



ISLAMIC DEVELOPMENT BANK GROUP IN BRIEF



1426H (2005)

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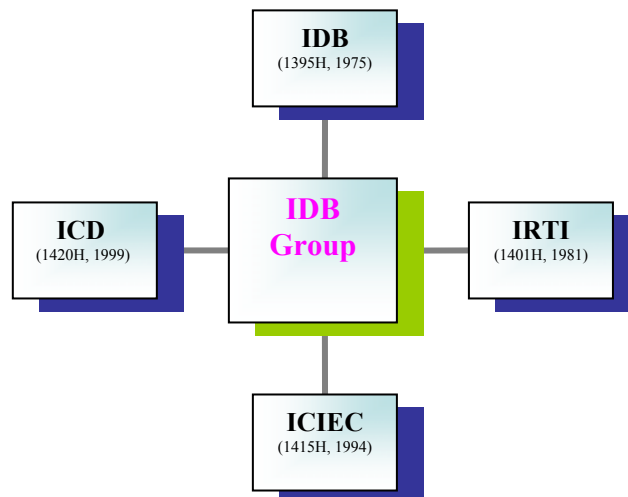
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1. INTRODUCTION

The Islamic Development Bank Group (IDB Group) is a multilateral development finance institution comprising four entities: the Islamic Development Bank (**IDB**), the Islamic Research and Training Institute (**IRTI**), the Islamic Corporation for the Development of the Private Sector (**ICD**), and the Islamic Corporation for the Insurance of Investment and Export Credit (**ICIEC**). These entities, with IDB as the flagship, were established at different times in the history of the Group, each with its objectives and operational modalities but sharing common vision and mission.



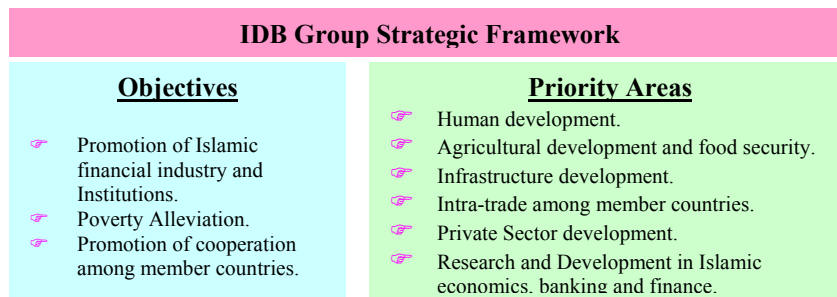
IDB Group Vision and Mission

Vision

To be the leader in fostering socio-economic development in member countries and Muslim Communities in conformity with *Shari'ah* (Islamic law).

Mission

We are committed to alleviating poverty, promoting human development, science and technology, Islamic economics, banking and finance, and enhancing cooperation amongst member countries along with our development partners.



The IDB Group is engaged in a wide range of specialized and integrated activities such as:

- ☞ Resource mobilization
- ☞ Public and private sector financing
- ☞ Investment
- ☞ Trade (and intra-trade) financing
- ☞ Insurance services
- ☞ Information Services
- ☞ Research and training in Islamic economics and banking
- ☞ Technical assistance support for capacity building
- ☞ Technical cooperation among member countries
- ☞ Scholarships for member countries and Muslim communities
- ☞ Debt Relief
- ☞ Emergency Relief

Headquartered in Jeddah (Saudi Arabia), the IDB Group also has three regional offices in member countries: Almaty (Kazakhstan), Kuala Lumpur (Malaysia), and Rabat (Morocco). It also has eight field representatives in ten member countries: Bangladesh, Guinea, Guinea Bissau, Indonesia, Libya, Mauritania, Pakistan, Sierra Leone, Senegal and Sudan.

Any country interested in the membership of an entity in the IDB Group is required to fulfil three conditions namely, membership of the Organization of the Islamic Conference (OIC), payment of its contribution to the capital of the entity, and acceptance of the terms and conditions that may be decided upon by the

entity's Board of Governors (see the Appendix for countries in the membership of the IDB Group).

As of end-1425H (09 February, 2005), the IDB Group had 887 staff comprising 408 Professional, 69 Special, 327 General and 83 Manual category.

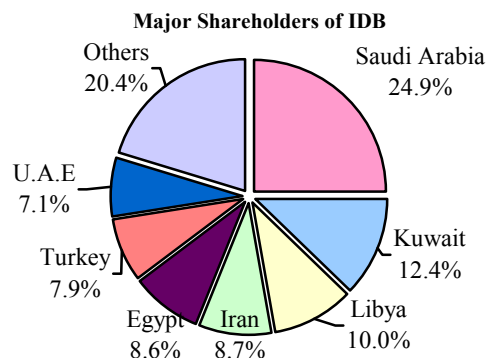
2. ENTITIES IN IDB GROUP

2.1 ISLAMIC DEVELOPMENT BANK (IDB)

The IDB was established in pursuance of the Declaration of Intent issued at the Conference of Finance Ministers of Muslim Countries held in Jeddah in Dhul Qa'adah 1393H (December 1973). Following the Inaugural Meeting of the Board of Governors of the IDB in Rajab 1395H (July 1975), the IDB formally commenced operations on 15 Shawwal 1395H (20 October 1975).

The main aim of establishing the IDB is to foster the economic development and social progress of its member countries as well as Muslim communities in non-member countries either individually or jointly in accordance with the principles of *Shari'ah*. In pursuant of this aim, the IDB provides financing to member countries in the form of project finance. It also establishes and operates special funds for specific purposes including a fund for assistance to the Muslim communities in non-member countries. In addition, it also manages trust funds which are detailed in Section 5.

The Board of IDB Executive Directors comprises 13 members, of which seven are permanent members from countries with the largest shares as shown below.



