

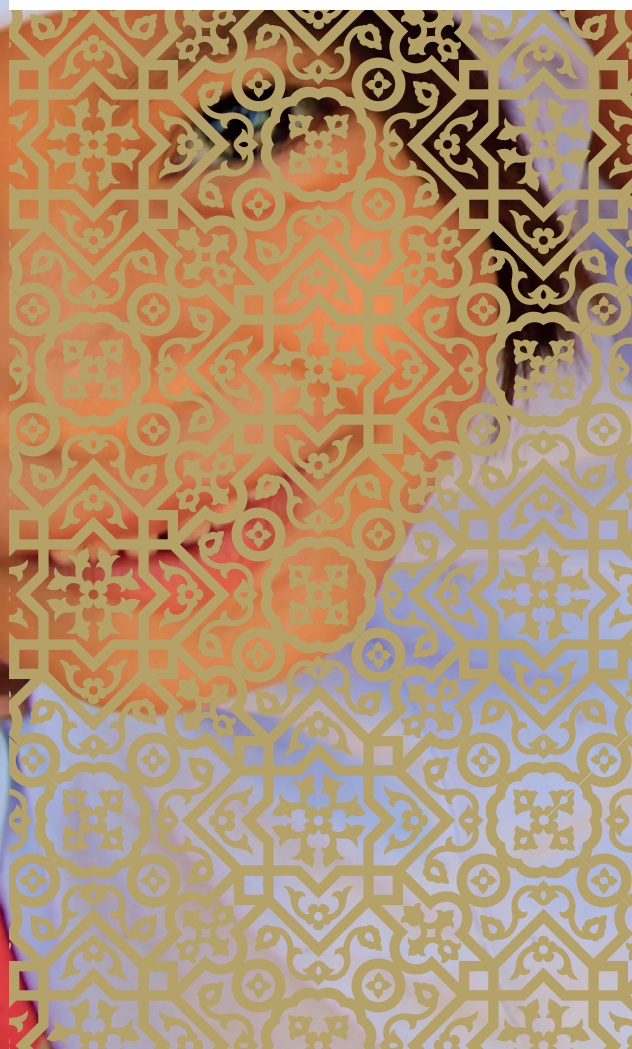


ISLAMIC DEVELOPMENT BANK

# Annual Report 1436H

(2015)

TOGETHER WE BUILD A BETTER FUTURE



PROVIDING RESOURCES  
FIGHTING POVERTY  
RESTORING DIGNITY





ISLAMIC DEVELOPMENT BANK

# Annual Report 1436H (2015)

## CORPORATE PROFILE OF THE ISLAMIC DEVELOPMENT BANK

### ESTABLISHMENT

The Islamic Development Bank (IDB) is an international financial institution established pursuant to Articles of Agreement done at the city of Jeddah, Kingdom of Saudi Arabia, on 21st Rajab 1394H corresponding to 12 August 1974. The Inaugural Meeting of the Board of Governors took place in Rajab 1395H (July 1975) and the IDB formally began operations on 15 Shawwal 1395H (20 October 1975).

### VISION

By the year 1440H, the Islamic Development Bank will 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

To promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance and prospering the people.

### MEMBERSHIP

The IDB has 56 member countries across various regions. The prime conditions for membership are that the prospective country should be a member of the Organization of the Islamic Cooperation (OIC), that it pays the first instalment of its minimum subscription to the Capital Stock of IDB, and that it accepts any terms and conditions that may be decided upon by the Board of Governors.

### CAPITAL

At its 38th Annual Meeting, the IDB's Board of Governors approved the 5th General Capital Increase whereby the Authorized Capital was increased to ID100 billion and the Subscribed Capital (available for subscription) was increased to ID50 billion. By the same Resolution, the Board of Governors agreed to the calling in of the callable (in cash) portion of the 4th General Capital Increase. As at the end of 1436H, the subscribed capital of the IDB stood at ID49.92 billion.

### ISLAMIC DEVELOPMENT BANK GROUP

The IDB Group comprises five entities: the Islamic Development Bank (IDB), the Islamic Research and Training Institute (IRTI), the Islamic Corporation for the Development of the Private Sector (ICD), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), and the International Islamic Trade Finance Corporation (ITFC).

### HEAD OFFICE, REGIONAL AND COUNTRY OFFICES

Headquartered in Jeddah, the Kingdom of Saudi Arabia, the IDB has four regional offices in Rabat, Morocco; Kuala Lumpur, Malaysia; Almaty, Kazakhstan; and in Dakar, Senegal and Country Gateway offices in Turkey (Ankara and Istanbul), Indonesia, and Nigeria.

### FINANCIAL YEAR

The IDB's financial year used to be the lunar Hijra Year (H). However, starting from 1 January 2016, the financial year will be Solar Hijra year starting from 11th of Capicorn, (corresponding to 1 January) and ends on the 10th Capricorn (corresponding to 31 December of every year).

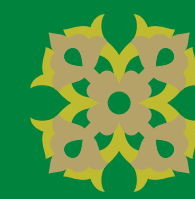
### ACCOUNTING UNIT

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

### LANGUAGE

The official language of IDB is Arabic, but English and French are also used as working languages.

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Note: This report is the first of two volumes that constitute the Annual Report of the Islamic Development Bank. The second report contains the audited financial statements and is published in a separate volume as the Financial Statements. Both volumes are available online at [www.isdb.org](http://www.isdb.org).

All figures on entities are reported here as net approvals while their respective Annual Reports are in gross approvals.

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## ABBREVIATIONS

<b>3YWP</b>	3-Year Rolling Work Plan	<b>IFSB</b>	Islamic Financial Services Board
<b>10YSF</b>	IDB Group 10-Year Strategy Framework	<b>IIRA</b>	Islamic International Rating Agency
<b>AAOIFI</b>	Accounting and Auditing Organization for Islamic Financial Institutions in IDB MCs	<b>IRTI</b>	Islamic Research and Training Institute
<b>ACAP</b>	Awqaf Capital	<b>ISFD</b>	Islamic Solidarity Fund for Development
<b>AFTIAS</b>	Aid for Trade Initiative for Arab States	<b>ITAP</b>	Investment Promotion Technical Assistance Program
<b>APIF</b>	Awqaf Properties Investment Fund	<b>ITFC</b>	International Islamic Trade Finance Corporation
<b>BADEA</b>	Arab Bank for Economic Development in Africa	<b>ITFO</b>	Import Trade Financing Operations of IDB
<b>BCG</b>	Boston Consulting Group	<b>IWAH</b>	International Waqf Advisory House
<b>BED</b>	Board of Executive Directors of IDB	<b>KAUST</b>	King Abdullah University for Science and Technology
<b>BMGF</b>	Bill & Melinda Gates Foundation	<b>LDMCs</b>	Least Developed Member Countries
<b>BoG</b>	Board of Governors of IDB	<b>LLF</b>	Lives & Livelihoods Fund
<b>CIBAFI</b>	Council of Islamic Banks and Financial Institutions	<b>MCPS</b>	Member Country Partnership Strategy
<b>E4C</b>	Education for Competitiveness	<b>MCs</b>	Member Countries of the Islamic Development Bank
<b>EVD</b>	Ebola Virus Disease	<b>MDBs</b>	Multilateral Development Banks
<b>GCC</b>	Gulf Cooperation Council	<b>MENA</b>	Middle East and North Africa
<b>GIAD</b>	Group Internal Audit Department	<b>MoUs</b>	Memorandum of Understandings
<b>GIO</b>	Group Integrity Office	<b>MTBS</b>	Medium Term Business Strategy 2.0
<b>GOED</b>	Group Operations Evaluation Department	<b>MTN</b>	Medium Term Note
<b>GRMC</b>	Group Risk Management Committee	<b>OCR</b>	Ordinary Capital Resources of IDB
<b>ICD</b>	Islamic Corporation for the Development of the Private Sector	<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>ICIEC</b>	Islamic Corporation for the Insurance of Investment and Export Credit	<b>OIC</b>	Organisation of the Islamic Cooperation
<b>ID</b>	Islamic Dinar (equivalent to one Special Drawing Right of IMF)	<b>PCRs</b>	Project Completion Reports
<b>IDB</b>	Islamic Development Bank	<b>PDU</b>	The President Delivery Unit
<b>IDBG</b>	Islamic Development Bank Group	<b>PPP</b>	Public-Private Partnership
<b>IDB-STATCAP</b>	IDB Statistical Capacity Building Initiative	<b>SAO</b>	Special Assistance Operations
<b>IFC</b>	Implementation Facilitation Committee	<b>SMEs</b>	Small and Medium Enterprises
		<b>SPCA</b>	IDB Group Special Program for Central Asia

<b>SPF</b>	Strategic Partnership Framework
<b>TCP</b>	Technical Cooperation Program
<b>TCPP</b>	Trade Promotion and Cooperation Program
<b>TVET</b>	Technical Vocational Education and Training
<b>UIF</b>	Unit Investment Fund
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>WBG</b>	World Bank Group
<b>WIEF</b>	World Islamic Economic Forum
<b>WWqF</b>	World Waqf Foundation
<b>YES</b>	Youth Employment Support
<b>YFV</b>	Yellow Fever Vaccine

### Symbols:

..	Not Available
-	Not Computable
\$	United States Dollar
ID	Islamic Dinar



## ACKNOWLEDGEMENTS

This Annual Report 1436H (2015) was prepared by the Economic Research and Policy Department in the Chief Economist Complex of the Islamic Development Bank under the overall guidance of the Annual Report Coordination Committee and the Board of Executive Directors.

**All Departments and Entities:** The Annual Report Coordination Committee acknowledges the contributions and comments received from all the Departments and Entities in the IDB Group during the preparation of the Report.

Chairman of the Annual Report Coordination Committee: Prof. Savas Alpay, Chief Economist.

**Annual Report Coordinator:** Dr. Abdullateef Bello, Office of the Chief Economist.

**Data, Tables, and Graphs Team:** Abu Camara (Acting Manager), Mohamed El-Goussi, and Abdul Rashid, Data Resources and Statistics Division.

**Finance Team:** Mohamed Zaffarulla Sathar, Acting Director, Financial Control Department.

**Arabic and French Translation:** Mamadou Diallo, Acting Manager, Language Services Division.

**Printing Team:** Khaled Nazer, Bank Secretariat; Muhammad Farooq, Administrative Services Department.



In the Name of Allah, the Beneficent, the Merciful

H.E. The Chairman,  
Board of Governors of the Islamic Development Bank

Dear Mr. Chairman,

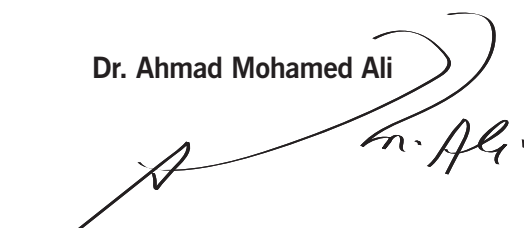
*Assalamu alaikum warahmatullahi wabarakatuhu*

In accordance with Articles 32(i), 32(iii) and 41(1) of the Articles of Agreement establishing the Islamic Development Bank and Section (11) of the By-laws, I have the honour to submit for the kind attention of the esteemed Board of Governors, on behalf of the Board of Executive Directors, the Annual Report on the operations and activities of the Bank in 1436H (2015).

The Annual Report also includes the audited financial statements of the Bank as well as those of the operations of the Waqf Fund, as prescribed in Section (13) of the By-laws.

Please accept, Mr. Chairman, the assurances of my highest consideration.

**Dr. Ahmad Mohamed Ali**



President,  
Islamic Development Bank and  
Chairman, Board of Executive Directors

## MESSAGE FROM THE PRESIDENT



The past year 1436H (2015) was described as the busiest for the international community. Several international agreements were reached on the major development agenda: financing for development, sustainable development goals, climate change, and trade deals.

Each of these agreements constitutes a turning point on global efforts to transform the development landscape. Developing an action plan to move them forward as well as mainstreaming them into the development plan and strategies of countries remains one of the biggest challenges facing the international community.

In 1436H (2015), member countries continued to face major challenges with commodity prices volatility (especially oil), pandemic disease (Ebola, MERS and now Zika), refugee and internally displaced people crisis putting pressure on neighboring countries and Europe, increased terrorism reversing development progress made over time, conflicts with loss of lives, and widespread youth unemployment which creates instability and heightens security concerns.

These challenges create a disproportionate effect on many member countries depending on their socio-economic fundamentals. In particular, declining oil prices are forcing oil-exporting countries to cut back on government spending, which may have negative impact on diversifying their economies.

