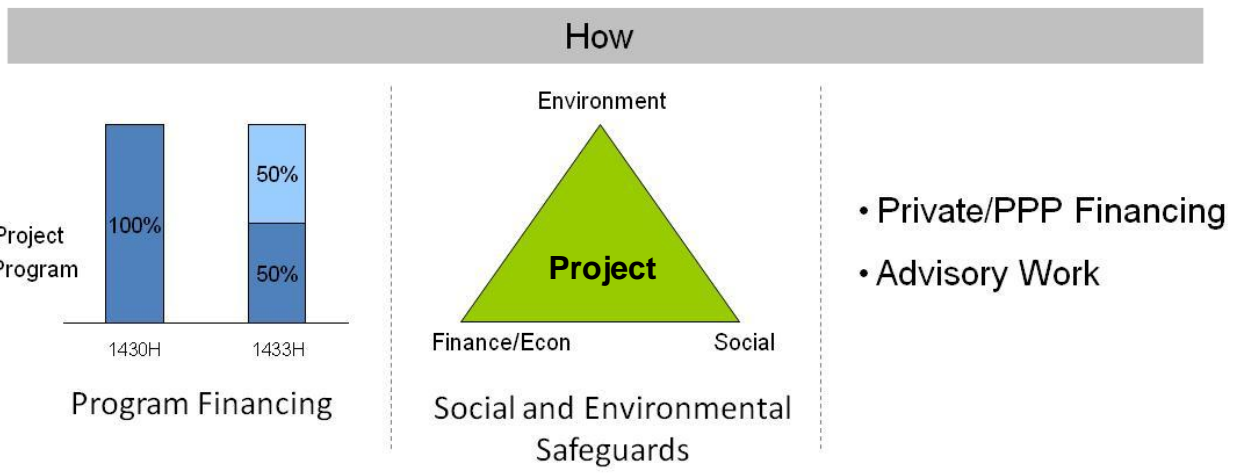
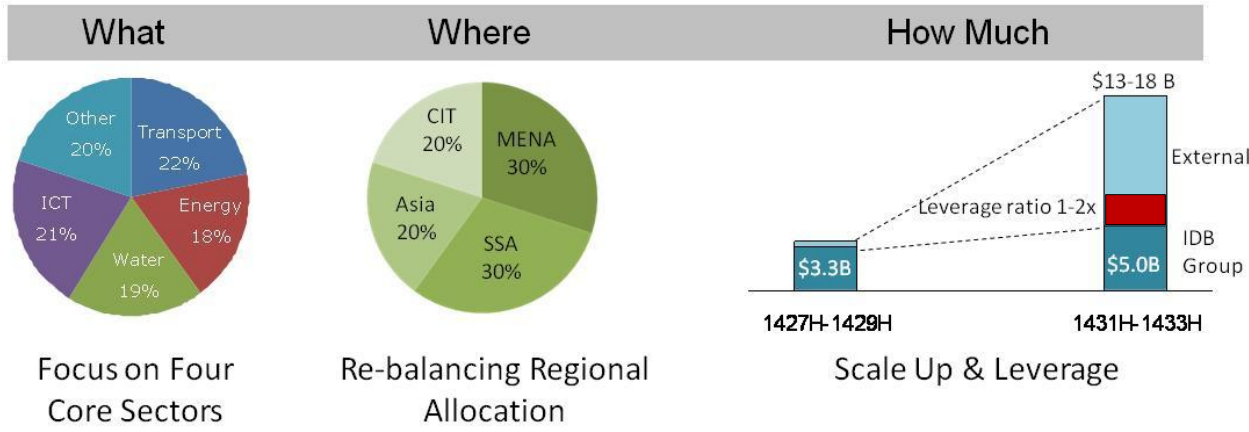
→ Scaling Up