2.2 ISLAMIC RESEARCH AND TRAINING INSTITUTE (IRTI)

IRTI was established in 1981 (1401H) to undertake research, training and knowledge generation activities on economic, financial and banking issues. It organizes seminars and conferences on various subjects in collaboration with national, regional and international institutions. It also undertakes information activities such as development of information systems for use in the field of Islamic economics, banking and finance, and maintains databases on experts and trade information and promotion.

The research activities of IRTI include organizing and conducting basic and applied research with a view to developing models and methods for the application of *Shari'ah* in the fields of economics, banking and finance. IRTI also develops human capital capacities in Islamic economics to meet the research and training needs of *Shari'ah* observing institutions in member countries. The research output of IRTI take various forms, such as in-house research papers, background and discussion papers, seminar proceedings, lectures, translations and articles published in the IRTI journal "*Islamic Economic Studies*" which is a refereed bi-annual journal published in Arabic, English and French.

ACTIVITIES IN 1425H

- Prepared 6 in-house Research Studies
- Prepared 6 Seminar Proceedings
- Delivered 12 papers at Seminars/Conferences
- Organized 16 Seminars and Conferences
- Organized 25 training programs and distance learning courses
- Managed information services by developing and maintaining databases.

2.3 ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT (ICIEC)

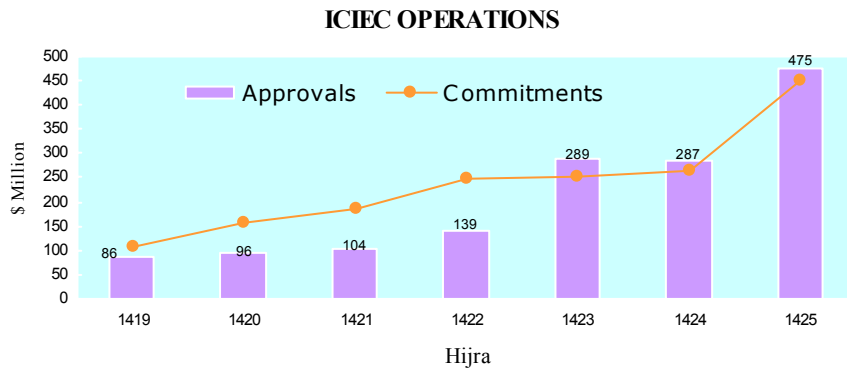
ICIEC was established on 24 Safar 1415H (1st August 1994) with the objective of enlarging the scope of trade transactions and the flow of investments among member countries. In pursuit of this objective, the ICIEC provides, in accordance with the principles of *Shari'ah*, export credit insurance and reinsurance to cover the non-payment of export receivables resulting from commercial (buyer) and non-commercial

ICIEC INSURANCE FACILITIES

- a. Export Credit Insurance Services
 - Comprehensive Short-Term Policy
 - Supplemental Medium Term Policy
 - Bank Master Policy
 - Documentary Credit Insurance Policy
 - Single Transaction Policy
- b. Investment Insurance Services
 - Investment Insurance Policy
- c. Reinsurance Facility

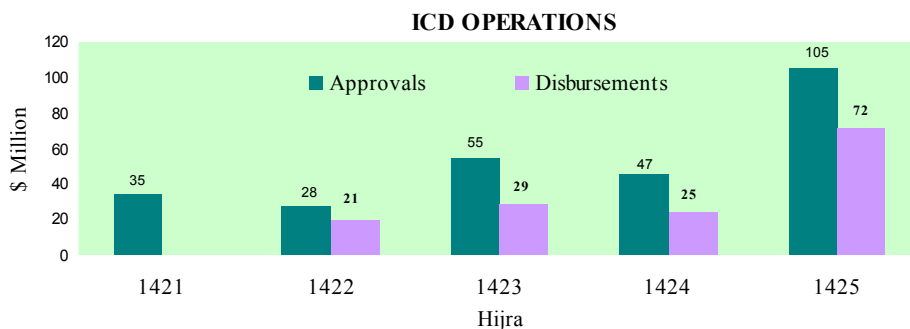
(country) risks. It also provides investment insurance and reinsurance against country risk, emanating mainly from foreign exchange transfer restrictions, expropriation, war and civil disturbance and breach of contract by the host government.

The shareholders of ICIEC comprise 34 IDB member countries while IDB contributed 50 per cent to the paid-in capital. ICIEC officially commenced its business operations in 1416H (1995) with three types of insurance policies. Since then, it has introduced new products, services, and facilities.



2.4 ISLAMIC CORPORATION FOR THE DEVELOPMENT OF THE PRIVATE SECTOR (ICD)

Established in Rajab 1420H (November 1999), ICD promotes the development of the private sector in member countries. Its objectives are to (i) identify opportunities in the private sector that could function as engines of growth; (ii)



provide a wide range of productive financial products and services; (iii) mobilize additional resources for the private sector in member countries, and (iv) encourage the development of Islamic financial and capital markets.

The breakdown of the authorized capital of ICD is as follows: IDB 50 per cent, member countries 30 per cent, and public financial institutions of member countries 20 per cent. As of end-1425H (09 Feb. 2005), out of 50 member countries that have signed the Articles of Agreement of the ICD, only 44 member countries have ratified them in addition to the IDB, and 5 public financial institutions.