Within the limits of its resources, the IDB has contributed to assisting a number of member countries to address some of these challenges, through its development assistance instruments. In this regard, and notwithstanding the difficult external environment in which it operated in 1436H (2015),

the IDB Group's net approvals grew by 13 percent to reach \$12.1 billion in 1436H from \$10.7 billion in 1435H. A detailed analysis of the IDB's financing in member countries is presented in Chapter 2 of this report.

During the year under review, the IDB strengthened its cooperation with various institutions and philanthropic organizations, culminating in the signing of an historic strategic partnership framework (SPF) with the World Bank Group as well as establishing with the Bill & Melinda Gates Foundation the *Lives and Livelihoods Fund* to address poverty and health-related challenges in IDB member countries. These partnerships will scale up the IDB resource mobilization efforts in order to complement its own funds.

As Islamic finance continues to grow and spread all over the world, the international community should further enhance its role in the global financial architecture. By doing so, it will make a positive contribution to solving the successive financial crises, rallying the support of everyone to combat poverty and making the world a safer and more prosperous place to be for future generations.



**Dr. Ahmad Mohamed Ali**

President of the Islamic Development Bank  
and Chairman of the Board of Executive Directors,



## BOARD OF THE EXECUTIVE DIRECTORS



**Hon. Dr Ahmad Mohamed Ali**  
President, IDB Group  
and Chairman,  
Board of Executive Directors



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(Turkey)



**Hon. Isa Rachmatarwata**  
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**Hon. Zia Urrahman Haleemi**  
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**Hon. Mohamed Zemmouri**  
(Tunisia, Algeria, Morocco,  
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**Hon. Dr.Hamad Bin Suleiman Al Bazai**  
(Saudi Arabia)



**Hon. Bader Abdullah Abuaziza**  
(Libya)



**Dr. Hosein Ghazavi Khourasgani**  
(Iran)



**Hon. Ali Hamdan Ahmed**  
(UAE)



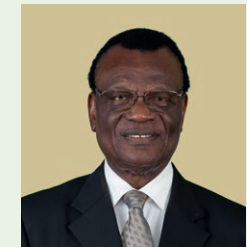
**Hon. Dr. Mohamed Ahmed Hassan Al-Afandi**  
(Bahrain, Sudan, Oman  
and Yemen)



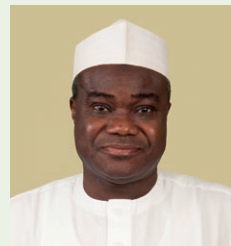
**Hon. Mrs. Zourehatou Kassah -Traore**  
(Burkina Faso, Togo,  
Gambia, Senegal, Mali  
and Niger)



**Hon. Dr. Hisham Alshaar**  
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(Uganda, Chad, Gabon,  
Djibouti, Comoros,  
Mozambique and Somalia)

## EXECUTIVE SUMMARY: A YEAR IN REVIEW

2015 was another challenging year for the global economy as well as the economies of the member countries with various factors slowing down growth. These factors included volatile commodity prices; a disappointing performance from emerging economies; divergent monetary policies of major economies; geopolitical risks in the Middle East and North Africa; emerging climate risk; and enduring unemployment among young people. In order to help member countries reduce the impact of these factors on their economies and respond to their priority development needs, the IDB Group's net approvals increased by 13 percent to ID8.5 billion (\$12.1 billion) in 1436H (2015) from ID7 billion (\$10.7 billion) in 1435H.

In terms of the Group members' share in the total approvals, ITFC activities were the largest in 1436H at 52.9 percent (ID4.5 billion or \$6.4 billion), followed by IDB's Ordinary Capital Resources (IDB-OCR) at 40.6 percent (ID3.4 billion or \$4.9 billion), and ICD at 5.5 percent (ID472.5 million or \$666.9 million) with special funds (APIF and UIF) and Special Assistance Operations accounting for 0.9 percent and 0.1 percent respectively. With respect to growth in net approvals in 1436H, ICD registered the highest at 112.8 percent, with APIF at 39.6 percent and ITFC at 24.5 percent. IDB-OCR and UIF recorded decreases of 4 percent and 57.5 percent respectively.

Regionally, the Middle East and North Africa received the largest share of IDB Group net approvals in 1436H at 44.3 percent (ID3.8 billion or \$5.4 billion), followed by Sub-Saharan Africa at 29.7 percent (ID2.6 billion or \$3.6 billion), Asia at 20.8 percent (ID1.8 billion or \$2.5 billion), and the Commonwealth of Independent States at 3.2 percent (ID264.2 million or \$382.8 million).

By country, the top five recipients of IDB Group financing in 1436H were Egypt at 16.6 percent (ID1.4 billion or \$2.0 billion), Turkey at 16.2 percent (ID1.4 billion or \$2 billion), Bangladesh at 9.8 percent (ID0.8 billion or \$1.2 billion), Pakistan at 9 percent (ID0.8 billion or \$1.1 billion) and Senegal at 3.9 percent (ID332.2 million or \$469.6 million).

Between 1396H and 1436H, the IDB Group net approvals totaled 7907 projects and operations for ID78.5 billion (\$113.6 billion). This amount excludes ICIEC's insurance commitments of ID18.4 billion (\$27.6 billion) and business insurance operations of ID18.3 billion (\$27.5 billion).

The Group disbursements in 1436H totaled ID4.8 billion (\$6.9 billion) compared to ID3.4 billion (\$5 billion) in 1435H while repayments was ID2 billion (\$2.8 billion) in 1436H compared to ID2.6 billion (\$3.9 billion) in 1435H. Cumulatively, IDB Group disbursements totaled ID49.6 billion (\$71.4 billion) while repayments reached ID38.2 billion (\$54.9 billion) resulting in net resource transfer of ID11.4 billion (\$16.5 billion).

The major initiatives of the IDB Group in 1436H were:

- **President Advisory Panel:** This high-level Advisory Panel of 13 eminent personalities was established to

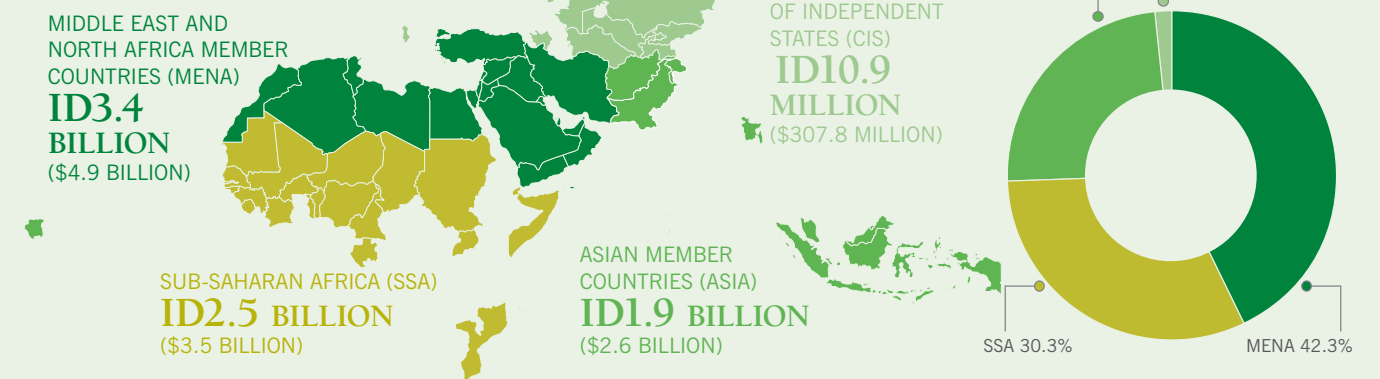
provide external, independent and objective perspectives on the key development challenges facing member countries and their implications on IDB Group strategies and operations. The Panel, with members appointed for a term of three years, was inaugurated on 19 March 2015 during which it deliberated on the implementation of the IDB Group 10-Year Strategy Framework focusing on short, medium and long-term plans.

- **President Delivery Unit (PDU):** Established in December 2014, the Unit is responsible for following up and monitoring the implementation progress of various institutional strategic initiatives embarked upon by the Bank, thereby helping the top management to focus on critical issues and ensuring accountability for the delivery of results. It is currently monitoring and coordinating the activities of key strategic programs including the 10-Year Strategy Framework, the President's 5-Year Program,

the 3-Year Rolling Plan as well as the deliverables of the Strategic Partnership Framework between IDB Group and the World Bank Group.

- **Deep Dive Initiative:** This initiative gave rise to a historic strategic partnership framework (SPF) agreement between IDB Group and the World Bank Group (WBG). The SPF was launched in October 2015 in Washington D.C to significantly scale-up joint work and investment across all common member countries in Africa, Asia, Middle East, Europe and Latin America. Over 2016-2018, the SPF will support the development of infrastructure services, regional integration and cross-border trade facilitation, water and food security, education and employment, and Islamic finance. Both institutions also agreed to join forces to support private sector development and entrepreneurship and to expand joint work in fragile and conflict-affected member countries.

### REGIONAL LEVEL ALLOCATION IN 1436H

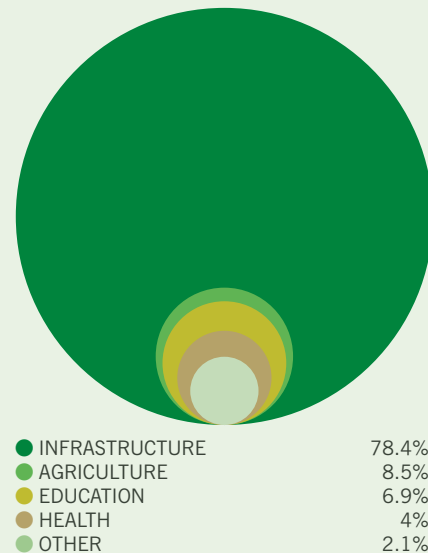






- **Financial Year Adjustment:** The Board of Governors of IDB passed a resolution approving a change in the financial year of IDB Group to a Solar Hijri calendar (abbreviated as SH) whilst maintaining the Lunar Hijri as its official calendar. Its implementation will commence from 2016, as a result the financial statements of the Bank for 2016 will be prepared for approximately 14.5 months period ending 11 Jadi of the Solar Hijri calendar corresponding to 2 Rabi' Thani 1438H (31st December 2016).
- **Lives and Livelihoods Fund:** This Fund is a \$500 million grant facility launched by IDB and the Bill & Melinda Gates Foundation to address poverty and health-related challenges in IDB member countries. Both IDB and BMGF will provide \$100 million each to the Fund while the remaining \$300 million will be sourced from donors.
- **Resource mobilization:** Four series of Trust certificates (*sukuk*) under its updated and upsized \$25 billion Medium Term Note (MTN) program were issued, of which one series was via a benchmark public issuance for \$1 billion with the remaining three series issued through private placements. The IDB's *sukuk*, in addition to being listed on the London Stock Exchange, are also listed on the member country securities exchange including Bursa Malaysia (Exempt Regime), Nasdaq Dubai and Borsa Istanbul.

- **Credit Ratings:** The top three international rating agencies – Standard & Poor's, Moody's and Fitch Ratings --- have rated members of IDB Group (IDB, ICIEC and ICD). IDB has maintained "AAA" credit ratings since 2002 from Standard & Poor's, Moody's and Fitch Ratings while, ICIEC has been assigned an Aa3 rating by Moody's since June 2008 which is the highest rating assigned to major insurers of credit and political risk globally. For ICD, Moody's in April 2015, assigned it a first-time long-term issuer rating of "Aa3" and a short-term issuer rating of "P-1" with a "Stable" outlook while has an "AA" rating by Fitch since 2014 with a "Stable" outlook.
- **Member Country Partnership Strategy (MCPS):** Nine new MCPSs were initiated -- three were second generation (Indonesia, Turkey, and Senegal) and six were first generation (Afghanistan, Cameroon, Kyrgyz Republic, Nigeria, Sudan, and Yemen). In addition, three MCPSs – for Egypt, Iran, and Uzbekistan, which started last year, are all at various stages of preparation. The "End-Term Review of MCPS for Indonesia" was conducted while the second MCPS for Indonesia for the period 2016-2020 is being prepared.



### INFRASTRUCTURE ACCOUNTED FOR THE LARGEST SHARE OF IDB-OCR NET APPROVALS

The achievements of the Bank in key economic sectors of member countries in 1436H were:

- Infrastructure accounted for the largest share of IDB-OCR net approvals at 78.4 percent, followed by agriculture and rural development at 8.5 percent, education at 6.9 percent, health at 4 percent and other sectors at 2.1 percent.
- Within infrastructure financing, the transport sector accounted for the largest allocation at 46 percent, followed by energy (29 percent), water and sanitation and urban development (10 percent), industry (4 percent), with the remainder allocated to others.