Enablers

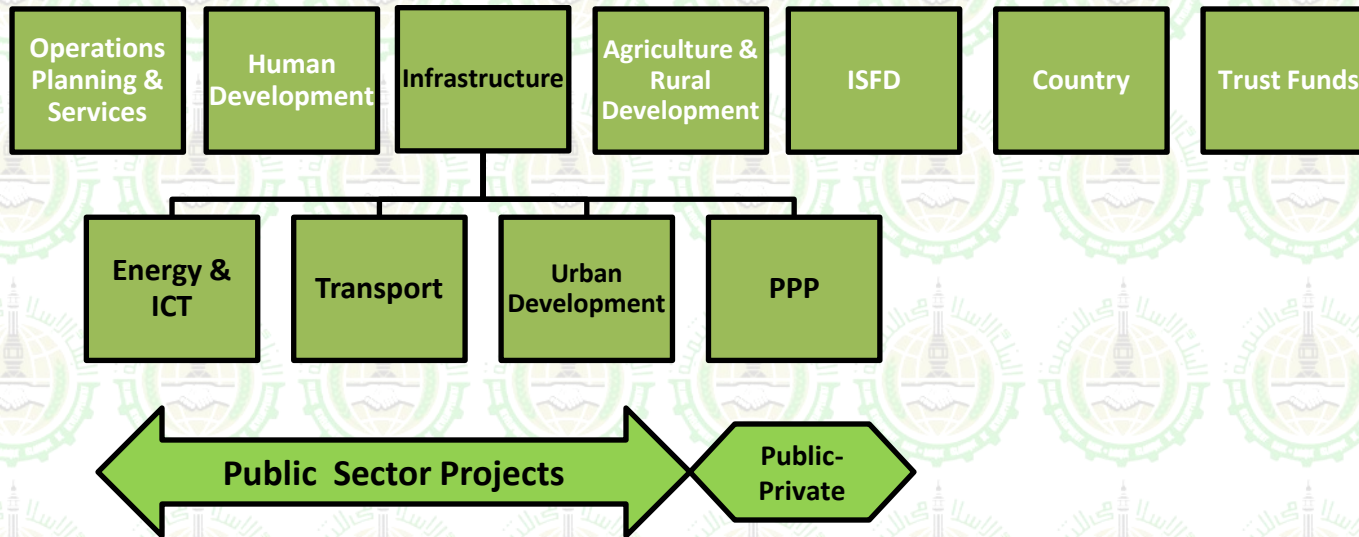
- Mobilize Private Sector and PPP Financing
- Introduce New Financing Instruments (Guarantees and Syndication)
- Sponsorship and Promotion of Infrastructure Funds
- Internal and External Collaboration

IDB Group Infrastructure Financing (2010 – 2012)



IDB's Infrastructure Department

Operations Complex



IDB's PPP Project Cycle

Project Identification & Programming

Project Brief (by Client)

- Country and Sector context
- rough Cost estimate
- preliminary Financing Plan

Recei

Inclusion in the work
ne

Preparation

Feasibility Study (by Client/Bank)

- Detailed economic, financial, technical, legal
- Social & environmental study
- Cost estimate and financing plan

Review of feasibility
study and available
project documents

Initial Concept Clearance

Appraisal

Appraisal Report (by Bank)

- Outcome of due diligence
- Outcome of review of project document and negotiation

Due Diligence: Technical,
Legal, Environmental &
Social, Financial Model,
and Insurance

Negotiation of Project
Documents, and Terms
and Conditions of
Financing



IDB's PPP Project Cycle

Approval

Credit **Report and Recommendations of President (by Bank)** **ctors**

- Summary of Appraisal Report

Execution/Completion

Finalization of Project Documents and Security Documents

Signing

Satisfaction of Conditions Precedents

Disbursement

Monitoring & Supervision

Progress Report (by Client/Bank/Consultants)

- To ensure project is implemented as agreed and deal with variations

Approved IDB Projects

Jordan: Queen Alia International Airport



- Project Description: Construction and operation of a new terminal
- Sponsors: Airport International Group
(led by ADIC and ADP)
- Total Amount: US\$ 681 Million
- IDB Participation: US\$ 100 Million
- Tenure: 18 years
- Co-Lenders: IFC



Approved IDB Projects

Jordan: Qatrana IPP

- Project Description: Construction of a 373 MW Power Plant
- Sponsors: KEPCO, XENEL
- Total Amount: US\$ 457 Million
- IDB Participation: US\$ 80 Million
- Tenure: 16 years
- Co-Lenders: PROPARCO, KEXIM



Approved IDB Projects

Morocco: Kenitra Power Plant (Sovereign)

- Project Description: Construction of a 300 MW Power Plant in Kenitra, the mid-west of Morocco
- Sponsors: Office National de l'Electricité (ONE)
- Total Amount: US\$ 248 Million
- IDB Participation: US\$ 197 Million
- Tenure: 20 years
- Co-Lenders: Government



Approved IDB Projects

Mauritania: SNIM

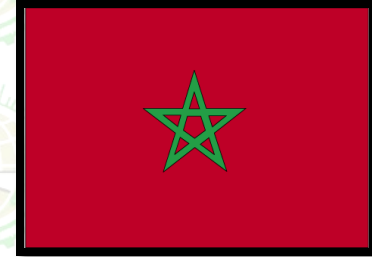
- Project Description: A maintenance and development program for capacity expansion
- Sponsors: SNIM
- Total Amount: US\$ 840 Million
- IDB Participation: US\$ 108 Million
- Tenure: 15 years
- Co-Lenders: EIB, AfDB, FDA, KfW, BNP Paribas, BHF, Fortis



Approved IDB Projects

Morocco: Toll Highway Project (Sovereign)

- Project Description: Construction of a toll highway between Marrakech and Agadir
- Sponsors: Autoroutes du Maroc
- Total Amount: US\$ 197 Million
- IDB Participation: US\$ 106 Million
- Tenure: 15 years
- Co-Lenders: Arab Fund, Government