ICD FINANCIAL PRODUCTS & SERVICES

- a. Direct Financing
- b. Lines of financing
- c. Asset Management
- d. Structured Finance
- e. Advisory Services

3. SALIENT CHARACTERISTICS

The IDB Group is a unique multilateral financing institution because:

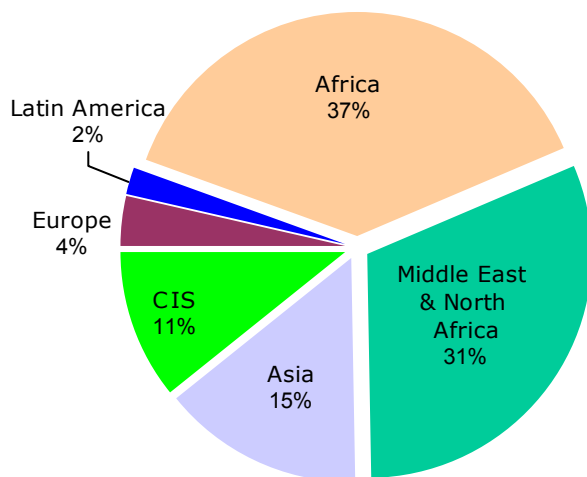
- ☞ It uses financing modes that are *Shari'ah*-compatible for its operations.
- ☞ Its membership comprises only the developing countries. Accordingly, the resources from the relatively better off member countries are used to assist those that are less well off, making the IDB Group a model institution for South-South cooperation.

4. ACHIEVEMENTS

Some major achievements of the IDB Group since its inception are as follows:

- ☞ **Significant growth in membership:** IDB-from 22 to 55 countries; ICD-from 25 to 44 countries plus IDB and 5 financial institutions; and ICIEC-from 13 to 34 countries plus IDB (as at end-1425H/9-Feb. 2005).
- ☞ **Membership of the flagship entity (IDB) is global**, spreading over Africa, Asia, Middle East, Europe and South America.

Regional Distribution of IDB Membership

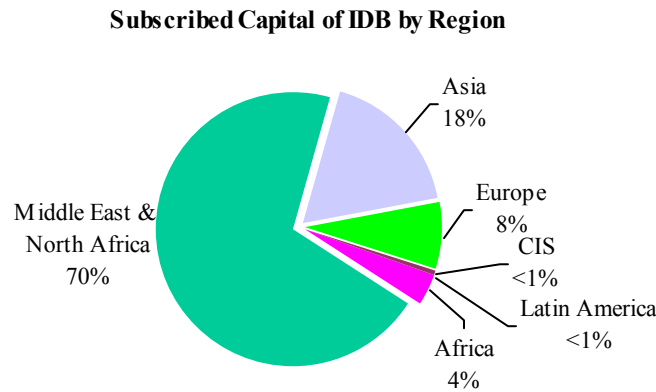


☞ **Substantial growth in capital:** Authorized, issued, subscribed and paid-in capital has increased considerably.

		IDB	IRTI	ICD	ICIEC
Authorized Capital	1425H	ID 15.0 billion	--	\$ 1.0 billion	ID 100 million
	<i>At inception</i>	<i>ID 2.0 billion</i>	--	<i>\$ 1.0 billion</i>	<i>ID 100 million</i>
Issued Capital	1425H	ID 8.1 billion	--	\$ 0.5 billion	ID 96.99 million
	<i>At inception</i>	<i>ID 0.75 billion</i>	--	<i>\$ 0.5 billion</i>	<i>ID 68.75 million</i>
Subscribed Capital	1425H	ID 7.96 billion	--	\$ 0.5 billion	ID 96.99 million
	<i>At inception</i>	<i>ID 0.75 billion</i>	--	<i>\$ 0.35 billion</i>	<i>ID 68.75 million</i>
Paid-in Capital	1425H	ID 2.72 billion	--	\$ 275 million	ID 72.43 million
	<i>At inception</i>	<i>ID 0.28 billion</i>	--	<i>\$88.1 million</i>	<i>ID 63.81 million</i>

Note: ID = Islamic Dinar \$=US Dollar

The regional distribution of the IDB Subscribed Capital is as follows:



☞ **Systematic increase in the number of Islamic modes/schemes of financing:** From three in 1975 to 13 by 2004.

Loan, Equity, & co-financing	Leasing & IPO	Profit-Sharing	Installment Sale	Export Financing Scheme	Istisna'a	2 Step-Murabaha	Structured Trade Financing & Sukuk	Build, Operate, Transfer (BOT)
1976	1977	1978	1985	1987	1996	1999	2003	2004

☞ **Substantial growth in operations/sectoral financing:** Net approval of IDB Group (excluding ICIEC operations) from inception up to the end-1425H (09 February, 2005) amounted to ID28.8 billion (\$38.3 billion) for 4,754 operations in all sectors of member countries' economies, of which ID20.4 billion (\$27.2 billion) has been disbursed.

☞ **Highest ratings (AAA/A1+)** with a stable outlook assigned to IDB in 2002 and reaffirmed in 2004 by Standard and Poor's.

☞ **Classification of IDB as a zero-risk weighted multilateral development bank** under the new Basel Capital Accord issued by the Bank for International Settlement in June 2004.