- In education, 17 operations were approved for an amount of ID239.4 million (\$339.2 million), an increase of 75 percent over the previous year.
  - The largest project approved for the education sector was the Higher Education Development Project in Benin which accounted for 45 percent of the year's total approval.
  - Four bilingual education operations were approved under the Bank's Bilingual Education Program which supports the integration of formal education system with madrasa education system.
  - The IDB and the World Bank jointly launched the education for competitiveness (E4C) initiative to support quality enhancement of educational systems of member countries to promote competitiveness of their economies. E4C has three dimensions: education for lifelong learning, education for employment, and education for transformation.
- Twelve health sector operations were approved for ID138.6 million (\$198.3 million), of which six projects, including two TA grants covering areas of prevention and control of communicable diseases and health system strengthening.
- Twenty energy operations totaling ID770 million (\$1.1 billion) were approved for 12 member countries (Djibouti, Egypt, Guinea, Kyrgyz republic, Mozambique, Pakistan, Senegal, Tajikistan, Togo, Tunisia, Uganda, and Yemen).
- 19 transport projects were approved for ID1.2 billion (\$1.6 billion) in 12 member countries.
- Six urban development operations were approved for \$368 million for Bangladesh, Burkina Faso, Senegal, and Uzbekistan.
- Public-private partnership projects more than doubled to ID505 million (\$740 million) from ID220 million (\$336 million) in the previous year.
- 31 agriculture projects were approved for ID290 million (\$419 million) covering member countries in Asia, Africa and the MENA regions.
- 67 operations were approved under the Technical Cooperation Program for an amount of \$1.7 million, of which 15 were for recruitment of experts, 13 for on-the-job training and 39 for seminars/conferences/meetings.
- Nine operations under science and technology program were approved for \$450,000.
- 352 students benefited from the Scholarship Program for Muslim Communities in non-member countries bringing the total beneficiaries from inception of the program in 1404H (1983) to 13,162 students.
- 50 students were granted the M.Sc. Scholarship Program in Science and Technology for the Least Developed Member Countries, bringing the cumulative number of beneficiaries since the inception of the program in 1419H (1998) to 560 students.
- Seven operations were approved under the NGO Program for \$450,000 benefiting six countries (Saudi Arabia, Turkey, Kuwait, Bahrain, Mali and Senegal).
- 24 projects were co-financed with other development partners in 18 member countries, representing 36 percent of the IDB's total approvals for development projects. Of the total cost of the projects, IDB contributed 13 percent while other co-financiers provided 39 percent, including the Coordination Group, with the remainder coming from the beneficiary countries.
- In promoting the development of Islamic economics, banking and finance, the following activities were undertaken:
  - IRTI produced 30 new publications in Arabic, English, French and Portuguese languages covering different areas of Islamic Economics and Finance; and conducted 25 training programs on various aspects of Islamic Economics and Finance, both under the Member Country Assistance Training (MCAT) program and its fee-based training program targeting the private sector;
  - Under its Technical Support Program, the Bank financed five technical assistance projects to support new and existing Islamic finance jurisdictions in Afghanistan, Gambia, Mozambique, Tajikistan and Uganda in order to enhance their infrastructure and build their capacity.

- Four Islamic Infrastructure Institutions –CIBAFI, AAOIFI, IFSB and IIRA—were provided technical assistance to enhance their effectiveness and strengthen their capacity.
- The first-of-its-kind Award for the Best Application of Agent-based Simulation (ABS) in Islamic Finance was announced in collaboration with SABIC Chair of Islamic Financial Markets Studies and the Islamic Financial Engineering Lab.
- Awarded the IDB Prize in Islamic Economics for 1436H to Dr. Seif Eldin Tag Eldin.

The 13th edition of the IDB Prizes for Science & Technology was processed and the prize winners were *Centre de Recherche sur les Filarioses et autres Maladies Tropicales*, Cameroon (Category 1), The National Nanotechnology Research Center, Bilkent University, Turkey (Category 2) and The Faculty of Science, Al-Azhar University, Palestine (Category 3).

The 10th IDB Prize for Women's Contribution to Development was devoted to "Women's Contribution to Water Resources Management". Its individual category was awarded to Dr Laila Mandi, a professor at the Cadi Ayyad University (Morocco) while the organization category was shared by *Ajuda de Desenvolvimento de Povo para Povo* (ADPP) from Guinea-Bissau and the African Agency for Integrated Development (AAID) from Uganda. Since the inception of the Prize in 2006, 36 laureates have been selected from 23 IDB member countries.



### THE 10TH PRIZE FOR WOMEN'S CONTRIBUTION TO DEVELOPMENT WAS DEVOTED TO WOMEN'S CONTRIBUTION TO WATER RESOURCES MANAGEMENT

Ten new Reverse Linkage projects were initiated, of which three were approved: (i) Reverse Linkage project between Senegal and Indonesia in Flood Disaster Risk Management; (ii) Reverse Linkage project between Djibouti and Morocco in the monitoring and surveillance of high-risk pregnancy and childbirth; and (iii) Reverse Linkage project between the Republic of Suriname and Malaysia in the area of rice production.

Two noteworthy partnership arrangements were concluded under the IDB Reverse Linkage Program: one with the Egyptian Agency of

Partnership for Development (EAPD) and the second was with the Arab Bank for Economic Development in Africa (BADEA) to transfer know-how of expertise from the Arab countries to Sub-Saharan African member countries. BADEA will allocate \$600,000 yearly over five years to support the financing of Reverse Linkage project(s) processed by IDB for the benefit of Sub-Saharan African member countries.

The Board of Governors at their 41st Meeting in Maputo (Mozambique) took the following key decisions:

- directed the Board of Executive Directors and the IDB management to:
  - a. formulate detailed action plan for the IDB Group Ten-Year Strategy Framework and implement it in accordance with a fixed timeline
  - b. achieve synergy between the activities of the IDB Group members and their detailed plans and to prevent duplication
- approved the recommendation of the Board of Executive Directors to move the financial year of the IDB to Solar Hijri calendar and
  - a. resolved that Article 12 of the By-Laws of the IDB be amended to read *"The Hijra calendar shall be the official calendar of the Bank. However, the Board of Executive Directors shall determine the beginning and end of the financial year of the Bank"*.
  - b. directed that a consensus should be reached with the Boards of Executive Directors of the members

of the IDB Group to agree on a unified beginning and end of the financial year of the Group.

The Board of Executive Directors held seven meetings while its Standing Committees had 20 meetings. 65 projects were approved and 135 Resolutions on financing and policy matters were adopted. The most important policy matters processed by the Board of Executive Directors were (i) Leverage Policy of the Bank; (ii) Proposal on the IDB-Bill & Melinda Gates Foundation Buy-Down Facility; (iii) Financial Year of the IDB Group; (iv) Upsize of the IDB's Existing Medium Term Note Program Limit from Current Limit of \$10 billion to \$25 billion, and (v) Reappointment of the members of the IDB Group Shariah Committee.

Twenty-six ordinary projects were post-evaluated comprising of 23 projects financed from the Ordinary Capital Resources, two projects by ICD and one project by APIF. A cluster of Special Assistance operations in one non-member country was also evaluated along with a review and validation of 12 Project Completion Reports.

The Bank successfully rolled out the implementation of TeamCentral, an on-line tracking module of the TeamMate Audit Management System. TeamCentral provides automated issue tracking management capability which allows business units to submit status updates online, thus increasing the level of efficiency and accountability in the implementation follow-up process

throughout the IDB Group. It also participated in the Ethics Network of Multilateral Institutions (ENMO) on 7-10 July 2015 where it was nominated as the Chair for the 2016 ENMO Meeting.

Under its ambitious Group Business Enhancement and Systems Transformation Program (GBEST Program), several solutions have been delivered for live use in all business areas of IDB Group. These include Funds Management; Cash Management; Bank Communication Management; Employee and Manager Self Services; Budget Planning and Consolidation; Scholarship Management; Treasury and Investments Management; Operations Financing; Travel Management and Operations Management. Work is in progress to complete the remaining solutions of Risk Management; Enterprise Content Management; SAP Strategy Management and Business Intelligence & Analytics Management.

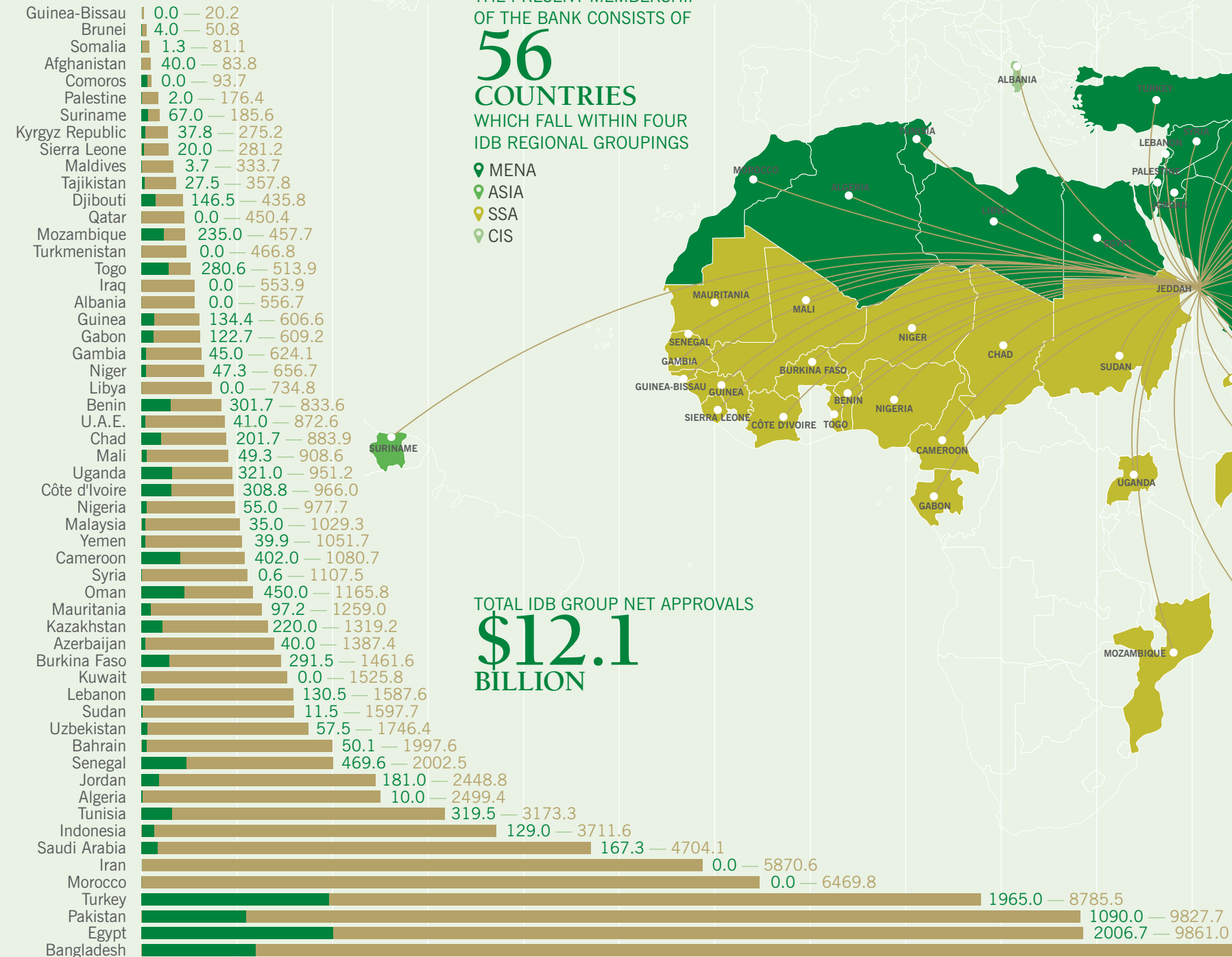
A number of knowledge management activities were undertaken including (i) Knowledge Management Strategy was finalized and approved by the Board of Executive Directors, (ii) launched a newsletter *"Knowledge Matters"* and organized a number of events such as (iii) Knowledge for Sustainable Development Forum, (iv) Knowledge & Innovation Fair and Forum (KIFF), (v) revitalization of Communities of Practice (CoP), and (vi) the third annual exhibition focusing on innovative development solutions.

At the end of 1436H, the total staff numbers of the IDB Group reached 1,192 comprising nine Management, 56 directors, 66 managers, 703 professionals, 137 para-professionals and 221 support staff. The Bank recruited 11 Young Professionals (YPs) through a rigorous selection process. With this addition, the total number of YPs under training has reached 22 YPs. A HR Newsletter released monthly was also launched to promote open communication in areas of staff interest.