Approved IDB Projects

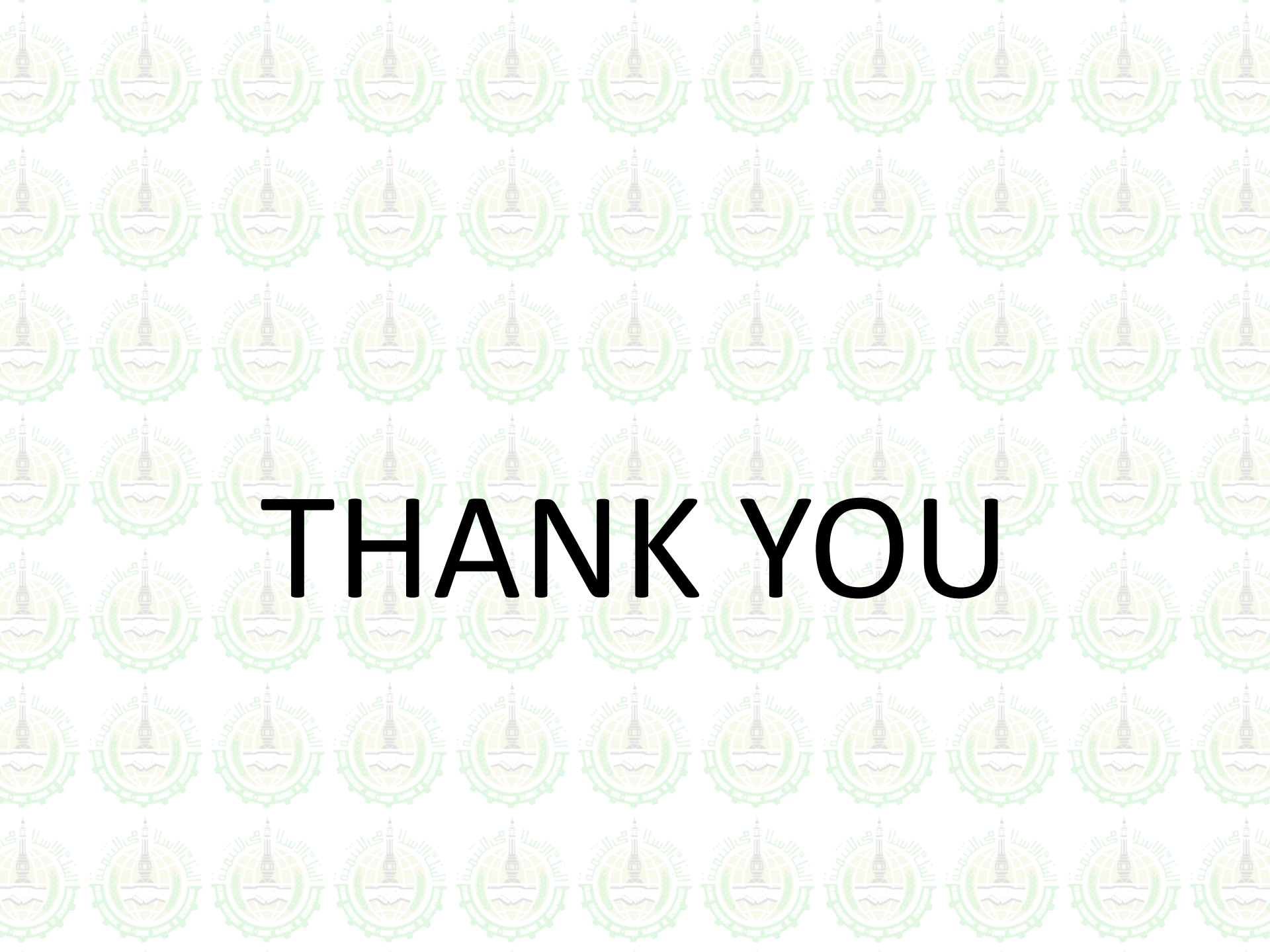
Qatar: Ras Laffan IWPP

- Project Description: Development, Construction and Operation of 2,730 MW of Electricity Generation and 63 million Imperial water Desalination
- Sponsors: QP, QWEC, Suez & Mitsui
- Total Amount: US\$ 3.7 Billion
- IDB Participation: US\$ 150 Million
- Tenure: 25 years
- Co-Lenders: Qatar Islamic Bank
Japan Bank for International Cooperation
International & Local Commercial Banks



Outside MENA

- **Turkey:** **Railway** development project, \$220 million
- **Pakistan:** **Hydropower** project, \$190 million
- **Kazakhstan:** Southwest corridor **Road**, \$414 million
- **Turkmenistan:** **Railway** connection, \$371 million
- **Iran:** **Water** and Sanitation, Euro 130 million
- **Djibouti:** **Port** expansion, \$65 million
- **Subsaharan Africa:** Mostly road **transport** projects using soft loans \$10-20 million each



THANK YOU