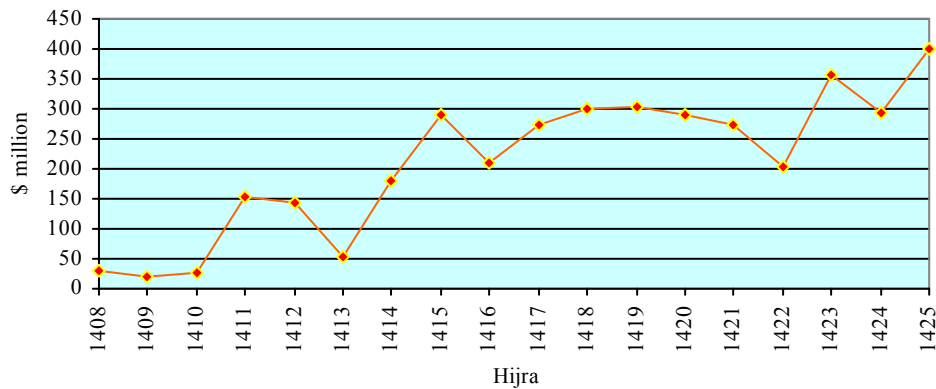
- ☞ Assisted in the establishment of a number of Islamic financial infrastructure bodies with the objective of enhancing the regulatory framework and standardization of the Islamic banking industry such as (i) Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), (ii) Islamic Financial Services Board (IFSB), (iii) General Council of Islamic Banks and Financial Institutions (GCIBFI), (iv) Islamic International Rating Agency (IIRA), (v) Liquidity Management Center (LMC), (vi) International Islamic Financial Market (IIFM), and International Islamic Center for Reconciliation and Commercial Arbitration (IICRCA).
- ☞ Issued an oversubscribed AAA-rated **Sukuk** totaling \$400 million and implementing a short-term resources mobilization scheme through **Reverse Murabaha**.
- ☞ Formulated a new strategic plan for the IDB Group.
- ☞ Initiated the process of developing the “**IDB 1440H Vision**”
- ☞ Provided special Technical Assistance Programme for WTO-related activities for the OIC Member Countries.
- ☞ Issued the Ouagadougou Declaration in support of the NEPAD initiative of the African Union in Sha’aban 1423H (October 2002) and committed \$2 billion to projects in African LDMCs over a five-year period. Actual approval under this Initiative as at the end-1425 represented over 102 per cent of the year’s target of \$319 million.
- ☞ Increased collaborative financing with other development partners: Co-financed projects with the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, ECOWAS Fund, and the Arab Coordination Group (comprising the Abu Dhabi Fund for Development, the OPEC Fund for International Development, the Saudi Fund for Development, the Arab Fund for Economic & Social Development, the Kuwait Fund for Arab Economic Development, and the Arab Bank for Economic Development in Africa).
- ☞ Approved the financing package of \$500 million for Emergency Assistance to countries affected by Tsunami disaster. And co-sponsored the “OIC Alliance to Assist the Child Victims of Tsunami along with the OIC and the Islamic relief organizations.

5. SPECIALIZED FUNDS

5.1 ISLAMIC BANKS PORTFOLIO FOR INVESTMENT AND DEVELOPMENT (IBP)

The Islamic Banks Portfolio for Investment and Development (IBP) is a trust fund established under Article 23 of the Articles of Agreement of IDB and pursuant to the Memorandum of Understanding signed between IDB and 20 Islamic banks and financial Institutions in 1407H (1987). Its main objective is to mobilize the liquidity available with Islamic banks and financial institutions and channel them to finance project and trade operations in member countries.

Trends in Net Approvals of IBP

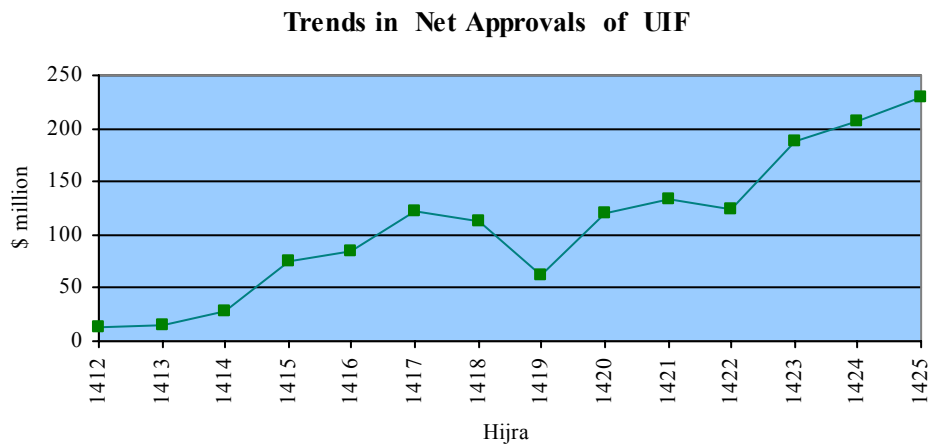


IDB, as a *Mudarib*, manages the operations of the IBP which include trade, leasing, instalment sale, equity, investment, profit-sharing, and syndication.

IBP has a fixed paid-up capital of \$100 million and a variable authorized capital of \$280 million. Up to the end of 1425H, IBP financed 235 operations for \$3.8 billion (ID2.7 billion) in 24 IDB member countries. Pakistan and Turkey are the largest beneficiaries of IBP financing receiving about 40 operations each at \$1.2 billion and \$463 million, respectively.

5.2 UNIT INVESTMENT FUND (UIF)

The Unit Investment Fund (UIF) was established in 1989 (1410H). Its objective is to participate in the economic development of the IDB member countries through pooling of the savings of institutional and individual investors and investing these savings in both the IDB member countries and other countries. IDB manages the Fund as a Mudarib.



The capital of the UIF has increased from \$100 million to \$325 million. Twenty-seven institutional investors from 11 countries have subscribed to the Fund, which is listed on the Bahrain Stock Exchange.

From its inception to the end of 1425H, the Fund has financed 164 projects for \$1.5 billion (ID1.1 billion) in 24 IDB member countries. The three largest beneficiaries of the Fund are Pakistan (\$283 million for 33 operations), Iran (\$201 million for 19 operations) and Turkey (\$137 million for 21 operations).

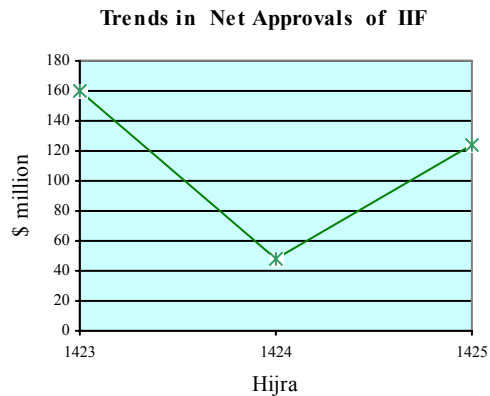
5.3 IDB INFRASTRUCTURE FUND (IIF)

Based in Bahrain, the IDB Infrastructure Fund (IIF) was established in 1998 as the private investment vehicle that focuses on infrastructure development in IDB member countries. Its objectives are to seek long-term capital appreciation by making equity and equity-related investments in infrastructure projects and infrastructure-related industries in IDB member countries and to promote the use of Islamic financing in infrastructure projects. The IIF offers attractive

opportunities for both the governments and private investors to participate in a diversified group of profitable infrastructure projects.