The Bank launched the IDB Group Enhancing Work Environment (EWE) initiative to make the work environment more conducive to attracting and retaining talent and to boost productivity and performance of the existing staff. The initiative, through surveys, workshops and online consultations, not only provided insight of operational issues and challenges affecting the staff and the work environment, but also promoted bottom-up solutions.

# EXECUTIVE SUMMARY: 1436H IN NUMBERS

1436H — CUMULATIVE



THE PRESENT MEMBERSHIP OF THE BANK CONSISTS OF

## 56 COUNTRIES

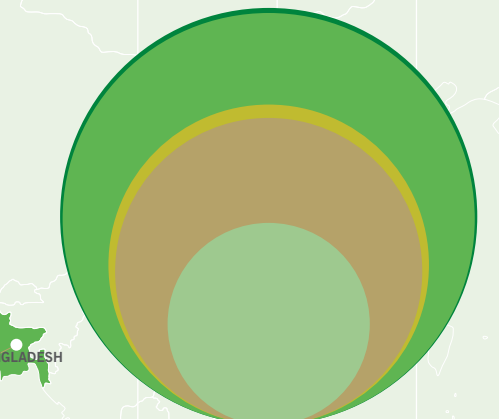
WHICH FALL WITHIN FOUR IDB REGIONAL GROUPINGS

- MENA
- ASIA
- SSA
- CIS

TOTAL IDB GROUP NET APPROVALS

# \$12.1 BILLION

BY COUNTRY, THE TOP FIVE RECIPIENTS OF IDB GROUP FINANCING IN 1436H



CUMULATIVE IDB GROUP NET APPROVALS (1396H - 1436H)\*

# \$113.6 BILLION

\* Cut-off date for data reported in this table was 30 Dhul-Hijja 1436H (13 October 2015). This amount excludes ICIEC's insurance commitments of ID18.4 billion (\$27.6 billion) and business insurance operations of ID18.3 billion (\$27.5 billion). Source: IDB.

GROUP MEMBERS SHARE IN TOTAL APPROVALS

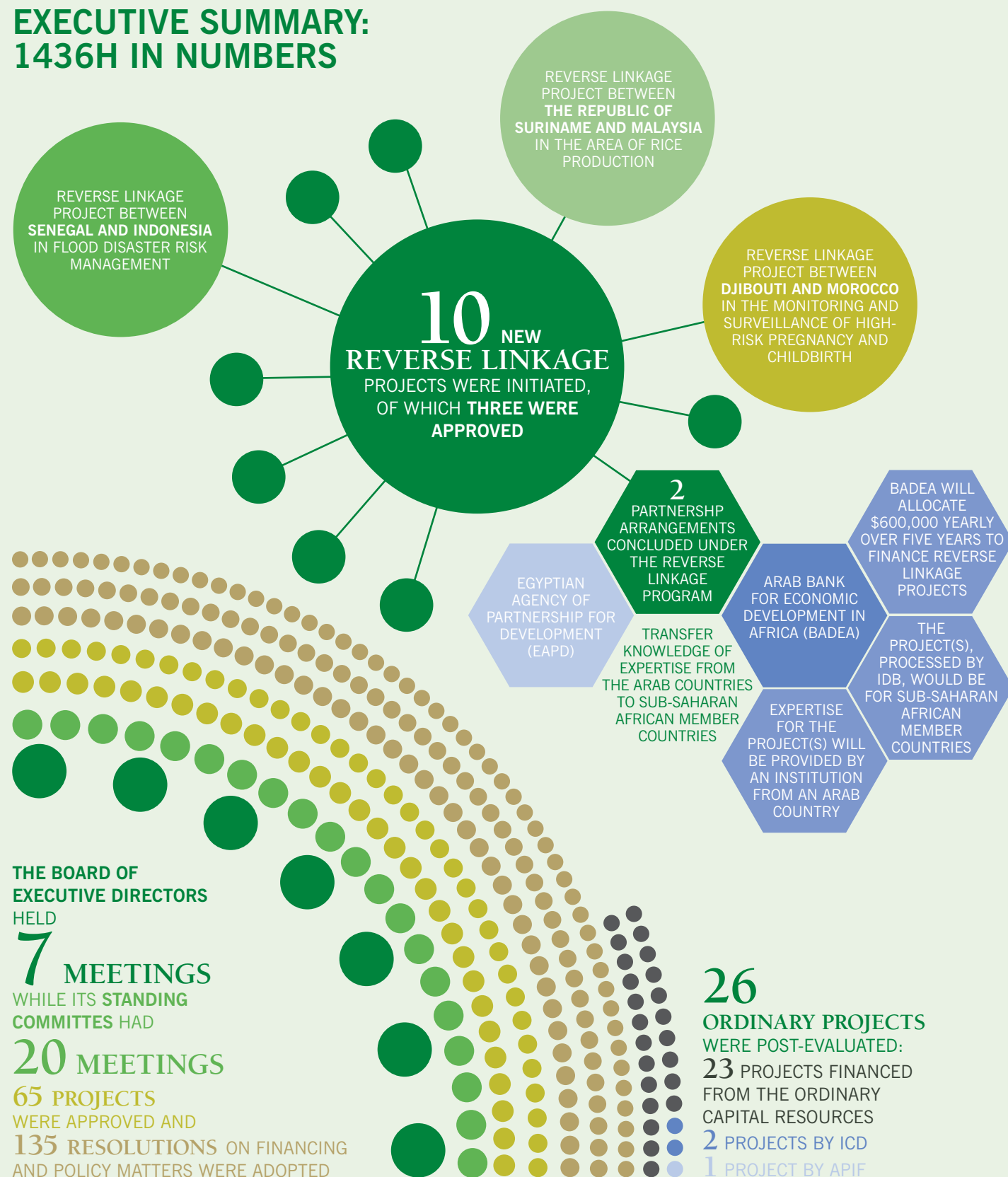
- ITFC: 52.9%
- IDB-OCR: 40.6%
- ICD: 5.5%
- SPECIAL FUNDS (APIF & UIF): 0.9%
- SPECIAL ASSISTANCE OPERATIONS: 0.1%

IDB GROUP NET APPROVALS 1436H — CUMULATIVE (1396H-1436)

\$ Million

\$ Million

## EXECUTIVE SUMMARY: 1436H IN NUMBERS



THE BOARD OF EXECUTIVE DIRECTORS HELD

**7** MEETINGS

WHILE ITS STANDING COMMITTEES HAD

**20** MEETINGS

**65** PROJECTS WERE APPROVED AND

**135** RESOLUTIONS ON FINANCING AND POLICY MATTERS WERE ADOPTED

**26**

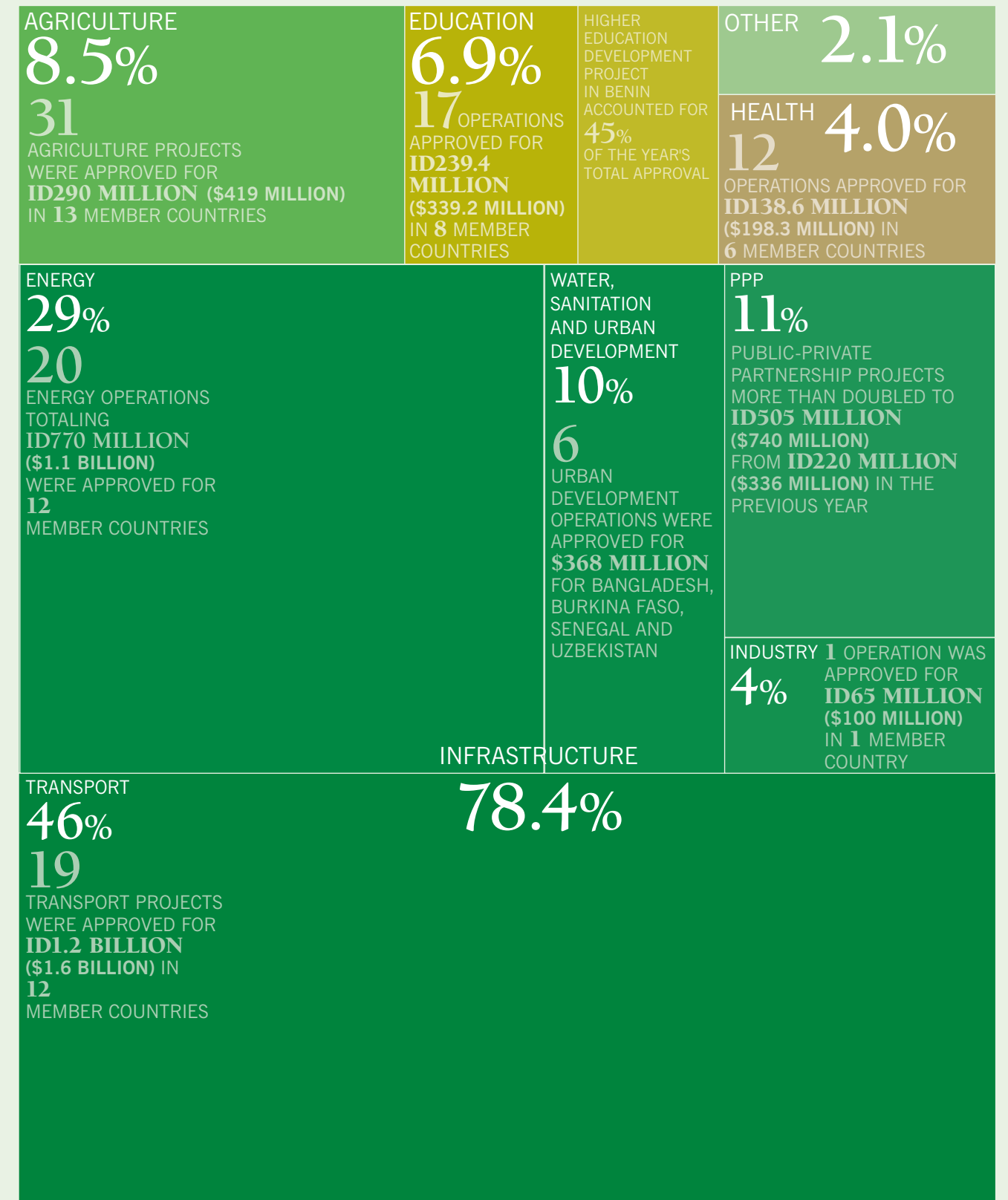
ORDINARY PROJECTS WERE POST-EVALUATED:

**23** PROJECTS FINANCED FROM THE ORDINARY CAPITAL RESOURCES

**2** PROJECTS BY ICD

**1** PROJECT BY APIF

## THE ACHIEVEMENTS OF THE BANK IN KEY ECONOMIC SECTORS OF MEMBER COUNTRIES IN 1436H





# 1

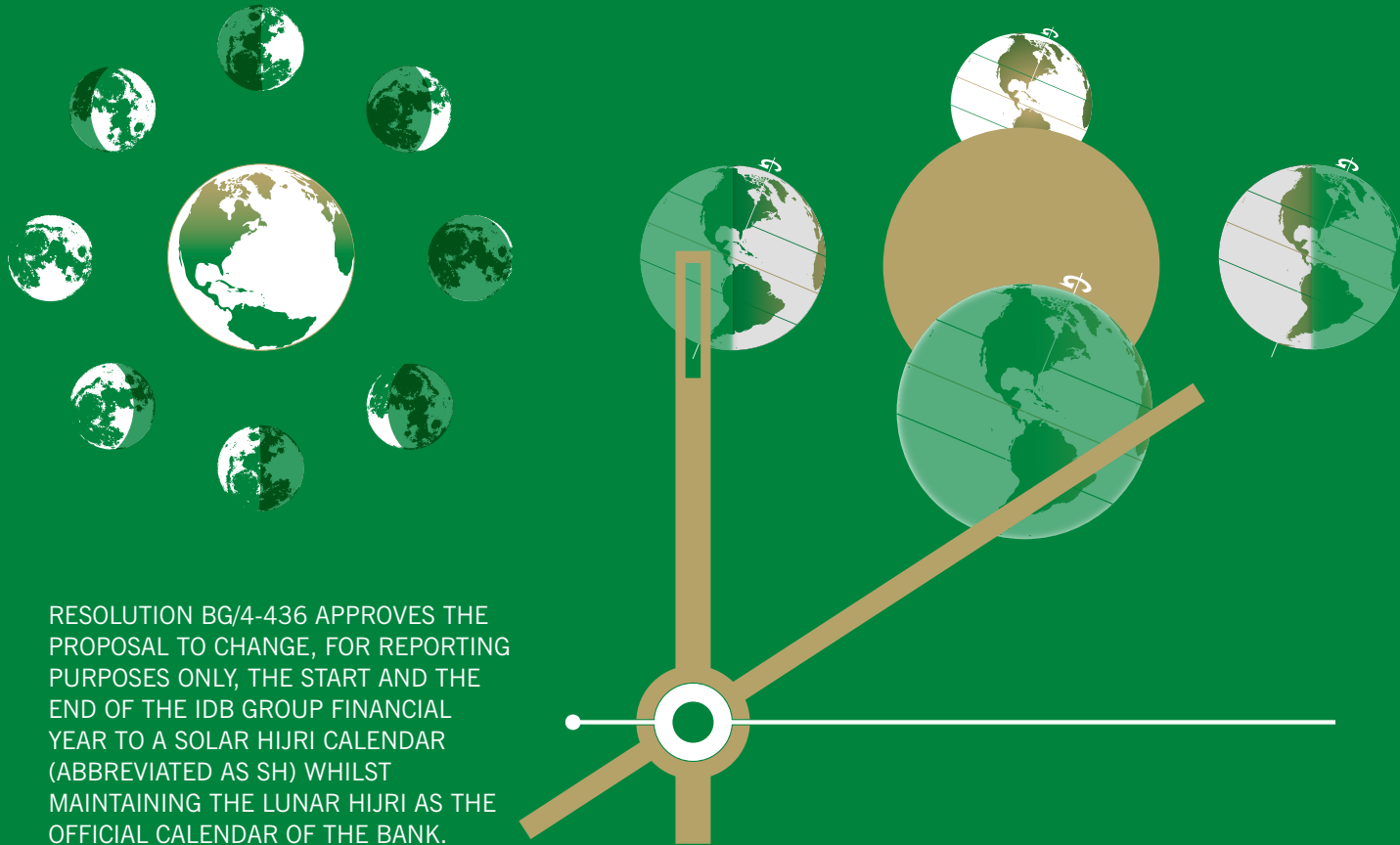
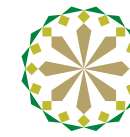


## CHAPTER ONE

### **IDB GROUP IN FOCUS**

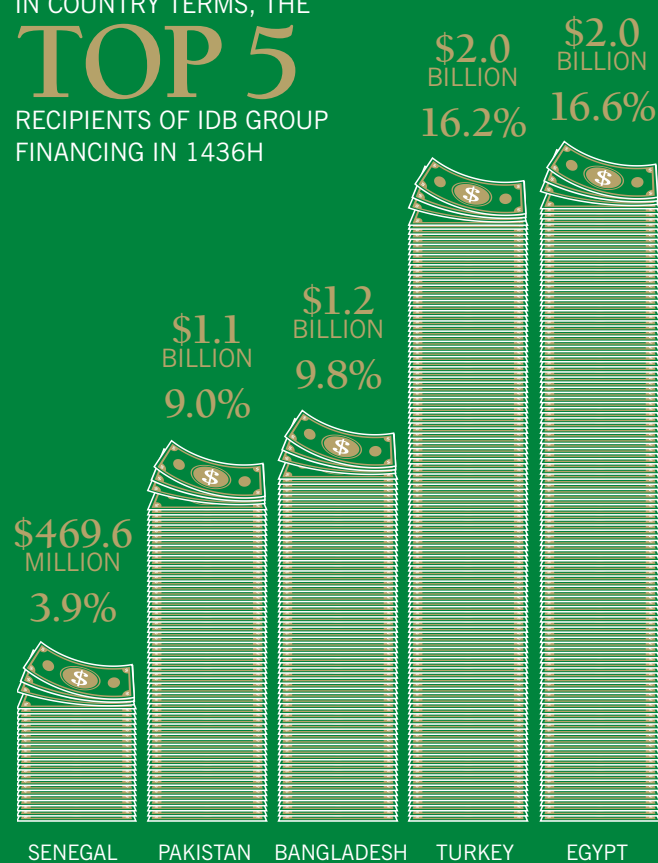
The IDB Group – comprising five members – undertakes a variety of complementary development assistance activities with a view to support member countries and the Muslim communities in non-member countries to achieve sustainable development.

This chapter presents a snapshot of the IDB Group's operational performance, major initiatives, and Group members' achievements along with Special Funds managed by the Bank.



RESOLUTION BG/4-436 APPROVES THE PROPOSAL TO CHANGE, FOR REPORTING PURPOSES ONLY, THE START AND THE END OF THE IDB GROUP FINANCIAL YEAR TO A SOLAR HIJRI CALENDAR (ABBREVIATED AS SH) WHILST MAINTAINING THE LUNAR HIJRI AS THE OFFICIAL CALENDAR OF THE BANK.

IN COUNTRY TERMS, THE **TOP 5** RECIPIENTS OF IDB GROUP FINANCING IN 1436H



IN 1436H, THE IDB ESTABLISHED A HIGH-LEVEL ADVISORY PANEL OF

## 13 EMINENT PERSONALITIES

TO PROVIDE EXTERNAL, INDEPENDENT AND OBJECTIVE PERSPECTIVES ON THE KEY DEVELOPMENT CHALLENGES FACING MEMBER COUNTRIES



THE IDB GROUP INCREASED THE VOLUME OF ITS OPERATIONS IN 1436H (2015) BY

**13% TO ID8.5 BILLION** FROM ID7 BILLION (\$10.7 BILLION) IN 1435H



## 1.1 SUMMARY OF IDB GROUP OPERATIONAL RESULTS

The global economy in 2015 was affected by multiple headwinds including volatility in commodity prices especially oil; slowdown in emerging economies particularly China (the second largest economy in the world and the driver of growth during the recent financial crisis); uncertainty in monetary policies of major economies which impacted capital flows to emerging and developing countries; continuous geopolitical risks in the Middle East and North Africa; increased transnational terrorism which undermined development and caused wanton loss of lives; concerns over climate risk which is a big threat to humanity and ecosystem; and persistent youth unemployment which exacerbates social unrest and insecurity.

Against this backdrop, the global economy fell short of maintaining its growth trajectory decreasing by 0.3 percentage points from 3.4 percent in 2014 to a projected 3.1 percent in 2015<sup>1</sup>. Economic recovery in two advanced economies -- the United States and the United Kingdom -- helped in stemming this slowdown. As the economies of member countries are not decoupled from the effects of external shocks, their combined growth also declined by 0.4 percentage points to 3.4 percent in 2015 from 3.8 percent in 2014. This epitomizes the growth trends in regional economic groupings of member countries: Sub-Saharan member countries (average growth was 4.2 percent in 2015 compared to 5.9 percent in 2014), Middle East and North Africa member countries (2.4 percent in 2015 versus 2.6 percent in 2014), Asia member countries (4.7 percent in 2015 as against 5 percent in 2014), and the Commonwealth of Independent member countries (3.7 percent in 2015 versus 5.2 percent in 2014).<sup>2</sup>

In order to help member countries reduce the impact of the external shocks on their economies and respond to their priority development needs, the IDB Group increased the volume of its operations in 1436H (2015) by 13 percent

FIG 1.1 IDB GROUP NET APPROVALS

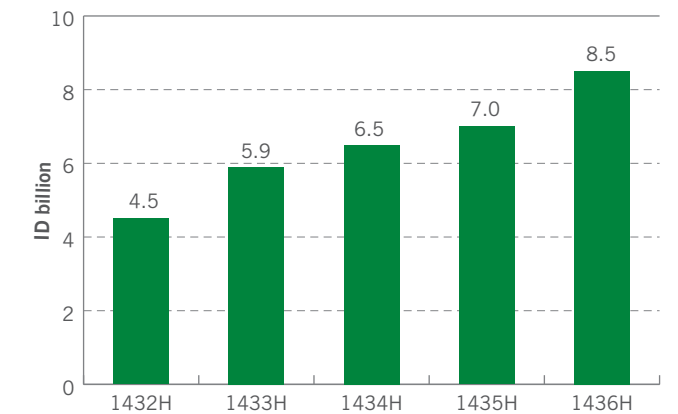
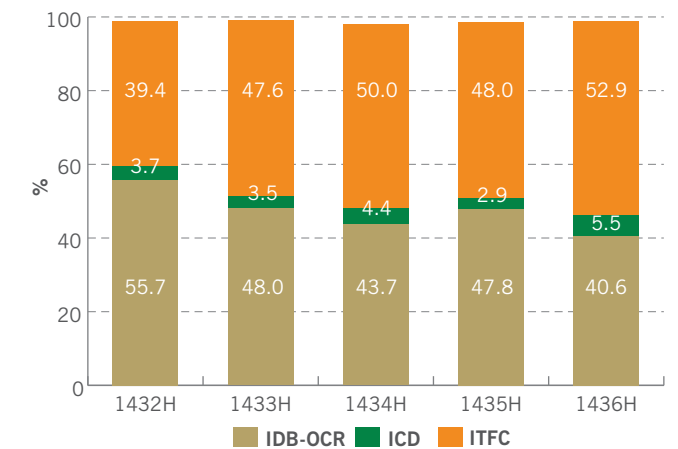


FIG 1.2 TRENDS IN THE SHARE OF ENTITIES IN TOTAL IDB GROUP NET APPROVALS



to ID8.5 billion (\$12.1 billion) from ID7 billion (\$10.7 billion) in 1435H (Figure 1.1). This operational growth is encouraging despite the tough environment in which the IDB Group operated in 1436H.

The ITFC activities --mainly trade financing -- accounted for the lion's share of the Group's net approvals in 1436H at 52.9 percent (ID4.5 billion or \$6.4 billion), followed by IDB's Ordinary Capital Resources (IDB-OCR) at 40.6 percent (ID 3.4 billion or \$4.9 billion), ICD at 5.5 percent

<sup>1</sup>World Economic Outlook, IMF, October 2015.

<sup>2</sup>IDB staff computation based on IMF World Economic Outlook Database, accessed in October 2015.

(ID472.5 million or \$666.9 million) with special funds (APIF and UIF) and Special Assistance operations accounting for 0.9 percent and 0.1 percent respectively (Figure 1.2). With respect to growth in net approvals in 1436H, ICD registered the highest at 112.8 percent, APIF at 39.6 percent, ITFC at 24.5 percent with IDB-OCR and UIF recording decreases of 4 percent and 57.5 percent respectively (Figure 1.3).

In terms of regional<sup>3</sup> breakdown, the Middle East and North Africa received the largest share of IDB Group net approvals in 1436H at 44.3 percent (ID3.8 billion or \$5.4 billion), followed by Sub-Saharan Africa at 29.7 percent (ID2.6 billion or \$3.6 billion), Asia at 20.8 percent (ID1.8 billion or \$2.5 billion), and the Commonwealth of Independent States at 3.2 percent (ID264.2 million or \$382.8 million).

In country terms, the top five recipients of IDB Group financing in 1436H were Egypt at 16.6 percent (ID1.4 billion or \$2 billion), Turkey at 16.2 percent (ID1.4 billion or \$2 billion), Bangladesh at 9.8 percent (ID0.8 billion or \$1.2 billion), Pakistan at 9 percent (ID0.8 billion or \$1.1 billion) and Senegal at 3.9 percent (ID332.2 million or \$469.6 million).

Cumulatively, the IDB Group net approvals since inception totaled 7,907 projects and operations for ID78.5 billion (\$113.6 billion). This amount excludes ICIEC's insurance commitments of ID18.4 billion (\$27.6 billion) and business insurance operations of ID18.3 billion (\$27.5 billion).

The total disbursements by IDB Group in 1436H reached ID4.8 billion (\$6.9 billion) compared to ID3.4 billion (\$5 billion) in 1435H. The repayments also totaled ID2 billion (\$2.8 billion) in 1436H compared to ID2.6 billion (\$3.9 billion) in 1435H. Between 1395H and 1436H, IDB Group disbursements totaled ID49.6 billion (\$71.4 billion) while repayments reached ID38.2 billion (\$54.9 billion) resulting in net resource transfer of ID11.4 billion (\$16.5 billion) (Figure 1.4).