IIF is a limited partnership with \$730.5 million of equity funds and \$200 million of Complementary Financing Facility.

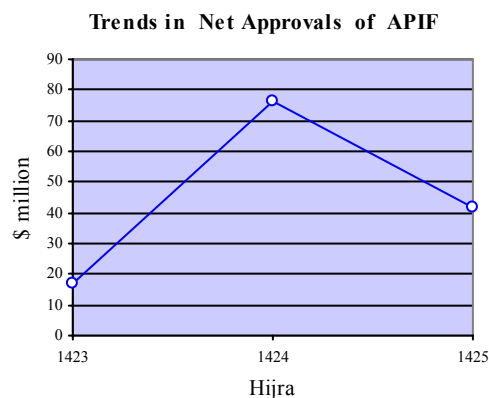
The sectoral focus of the Fund is on power generation, telecommunication, transportation, energy, natural resources, petrochemicals, water and other infrastructure-related sectors, as well as private Islamic financial and capital market institutions. So far, the Fund has invested \$332.4 million in eight equity-related projects in five member countries (Bangladesh, Malaysia, Oman, Pakistan, and Saudi Arabia).



5.4 AWQAF PROPERTIES INVESTMENT FUND (APIF)

The Awqaf Properties Investment Fund (APIF) is a close-ended investment fund established in 1422H in pursuant to the Memorandum of Understanding between the Bank and Awqaf Ministries and Institutions of member countries.

Its objective is to develop and invest in *awqaf* real estate properties that are socially, economically and financially viable in member countries and Muslim communities in non-member countries. The Fund has been established for an extendable period of thirty years, unless terminated earlier, in accordance with the conditions laid down in its Regulations. The Fund is managed by the IDB as *Mudarib*.



APIF has a subscribed capital of \$55 million. To support the activities of the Fund, IDB provided a line of financing of \$50 million and an additional \$250 million for technical assistance for preparing feasibility studies, project designs and concepts. It has 12 participating institutions including IDB, ministries of Awqaf, Waqf organizations and Islamic banks. Since inception, the Fund has approved 31 operations (21 for development of Awqaf and 10 for the management of the Fund's liquidity) totaling \$135.1 million (ID91.2 million) in 16 countries.

5.5 WORLD WAQF FOUNDATION (WWF)

The World Waqf Fund (WWF) was established in Jumada-II 1422H (2001) in response to a need to create a global entity for Waqf, in collaboration with Waqf organizations – governmental, NGOs, and philanthropists from the private sector. By end-1425H, fifteen organizations (governmental, NGOs, and private) and individuals have contributed \$42 million to the Foundation.

The objectives of the WWF are to: (i) promote and activate Awqaf with the view to contributing to the cultural, social and economic development of member countries and Muslim communities, and to alleviate hardship among the poor, as well as to sponsor and support Waqf organizations with expertise and coordination. (ii) support organizations, projects, programmes and activities in the educational, health, social, and cultural fields; (iii) provide support in the conduct of studies and scientific research in the field of Waqf; and (iv) assist countries and organizations in drafting Waqf legislations.

WWF ACTIVITIES IN 1425H

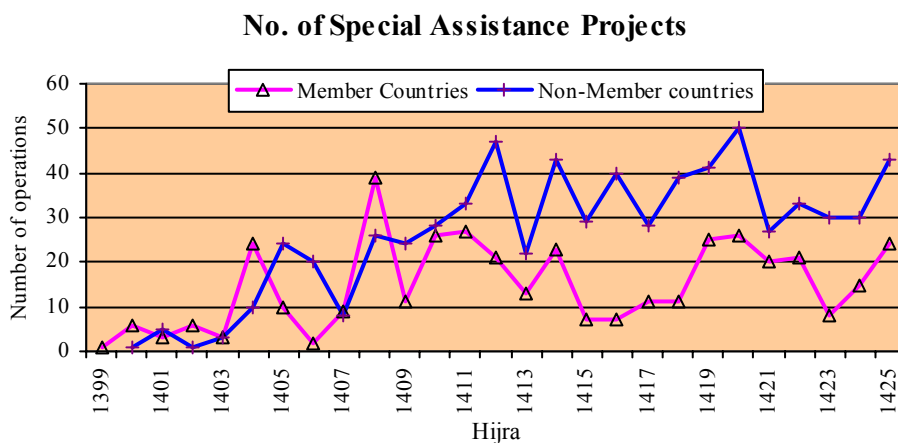
- Organized promotional symposium about WWF activities in Tehran in Sept. 2004.
- Preparing Waqf Law Guidelines with IRTI & Kuwait Public Awqaf Foundation.
- Developing "Waqf Database Bank" with IRTI.
- Developing its own Charter based on feedback from Waqifs and experts.
- Launched promotional campaign for "The International Waqf for Serving the Holy Qur'an" in cooperation with the Holy Qur'an Memorization International Organization.

The WWF is composed of the Council of *Waqifs* (Endowers), Board of Trustees, the Executive Committee, and the executive staff. The Council of *Waqifs*, is similar to a general assembly, and consists of contributors with endowments of not less than \$1 million.

5.6 WAQF FUND

The Waqf Fund, formally called the Special Assistance Account, was set up in 1399H as a trust fund. As at the end of 1425H (09 February, 2005), its total resources reached ID880 million, consisting of the Principal (ID734 million), the Special Assistance (ID 44 million) and Least Developed Member Countries (LDMCs) Special Account (ID102 million). The income generated from the Waqf Fund is used for social development programmes (mainly to finance the Special Assistance Programme, the Scholarship Programme, and the Technical Cooperation Programme (TCP)) as well as for financing the Islamic Research and Training Institute (IRTI).