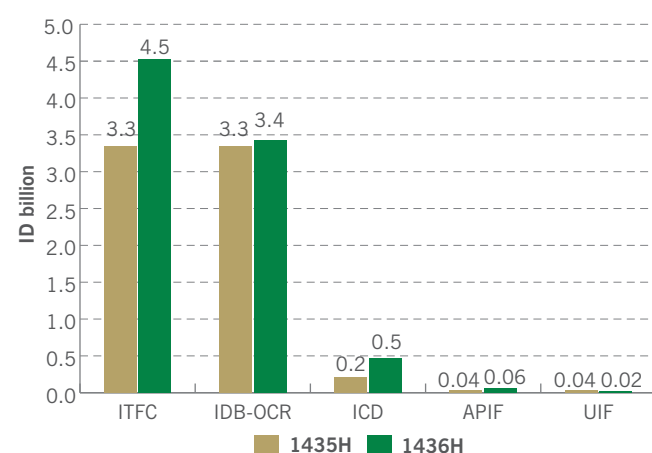
## 1.2 GROUP MAJOR INITIATIVES

The IDB Group in 1436H launched and implemented major initiatives including President Advisory Panel, Presidential Delivery Unit, Deep Dive, and Lives and Livelihood Fund. A brief overview of these initiatives along with the progress of existing ones is presented below.

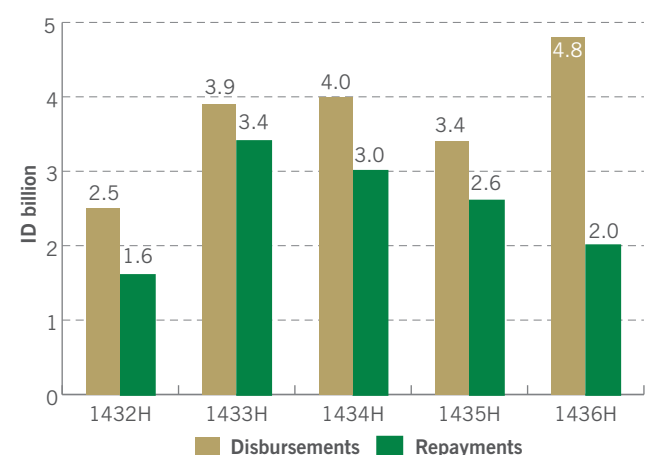
**President Advisory Panel:** In 1436H, the IDB established a high-level Advisory Panel of 13 eminent personalities to



**FIG 1.3 NET APPROVALS BY ENTITIES AND FUNDS**



**FIG 1.4 TRENDS IN BANK GROUP DISBURSEMENTS AND REPAYMENTS**



provide external, independent and objective perspectives on the key development challenges facing member countries and their implications on IDB Group strategies and operations (Box 1.1). The Panel, with members appointed for a term of three years, serves as a sounding board for proposed IDB Group development programs; to help identify innovative partnership opportunities; and to initiate discussions on the next big issues and offer solutions for IDB Group's consideration. The Advisory Panel was inaugurated on 19 March 2015 during which it deliberated on the implementation of the IDB Group 10-Year Strategy Framework (10YSF) focusing on short, medium and long-term plans. Box 1.2 presents the key takeaways from the inauguration session.

**President Delivery Unit (PDU):** This Unit, situated in the Office of the President, was established in December 2014. Its main responsibility is following up and monitoring the



implementation progress of various institutional strategic initiatives made by the Bank. Its terms of reference cover updating progress and promoting accountability for the initiatives associated with: (i) previous Medium Term Business Strategy (MTBS) 2.0 which were assigned to the Implementation Facilitation Committee (IFC); (ii) agreed upon activities related to the Rapid Steps Actions (the short-term recommendations stemming from the 40-year assessment of the IDB Group); (iii) activities under the IDB Group 10-Year Strategy Framework; (iv) President Strategic Program; and (v) any other strategic initiatives assigned by the President.

The PDU helps top management to focus on critical issues and ensures accountability for the delivery of results. Its mechanism has proven effective in bringing about change at all levels. Since its establishment, it has undertaken essential activities related to performance monitoring and promoting accountability across the IDB Group. These activities included the close monitoring of the Rapid Steps Actions and the development of online live IT monitoring and reporting tools which comprised of three components: i) a collaborative working platform that allows the PDU focal points to update online the progress on targets ii) a state-of-the art data visualization tool that extracts the data automatically from the collaborative working platform and present the data in simple graphical format; and iii)

## “The President Delivery Unit helps top management to focus on critical issues and ensures accountability for the delivery of results”

Intranet Portal where the progress is tracked on a real-time basis through interactive dashboard.

The PDU is focusing on monitoring and coordinating the activities of key strategic programs including the 10-Year Strategy Framework, the President's 5-Year Program, the 3-Year Rolling Plan as well as the deliverables of the Strategic Partnership Framework between IDB Group and the World Bank Group.

**Deep Dive Initiative:** The IDB Group and the World Bank Group (WBG) launched in October 2015 in Washington D.C a historic Strategic Partnership Framework (SPF) agreement as an outcome of a Deep Dive exercise to significantly scale-up joint work and investment across all common member countries in Africa, Asia, Middle East, Europe and Latin America. Over 2016-2018, the SPF will support the development of infrastructure services, regional integration and cross-border trade facilitation, water and food security, education and employment, and Islamic finance. Both institutions also agreed to join forces to support private sector development and entrepreneurship and to expand joint work in fragile and conflict-affected member countries.

The SPF identifies strategic priorities for joint support to common member countries, including co-financing pipelines and regional programs. It calls for a close follow-up and monitoring of the implementation on both sides. The follow-up mechanism includes mid-year review of progress at the technical level at the WBG-IMF Spring Meetings (April) and a yearly review at senior management (Presidents) level in the Fall alternating between Washington and Jeddah. The IDB Group President has set up an internal follow up mechanism. The two institutions' co-financing activities under SPF could potentially reach \$9 billion over the period 2016-2018.

**Financial Year:** The Board of Governors of IDB acting on the recommendation of IDB Board of Executive Directors passed a resolution BG/4-436 approving the proposal to change, for reporting purposes only, the start and the end

### BOX 1.1 LIST OF IDB GROUP PRESIDENT'S ADVISORY PANEL

1. **H.E. Prof. Dr. B J Habibie**, 3rd President, Republic of Indonesia
2. **H.E. Abdullah Gül**, 11th President, Republic of Turkey
3. **H.E. Abdul Aziz Al Azzabi**, Member, UAE Federal National Council
4. **H.E. Dr. Abdellatif Jouahri**, Governor, Central Bank of Morocco
5. **H.E. Dr. Jobarah Al-Suraisry**, former Minister of Transport, Saudi Arabia
6. **H.E. Madam Aïcha Bah Diallo**, former Minister of Education, Guinea-Conakry
7. **H.E. Madam Bintou Sanogoh**, former Minister of Finance, Burkina Faso
8. **H.E. Dr. Surin Abdul Halim Pitsuwan**, former Foreign Minister, Thailand
9. **H.E. Prof. Dr. Ishrat Husain**, former Governor, Pakistan Central Bank
10. **H.E. Prof. Dr. Muhammad Yunus**, founder Grameen Bank, Nobel Laureate
11. **H.E. Dr. Jacques a**, former DG, FAO
12. **H.E. Saleh Abdullah Kamel**, founder Dallah Barakah
13. **H.E. Prof. Dr. Abbas Mirakhor**, Chair Islamic Finance, INCIEF

<sup>3</sup>This is based on an IDB classification of its 56 member countries into four regions namely MENA, Asia, Sub-Saharan Africa, and Countries in Transition (CIT). CIT is replaced in this report with Commonwealth of Independent States.

**BOX 1.2 KEY TAKEAWAYS FROM THE ADVISORY PANEL'S INAUGURAL FORUM**

1. The Panel affirmed the validity and applicability of IDB Group 10 Year Strategy Framework (10YSF), agreeing that it appropriately reflected the emerging global trends and opportunities while at the same time addressing the changing development needs of member countries.
2. Acknowledged the need to update the IDB Group Vision document, which was formulated in 2008, and applauded the 10YSF as a constructive mechanism that effectively achieves this.
3. Noted the key factors impacting on the global economic environment in the short term as political uncertainty, globalization, lack of growth, changing demographics, rapid innovation and socialization of technology, and urbanization.
4. Advised IDB Group to put in place a comprehensive programming approach at the operational level, ensuring that member countries' strategies are in sync with those of IDB Group. In this regard, IDB Group interventions should start with policy-based interventions that would stimulate the desired multiplier and spill-over effects in its development programs.
5. Stressed that the private sector should be further promoted as an engine to accelerate and scale up the development process.
6. Highlighted the following elements that should be given higher priority and embedded in the implementation of IDBG 10YSF:
  - a. To unlock the untapped potential of young women as part of the Inclusive Social Development pillar;
  - b. To utilize science, technology and innovation for development;
  - c. To further harness and strengthen IDB Group's leadership role in the development and expansion of global Islamic finance, particularly for the non-banking sector (*Waqf, Zakat, and Sadaqah*);

7. Underscored the need for IDB Group to increase its presence in the field and change its engagement model. Proposed that IDB Group should utilize virtual modalities / new technology so as to include direct beneficiaries in its engagement model, thereby making them partners in both development and delivery.
8. Proposed that IDB Group should operate as a change agent, reflecting a progressive and positive image of the Muslim World.
9. Emphasized that talented people remain the key resource for IDBG. Consequently, it proposed that IDBG scale up, right-size and best fit its talent, tapping the expertise available in the Ummah to realize the aspirations of 10YSF. To do so effectively, IDB Group talent management needs to adapt to the increasing mobility and specialization required to match talent with development challenges.
10. Called on member country governments to further increase their support to the IDB Group in order for it to further scale up its operations. In addition, given the cooperation-for-development modality of IDB Group, it strongly recommended that innovative and smart co-financing be fully optimized.
11. Suggested that IDB Group should initiate a strong communications program in order to realize its potential and further leverage its trusted brand and convening power.
12. Suggested the following transformative initiatives for IDB Group:
  - a. Establishing a global finance/trade/currency clearing house;
  - b. Building a global (satellite-based) network with a real-time, open-source information repository for crowd-based solutions and services;
  - c. Developing a global advocacy program to extend the outreach of IDB Group's global leadership in Islamic finance sector;
  - d. Leveraging the potential of crowd-sourcing and adapting global knowledge and research for policy-based services.
13. As a trusted and effective development partner, the IDB Group needs further support by its member countries in order to scale up operations and meet member countries' growing development requirements. However, progress and prosperity in member countries will remain elusive unless there is good governance at both IDB Group and member country levels.



**FIG. 1.5 LLF DONOR LEVERAGING AND IMPACT DIAGRAM**

**Each donor dollar will be multiplied many-fold and invested in projects producing meaningful, tangible outcomes and impacts**

If a donor contributes \$50 million to LLF, each contributed dollar will be matched 9X by other donors and 40x by IDB\*



\* Example assumes donor funding is fully subscribed at \$500 million and leverage varies depending on amount of grant contribution.

of the IDB Group financial year to a Solar Hijri calendar (abbreviated as SH) whilst maintaining the Lunar Hijri as the official calendar of the Bank.

This switch to a Solar Hijri calendar was necessitated by the need to improve the effectiveness of the resource mobilization program, ensure a smooth planning and coordination of the IDB Group Annual Meetings, and to improve the comparability of the Bank's financial performance with other MDBs. IDB Group will be implementing the calendar from 2016 and the financial statements will be prepared for approximately 14.5 months period ending 11 Jadi of the Solar Hijri calendar corresponding to 2 Rabi' Thani 1438H (31st December 2016).

**Lives and Livelihoods Fund:** In June 2015, IDB and the Bill & Melinda Gates Foundation formally launched a \$500 million grant facility, known as the *Lives & Livelihoods Fund (LLF)*. It is a global partnership to address poverty and diseases in IDB member countries. Through this innovative blending facility, IDB, the Gates Foundation and donors will support poverty-focused programs worth \$2.5 billion over five years in primary healthcare, disease control, smallholder agriculture and basic rural infrastructure in IDB member countries, especially in least developed member countries (LDMCs). The IDB Group President and Mr. Bill Gates, Co-Chair of the Bill & Melinda

Gates Foundation (BMGF), made the announcement at a dedicated high-level event held in Mozambique's capital, Maputo, the host of the 40th Annual Meeting of the IDB Group held in June 2015.

The LLF will be deployed along with \$2 billion from IDB's ordinary capital resources to scale-up support to pro-poor programs in IDB member countries on concessional terms. BMGF is committed to providing 20 percent (\$100 million) of the LLF capital. The Islamic Solidarity Fund for Development (ISFD), for its part is to contribute \$100 million of grant financing to LLF over five years. IDB and BMGF are seeking \$300 million of grant funding from donors to fully capitalise LLF. Fig. 1.5 shows LLF donor leveraging and expected outcomes and impacts.

The launch of LLF builds on the success of the IDB-BMGF partnership in Pakistan, where they joined forces

**\$500 MILLION**  
GRANT FACILITY KNOWN AS THE *LIVES & LIVELIHOODS FUND (LLF)* FORMALLY LAUNCHED BY IDB AND THE BILL & MELINDA GATES FOUNDATION



to support Pakistan's polio eradication program through a \$227 million financing from IDB and a full buy-down of the market premium by the Gates Foundation.

**Resource mobilization:** In order to expand its own resource base and provide more development assistance activities to its member countries, the IDB has scaled up its resource mobilization efforts as well as diversified its placement strategy. In 1436H, four series of Trust certificates (*sukuk*) under its updated and upsized \$25 billion Medium Term Note (MTN) program were issued, of which one series was via a benchmark public issuance for \$1.0 billion with the remaining three series issued through private placements. The public issuance in March 2015 was a \$1 billion deal (Series 21 maturing in March 2020) which was oversubscribed and issued at an improved launch spread of 8 bps above the prevailing five-year \$ mid-swap rate (the highest spread in the Bank's history). This global issuance also witnessed the participation of new high quality investors which demonstrate the acceptance of IDB credit in the global fixed income space.

In the private placement space, which is more dedicated for specific investors demand in terms of currency and tenor, the IDB issued a \$100 million five-year *sukuk* maturing in July 2020, in addition to another €100 million five-year *sukuk* maturing in September 2020. In the same year, IDB also issued a €300 million four-year *sukuk* maturing in October 2020. These series were issued directly to a group of private investors in Europe and North Africa. The resource mobilization exercise, apart from the fund-raising agenda, is also aimed at promoting the Islamic financial industry in member countries as well as in the global arena. The IDB's *sukuk*, in addition to being listed on the London Stock Exchange, are also listed on member country securities exchanges including Bursa Malaysia (Exempt Regime), Nasdaq Dubai and Borsa Istanbul.

**Credit Ratings:** The top three international rating agencies – Standard & Poor's, Moody's and Fitch Ratings – have continued to rate all or some of the three members of IDB Group (IDB, ICIEC and ICD).

For IDB, which has sound financial health and strong shareholders' support, it has continued to maintain the highest credit ratings of "AAA" since 2002 with the highest stand-alone credit rating among the Multilateral Lending Institutions. It is also designated as a 'Zero-Risk Weighted' multilateral development bank (MDB) by both the Basel Committee on Banking Supervision and the Commission of the European Communities.

Since June 2008, ICIEC has been assigned an Aa3 rating by Moody's, which is the highest rating assigned to major insurers of credit and political risk globally. This

TABLE 1.1 MCPS ACHIEVEMENT RATES (AS OF END-OCTOBER 2015)<sup>a</sup>

	MCPSs Under Implementation	Indicative Financing Envelope (\$ million)	Net Approvals by IDB Group (\$ million)	Achievement Rates (net approvals as % of indicative financing)
<b>MCPS with financing envelope</b>				
1	Turkey (2010-13)	2,000	2,186	109.3
2	Uganda (2011-13)	500	842	168.4
3	Indonesia (2011-14)	2,500	1,915	76.6
4	Mauritania (2011-15)	650	661	101.7
5	Mali (2011-14)	500	298	59.5
6	Pakistan (2012-15)	2,500	2,603	104.1
7	Senegal (2012-14)	760	768	101.1
8	Tunisia (2013-15)	870	646	74.2
9	Niger (2013-15)	600	165	27.6
10	Bangladesh (2013-16)	9,500	5,860	61.7
11	Morocco (2013-16)	2,200	1,458	66.3
12	(Interim) Suriname (2014-15)	66	107	162.1
13	Chad (2014-16)	450	306	68.1
14	Kazakhstan (2102-17)	2,000	692.8	34.6
15	Benin (2104-17)	650	574	88.3
<b>MCPS without financing envelope</b>				
14	Malaysia (2012-15)	*	95.3	-
16	Kuwait (2012-15)	*	1 <sup>v</sup>	-
17	(Interim) Somalia (2014-15)	*	5.3	-
<b>IDB Group and Entity-wise MCPS Achievement Rates</b>				
	<b>IDB Group</b>	<b>25,746</b>	<b>19,183</b>	<b>74.5</b>
	IDB	10,165	7,833	77.1
	ITFC	11,965	10,791	90.2
	ICD	965	559	58.0

**Memo:** ICIEC's import/export credit and political risk insurance business amounted to \$1.5 billion while several capacity development and training programs were undertaken by IRTI in MCs during the MCPS period.

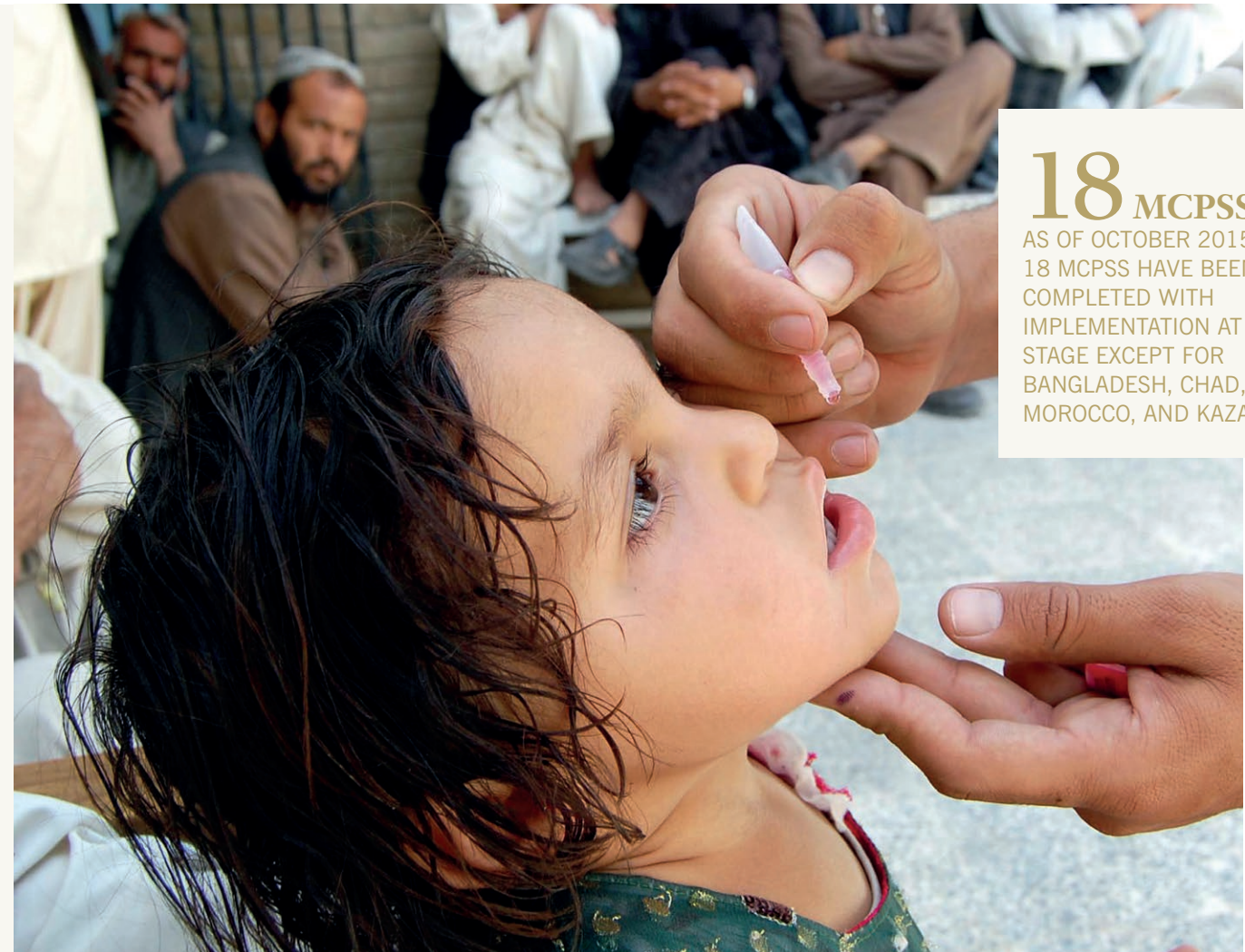
\* Denotes no indicative financing envelope in the MCPS Programs.

<sup>a</sup> Country order is based on launching year.

<sup>v</sup> This amount is allocated for the study comprising all GCC countries.

## IDB-BMGF

WHERE THEY JOINED FORCES TO SUPPORT PAKISTAN'S POLIO ERADICATION PROGRAM THROUGH A \$227 MILLION FINANCING FROM IDB AND A FULL BUY-DOWN OF THE MARKET PREMIUM BY THE GATES FOUNDATION



**18 MCPSS**  
AS OF OCTOBER 2015, 18 MCPSS HAVE BEEN COMPLETED WITH IMPLEMENTATION AT FINAL STAGE EXCEPT FOR BANGLADESH, CHAD, MOROCCO, AND KAZAKHSTAN

reflects both the stand-alone fundamentals of ICIEC as well as potential support from its shareholders. It also reflects ICIEC's legal structure and business model, as the only multilateral export credit and investment insurance corporation in the world that provides Shariah compatible insurance and reinsurance products.

For ICD, Moody's in April 2015, assigned it a first-time long-term issuer rating of "Aa3" and a short-term issuer rating of "P-1" with a "Stable" outlook. It has an "AA" rating by Fitch since 2014 with a "Stable" outlook. Both rating agencies highlighted that ICD's ratings reflect the strong ability and potentially high willingness of the main shareholders, IDB and other member countries including Saudi Arabia, to support it.

**Member Country Partnership Strategy (MCPS):** Since 1431H (2010), the MCPS has become the principal instrument for formulating the Group's Medium-Term Development Assistance Strategy for member countries

as well as for aligning with their development priorities and needs in line with IDB Vision 1440H (2020) and the IDB Group 10-Year Strategy (2015-2025).

As of October 2015, 18 MCPSs have been completed with implementation at final stage except for Bangladesh, Chad, Morocco, and Kazakhstan. All the MCPSs recorded impressive achievements in terms of financing and non-financing activities as well as development outcome in the beneficiary countries. The achievement rate of the MCPSs averaged 75 percent in terms of the indicative financing envelope, with IDB achievement rate at 77.1 percent, ITFC at 90.2 percent and ICD at 58 percent. The ICIEC's import/export credit and political risk insurance business under the MCPSs totaled \$1.5 billion while several capacity development and training programs were undertaken by IRTI in member countries during the MCPS period (Table 1.1).



**BOX 1.3 SECOND MCPS FOR INDONESIA (2016-2020)**

In order to support the Government of Indonesia's Development Plan (2015-2019), the IDB Group launched the second MCPS (2016-2020) with the theme "Supporting Smart, High and Inclusive Growth". The MCPS focused programs are in three areas: (i) Thematic Area 1: Reducing Regional Disparities, the IDB Group plans to provide sustainable support for economic and social infrastructure. The focused areas include Power Sector; Transport Sector; Urban Development; Higher Education and Skills Development; and Private Sector Development; (ii) Thematic Area 2: Deepening Islamic Financial Industry through Promoting Islamic Finance and Financial Inclusion. The focus areas include Islamic Microfinance; Islamic Financial Institutions; Supporting Islamic Financial Sector's Regulators and Supervisors; Zakat; Awqaf and Capacity Building; and (iii) Thematic Area 3: Supporting Regional Integration through Expanding Reverse Linkages and Supporting Existing Regional Integration Programs.

To implement this MCPS (2016-2020), the IDB Group has indicated a tentative financing envelop of \$5.2 billion comprising \$3.2 billion allocation from IDB-OCR, \$1.8 billion by ITFC, and \$200 million by ICD. The ICIEC's import/export credit and political risk insurance business's contribution is \$400 million. IRTI will support several capacity building programs in the areas of Islamic Banking and Finance during the MCPS. The IDB Group will mobilize additional resources from the Arab Coordination Group (CG); World Bank under Deep Dive Initiative; Gates Foundation through Live and Livelihood Fund; and Asian Development Bank for financing priority projects during the MCPS period.

The IDB Group CGO-Indonesia will be responsible for the MCPS implementation, monitoring and evaluation. In this context, the IDB Group and the Government of Indonesia have formed a joint Team to regularly monitor the implementation of the MCPS programs.

Based on the lessons learned from the first phase of MCPSs, a second generation of MCPSs has been initiated with a greater focus on achieving development effectiveness, promoting innovative interventions, and expanding operations in several cross-cutting areas including Islamic finance, private sector development and Reverse Linkage activities.

In 1436H, the IDB Group initiated nine new MCPSs, of which three were second generation (Indonesia, Turkey, and Senegal) while the remaining six were for Afghanistan, Cameroon, Kyrgyz Republic, Nigeria, Sudan, and Yemen. With three additional MCPSs for Egypt, Iran, and Uzbekistan, which started last year, all twelve are at the various stages of preparation.