The activities of the Special Assistance Programme from the Waqf Fund primarily cater to the needs of Muslim communities in non-member countries with particular emphasis on the social sectors mainly education and health. The Programme also aims at alleviating the suffering of communities afflicted by natural disasters or conflicts in both member and non-member countries.



- ☞ Between 1399H and 1425H, the IDB Group has financed 1,084 special assistance operations at a cost of ID 465 million (\$586 million); of which \$380 million was approved for 398 operations in member countries while \$206 million for 686 operations for Muslim communities and organizations in non-member countries.
- ☞ Since the inception of the Scholarship Programme in 1404H, the IDB has awarded scholarships to financially needy but meritorious students from fifty-six

(56) countries, including nine member countries. So far, the IDB has spent ID 41.3 million (\$54.9 million) on scholarship programme in favour of 7,278 students. The largest recipients of IDB scholarship are India (31 per cent), Nigeria (11 per cent), Philippines (6 per cent), Afghanistan (5.3 per cent) and Thailand (5.3 per cent).

- ☛ Under the IDB Merit Scholarship Programme, which was started in 1423H, a total amount of \$11.8 million (ID 8.8 million) has been spent on 221 scholars, which comprised 130 Ph.Ds and 91 Post-Doctorates. Similarly, the M.Sc Scholarship Programme for the Least Developed Member Countries, which was established in 1419H, has expended \$0.67 million (ID0.51 million) on 90 students.

6 AFFILIATED INSTITUTIONS

6.1 INTERNATIONAL CENTER FOR BIOSALINE AGRICULTURE (ICBA)

ICBA was established in 1420H (1999) as a non-profit international applied research and development centre with a mandate to work for agricultural development in arid and semi-arid areas affected by salinity. This specialized centre, based in Dubai, conducts applied research on agricultural development in member countries facing water shortages, aridity, and harsh climatic conditions.

During 1425H, the ICBA mobilized resources to augment funding provided by IDB for research and development on salinity issues in member countries. Accordingly, for the period 1425H-1429H, donor agencies have committed \$3.7 million to ICBA for capacity building, research and development in IDB member countries.

Nearly all ICBA's Research and Development (R&D) projects are carried out in partnership with IDB member country institutions. In 1425H, R&D projects were jointly conducted with seven research centers located in five countries (Bangladesh, Jordan, Iran, Pakistan, U.A.E).

ICBA ACTIVITIES IN 1425H

- ☛ **Consultancy Services:** Undertook consultancy projects for IAEA, Abu Dhabi Municipality; Public Works Department of Abu Dhabi; & National Prawn Company in Saudi Arabia.
- ☛ Developing **Research Scientists Database** for Who-is-Who in the field of biosaline agriculture in the OIC member countries
- ☛ Co-sponsored a one-day **seminar** on "Challenges and Opportunities for Products from Field to Markets" in Dubai with the Ministry of Agriculture and Fisheries, Dubai.

In the area of information services, the

ICBA hosts an e-network on its website, the Global Biosaline Network, to link individuals and agencies with common scientific interest in biosalinity. In addition it produces and distributes a number of publications including a newsletter released three times a year in English and Arabic.

6.2 OICNETWORKS

The OICnetworks Sdn. Bhd. (OICnetworks) was incorporated in Muharram 1421H (April 2000) as a joint venture company owned by IDB (51 per cent) and the MIMOS Bhd. of Malaysia. The company became operational in Dhul-Qada 1421H (February 2001). Its primary activities are information services, E-commerce, internet connectivity, and consultancy services.

The IDB and MIMOS pledged a total investment of \$14.5 million over a period of four years. By end-1425H, the authorized and paid-in capital reached \$2.6 million. The shareholders have provided the Company with RM3.6 million as cash advances to facilitate the implementation of its projects.

The OICnetworks operates two internet initiatives: OIC-Trade and OIC-Exchange portals. The business plan of OICnetworks has been scaled down and the shareholders are re-strategizing new business opportunities in light of market realities and trends in internet and network economy investment activities.

OICnetworks activities

1. OIC Exchange

The OICexchange.com was launched in Jummad-I 1422H (August 2001) as a community portal to provide information and services to the OIC member countries.

2. OIC Trade

The OICTrade was set-up in Sha'baan 1422H to enhance and facilitate trading between buyers and sellers, especially within the OIC market, via the Internet platform.

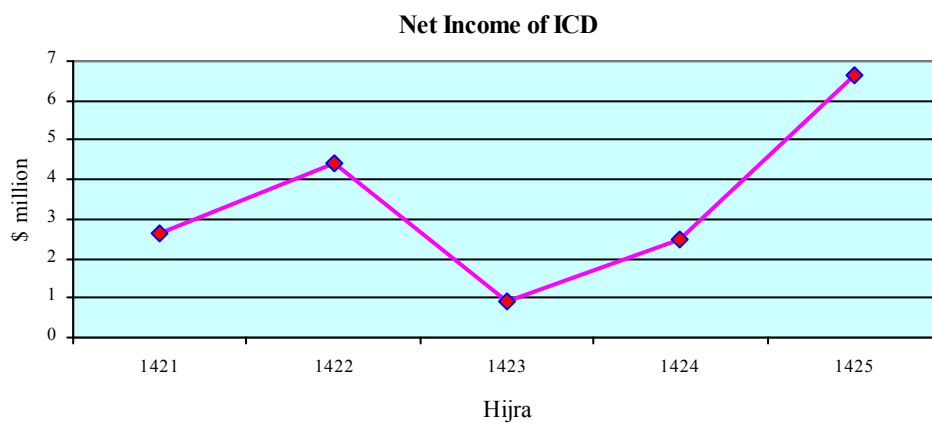
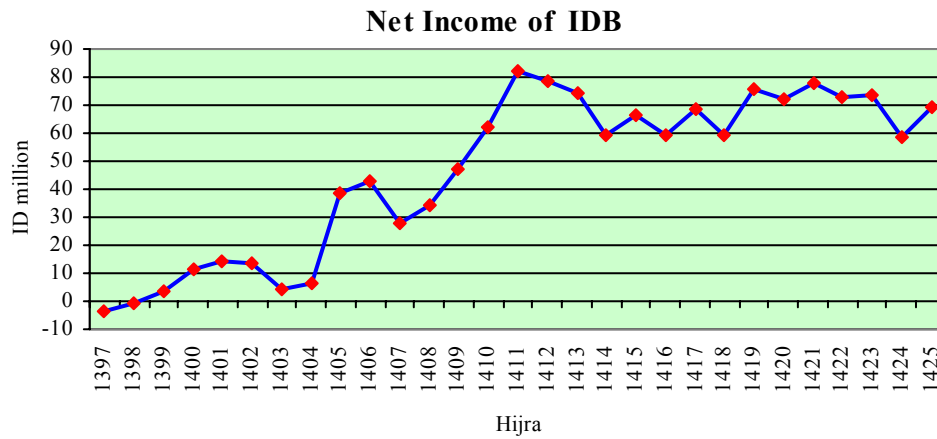
6.3 SAUDI ARABIAN PROJECT FOR THE UTILIZATION OF HAJJ MEAT

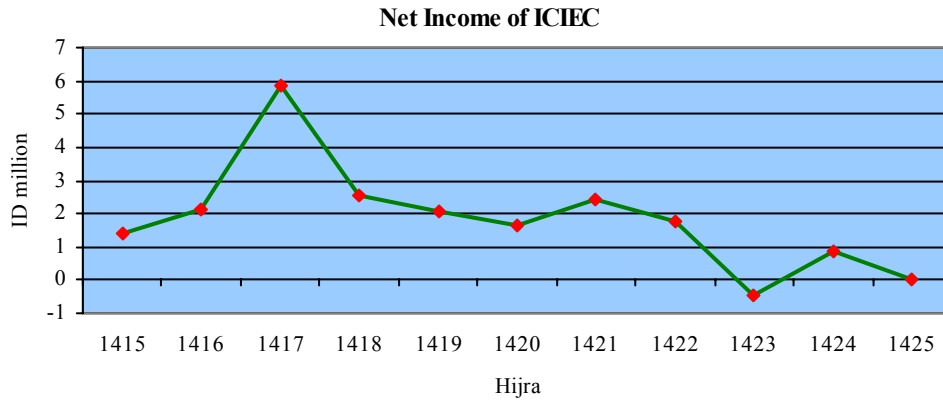
The Saudi Arabian Project for the Utilization of Hajj Meat is a Saudi Arabia-owned project which is implemented by the IDB on their behalf. The project provides special services during annual hajj period by assisting pilgrims to fulfil one of the important rites of animal sacrifice as well as its utilization, and distribution in accordance with the established religious norms. The meat of the sacrificial animals-- sheep, cows, and camels-- is distributed by IDB to the needy people in member countries and to Muslim communities in non-member countries.

During 1425H Hajj, a total of 503,954 sheep were sacrificed. Of this, 231,954 sheep carcasses were distributed in the Haram area in *Makkah al-Mukarramah* while the remaining carcasses were shipped to the poor and the needy in 23 member countries. Also, a total of 4,495 carcasses of camels and cows were distributed locally.

7. FINANCIAL POSITION OF IDB GROUP

The net incomes of IDB, ICD and ICIEC are shown in the following charts.

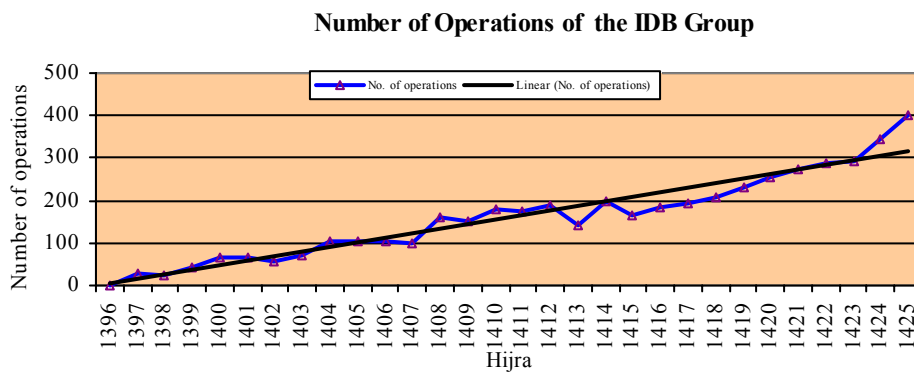




- ☞ The total assets of the IDB Group have increased significantly: IDB- from ID 445 million in 1396H to ID 4.8 billion in 1425H, ICD- from \$91 million in 1421H to \$314 million in 1425H, and ICIEC- from \$105 million in 1415H to \$142 million in 1425H.

8. OPERATIONAL ACTIVITIES OF IDB GROUP

- ▶ During the period 1396-1425H, the IDB Group (excluding ICIEC) has financed 4,754 projects amounting to \$38.3 billion (ID28.8 billion); of which the IDB's net approvals represented 99.3 per cent (or \$38 billion) with ICD accounting for the remaining (\$270 million).



- ▶ In terms of the broad category of operational activities of the IDB Group, trade financing operations (in monetary terms) represented 61 per cent of the net approvals, project financing 37 per cent, technical assistance 0.5 per cent, and special assistance operations 1.5 per cent.
- ▶ With respect to the modes for project financing in IDB Group, Leasing remains the predominant mode representing 30 per cent of the total, followed by Loan 26 per cent, Instalment Sale 17 per cent, *Istisna'a* 15 per cent, and Equity 6 per cent. The remaining modes accounted for 6 per cent.
- ▶ Sectoral distribution of IDB Group financing (excluding ICIEC), in monetary terms, is as follows: Public Utilities 25 per cent; Social Services 24 per cent; Transport and Communication 19 per cent; Industry and Mining 14 per cent; Agriculture 10 per cent, and Others 10 per cent.

APPENDIX: Member Countries of IDB Group

Country	IDB	ICD	ICIEC
Afghanistan	✓		
Albania	✓		
Algeria	✓	✓	✓
Azerbaijan	✓	✓	
Bahrain	✓	✓	✓
Bangladesh	✓	✓	✓
Benin	✓	✓	✓
Brunei	✓	✓	✓
Burkina Faso	✓	✓	✓
Cameroon	✓	✓	✓
Chad	✓		✓
Comoros	✓		
Cote d'Ivoire	✓		
Djibouti	✓	✓	
Egypt	✓	✓	✓
Gabon	✓		
Gambia	✓	✓	✓
Guinea	✓	✓	✓
Guinea-Bissau	✓	✓	
Indonesia	✓	✓	✓
Iran	✓	✓	✓
Iraq	✓	✓	
Jordan	✓	✓	✓
Kazakhstan	✓	✓	✓
Kuwait	✓	✓	✓
Kyrgyz Republic	✓	✓	
Lebanon	✓	✓	✓
Libya	✓	✓	✓
Malaysia	✓	✓	✓
Maldives	✓	✓	
Mali	✓	✓	✓
Mauritania	✓	✓	✓
Morocco	✓		✓
Mozambique	✓	✓	
Niger	✓	✓	✓
Oman	✓		
Pakistan	✓	✓	✓
Palestine	✓	✓	
Qatar	✓	✓	✓
Saudi Arabia	✓	✓	✓
Senegal	✓	✓	✓
Sierra-Leone	✓	✓	
Somalia	✓		
Sudan	✓	✓	✓
Suriname	✓	✓	
Syria	✓	✓	✓
Tajikistan	✓	✓	
Togo	✓		
Tunisia	✓	✓	✓
Turkey	✓		✓
Turkmenistan	✓	✓	
Uganda	✓	✓	✓
United Arab Emirates	✓	✓	✓
Uzbekistan	✓	✓	
Yemen	✓	✓	✓

GLOSSARY

Build-Operate-Transfer (BOT): It is a contractual arrangement whereby a private sector entity undertakes the construction, including financing, of a given infrastructure facility, and the operation and maintenance thereof. The private sector entity operates the facility over a fixed term during which it is allowed to charge facility users appropriate tolls, fees, rentals, and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract to enable the private sector entity to recover its investment, and operating and maintenance expenses in the project. The private sector entity then transfers the facility to the government agency concerned at the end of the fixed term.

Hijra Year (H): An Islamic lunar calendar system comprising 12 months: Muharram, Safar, Rabi al-Awal, Rabi al-Thani, Jumadal-Awal, Jumada al-Thani, Rajab, Sha'ban, Ramadan, Shawal, Dhul Qa'da, and Dhul Hijjah. It contains 354 days which is about 11 days less than the Gregorian calendar system.

Instalment sale: A mode of financing whereby IDB purchases machinery and equipment, then sells them to the beneficiary at a higher price, repayment being in instalments. The ownership of the asset is transferred to the purchaser on delivery.

Islamic Dinar (ID): The unit of account of the IDB, which is equivalent to one Special Drawing Rights (SDR) of the International Monetary Fund.

Istisna'a: A medium-term mode of financing. It is a contract for manufacturing (or construction) whereby the manufacturer (seller) agrees to provide the buyer with goods identified by description after they have been manufactured/constructed in conformity with that description within a pre-determined time-frame and price.

Leasing or Ijara: A medium-term mode of financing, which involves purchasing and subsequently transferring of the right of use of the equipment and machinery to the beneficiary for a specific period of time, during which the IDB retains the ownership of the asset.

Line of Financing: A financing facility made available to financial institutions in member countries to finance projects and trade operations of small and medium enterprises.

Loan: A mode of financing used by the IDB to finance projects in member countries, particularly its least developed countries. It carries only a service fee intended to cover the actual costs of administering the loan. The repayment period ranges from 15 to 25 years including a grace period of 3 - 7 years.

Mudarib: A contracting party in a *Mudaraba* financing which acts in a fiduciary capacity as the agent or fund manager.

Murabaha: A contract of sale between a buyer and a seller in which a seller purchases the goods needed by a buyer and sells the goods to the buyer on a cost-plus basis. Both the profit (mark-up) and the time of repayment (usually in instalments) are specified in an initial contract.

Shari'ah: Islamic law, governing the life of Muslims, which is derived from the Holy Qur'an and Sunnah.

Structured Trade Financing: The art of transferring risks in trade financing (e.g. transfer of foreign exchange, contract performance, etc.) from parties less able to bear those risks (the beneficiary) to the transaction in a manner that ensures automatic repayment of financing from the underlying assets. It thus involves arrangements which ensure that (a) if a transaction proceeds normally, the financier is automatically repaid and the facility is therefore self-liquidated, and (b) if anything goes wrong, the financier has recourse to some assets as collateral.

Subscribed Capital: Amount of issued capital that has been subscribed by the IDB member countries.

Sukuk: An asset-backed bond which is designed or structured in accordance with Shari'ah and may be traded in the market.

Technical Assistance (TA): A mode of financing provided by the IDB for conducting feasibility studies, detailed design and preparation of tender documents, as well as consultancy services for the supervision of projects.

Waqf: An endowment or a charitable trust devoted exclusively for Islamic purposes.