During 1436H, the IDB Group conducted the "End-Term Review of MCPS for Indonesia". The review showed that the MCPS achievements in terms of financing and non-financing activities as well as outputs and outcome were largely successful. It further noted that the MCPS laid the ground for a realigned and diversified portfolio with greater emphasis on infrastructure and private sector development in several regions in the country. Based on the lessons learned from the first MCPS, currently, the IDB Group is preparing the second MCPS for Indonesia for the period 2016-2020 in close collaboration with the Government (Box 1.3).

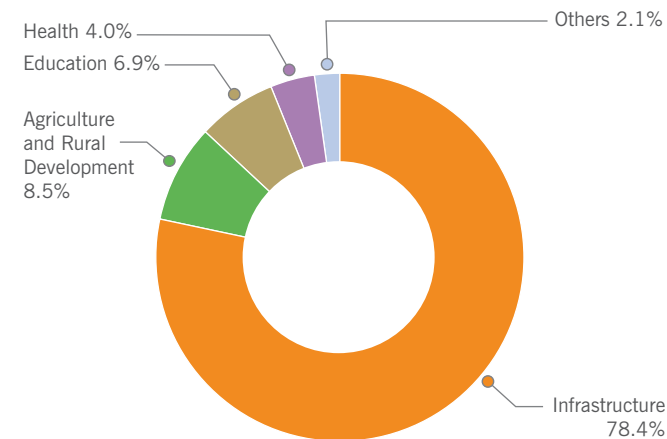
**1.3 IDB GROUP ACHIEVEMENTS**

**Sustaining economic development and connectivity:**

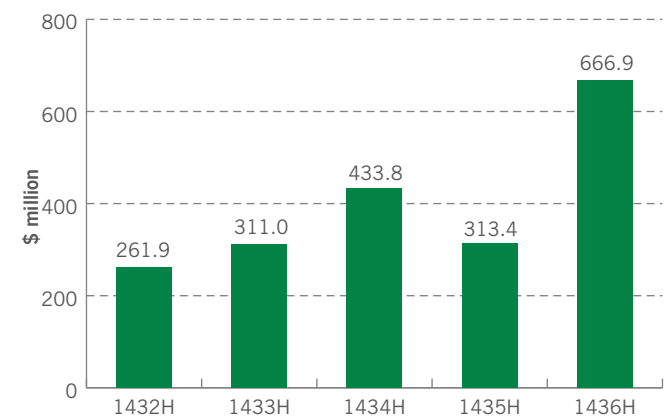
The IDB ordinary capital resources (IDB-OCR) is the largest source of fund for financing various sectors of the economies of member countries. In 1436H, net approvals from IDB-OCR were ID3.4 billion (\$4.9 billion) compared to ID3.3 billion (\$5.1 billion) in 1435H. The sectoral breakdown of the IDB-OCR approvals is shown in Fig 1.6 where infrastructure financing accounted for the largest share of 78.4 percent. Over the period 1432H-1436H, the OCR approvals averaged ID3 billion (\$4.5 billion) per year. The scale of the amount demonstrates the responsiveness of the Bank to the needs of its member countries especially in weathering the impact of the global financial and economic crisis and in achieving sustainable socio-economic development.

**Bolstering private sector development:** The Islamic Corporation for the Development of the Private Sector (ICD) operated in 1436H in a very challenging global environment including volatile financial markets, a moderate trend in foreign direct investment and low oil prices and other commodities. Despite these challenges, ICD made a remarkable progress in implementing its ambitious business plan for 1436H by approving a total of ID472.5 million (\$666.9 million) of operations and

**FIG 1.6 SECTORIAL DISTRIBUTION OF IDB-OCR NET APPROVALS 1436H**



**FIG 1.7 TRENDS IN ICD NET APPROVALS (1432H-1436H)**



disbursing \$289.5 million with a disbursement/approval ratio of 43.4 percent (Fig.1.7)

In creating new channels of operation in member countries, ICD approved \$379 million for Line of Financing (LOF) and institutional equity projects, which exceeded the annual target. Its disbursement for financial institutions totaled \$163 million in 1436H. On the real sector side, \$192.4 million of financing was approved with \$46.4 million disbursed. The majority of the approved new projects were in high-impact sectors such as agribusiness, energy, industrial and infrastructure.

Asset management in 1436H also continued to be an important tool for ICD in delivering its development mandate with \$115 million approved and \$79 million disbursed, bringing the total amount of assets under ICD's management to \$736 million. Sectoral and regional distribution of ICD's projects was consistent with its

strategic direction. In 1436H, 55 percent of its new projects were allocated to the financial sector.

In terms of regional distribution, 39.9 percent of ICD's approval in 1436H went to the Middle East and North Africa, 21.7 percent to Sub-Saharan Africa, followed by the regional projects (20.2 percent), Central Asia (18 percent), and Asia (12.9 percent). One of the non-operational remarkable achievements of ICD in 1436H was its ability to receive an Aa3/P-1 rating by Moody's. As a result, this rating will assist ICD to raise approximately \$1.4 million of Sukuk and long-term borrowing at a favorable rate, which will support its strategy of accelerated growth. More information on ICD's activities is available at [www.icd-idb.com](http://www.icd-idb.com).

**Group Business Forum (Thiqah):** This Forum is a platform for maximizing cross-border investments among IDB Group member countries, with the support of IDB Group's financial products and services. It has developed a highly interactive portal to support and facilitate the promotion and conclusion of investment projects and related services ([www.idbgbf.org](http://www.idbgbf.org)).

H, *Thiqah* co-ordinated the participation of the IDB Group in several international and regional conferences and forums, organized and/or assisted in the promotion of various events including the World Forum for Foreign Direct Investment, Global Islamic Investment Gateway (GIIG 2015), 11th World Islamic Economic Forum (WIEF), 8th Astana Economic Forum, Kazan Summit 2015, 17th Private Sector Meeting for the OIC Member States themed "Explore Opportunities in Textile & Garment Industry", Seminar on Arab Trade Financing Program, Maldives Investment Forum, IDB Group AUC Joint Private Sector Forum, Egypt Economic Development Conference, 2015 Annual Investment Meeting (AIM), Euromoney Conference, Saudi Arabia Institutional Investor Forum, Turkmenistan International Investment Forum, Sarajevo Business Forum, 15th Industrial Gulf Conference, for GCC, Investment Development Conference in Srebrenica, and Sarajevo Business Forum.

IN ORDER TO SUPPORT THE GOVERNMENT OF INDONESIA'S DEVELOPMENT PLAN (2015-2019), **THE IDB GROUP LAUNCHED THE SECOND MCPS (2016-2020)** WITH THE THEME "SUPPORTING SMART, HIGH AND INCLUSIVE GROWTH"

**Expanding Trade Financing:** The International Islamic Trade Finance Corporation (ITFC) promotes intra-OIC trade financing of its member countries through financing the imports and exports and acting as a conduit in facilitating trade development for its member countries.

Over the past eight years, it has recorded robust growth in its operations with approvals more than tripling to ID4.5 billion (\$6.4 billion) in 1436H from ID1.3 billion (\$2.2 billion) in 1429H (Fig. 1.8). Its disbursements more than quadrupled to ID3.1 billion (\$4.5 billion) in 1436H from ID0.7 billion (\$1 billion) in 1429H. The stellar growth in approvals in 1436H means that ITFC needs to mobilize resources from external partners in order to fund higher level of trade financing. As such, funds mobilized from partner banks and financial institutions in the international markets were \$4.2 billion in 1436H.

The ITFC provides financing to both the public and private sectors, using mainly *Murabaha* instrument. However, other modes of trade solutions include Structured Trade Finance (STF), Islamic Discounting and L/C opening/confirmation. Its financing activities cover energy (crude oil and refined petroleum products), fertilizers, plastics, textiles, agricultural inputs, food items, sugar, coffee etc. Besides its direct operations with clients, including LDMCs, Lines of Financing under Two-Step Murabaha are also provided to local banks to help create access to finance for SMEs in member countries.

ITFC through its Trade Cooperation and Promotion Program (TCPP), continued to exert efforts in the implementation of several projects in cooperation with its partners under its first regional trade development program, "Aid for Trade Initiative for Arab States (AfTIAS)". It is a partnership program of 22 Arab countries, regional and international trade organizations. Among the important projects that benefitted from AfTIAS resources included organizing trainings, seminars, and workshops; helping improve regional competition by addressing non-tariff measures; and enhancing the skills of workers in selected export sectors in some member countries.

The Arab Africa Trade Bridge Program is ITFC's another partnership development program, which is designed in consultation with some regional partners - the Arab Bank for Economic Development in Africa (BADEA), ICIEC, Arab Coordination Group members, and Saudi Export Program (SEP) - as a regional trade promotion program to support trade exchange between the Africa and Arab Regions. Business match-making activities, international exhibitions and some capacity-building activities were supported through this program. In 1436H, two international exhibitions (one organized in Egypt and the

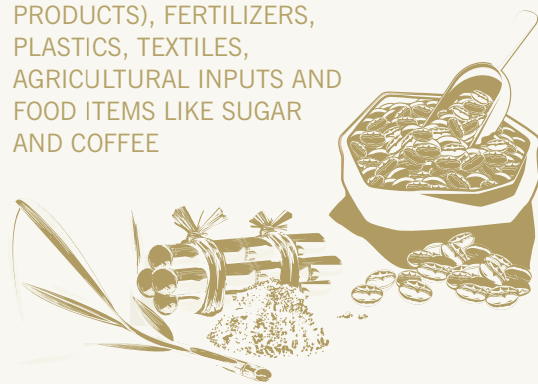
**\$6.4**

**BILLION**

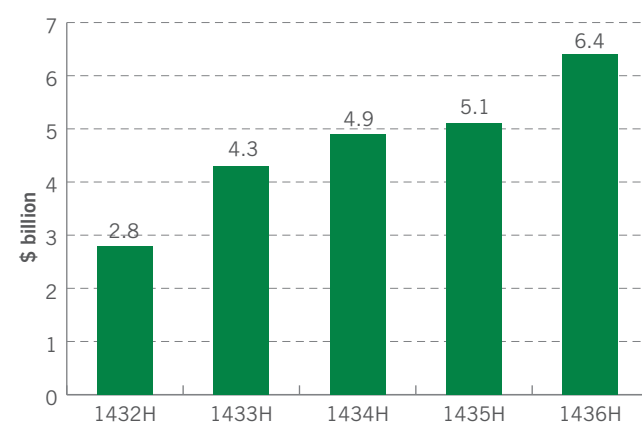
FINANCED BY THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC) IN 1436H TO PROMOTE INTRA-OIC TRADE FINANCING OF ITS MEMBER COUNTRIES

**ITFC**

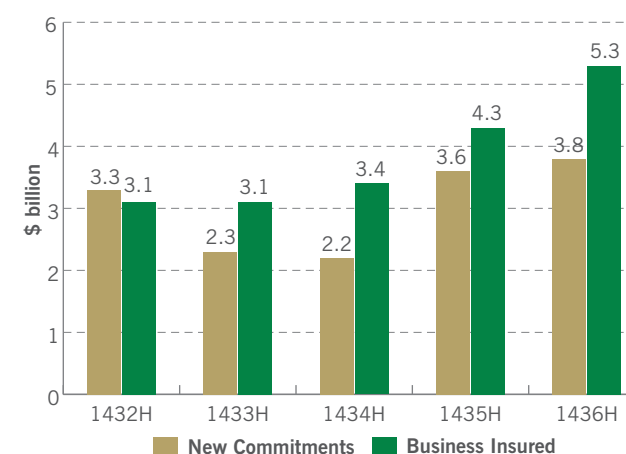
FINANCING ACTIVITIES COVER ENERGY (CRUDE OIL AND REFINED PETROLEUM PRODUCTS), FERTILIZERS, PLASTICS, TEXTILES, AGRICULTURAL INPUTS AND FOOD ITEMS LIKE SUGAR AND COFFEE



**FIG 1.8 TRENDS IN ITFC NET APPROVALS (1432H-1436H)**



**FIG 1.9 TRENDS IN ICIEC'S BUSINESS INSURED AND NEW COMMITMENTS (1432H-1436H)**



other in Jordan) were supported under this initiative. The events brought together African businesses and companies from the Arab Region to establish business partnerships. More details about ITFC's activities are available at [www.itfc-idb.org/en](http://www.itfc-idb.org/en).

**Strengthening Credit and Country Risk Insurance:** The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) expands trade transactions and encourages investment flows among its member countries. It does this by providing *shariah* compliant export credit and investment insurance services to exporters, financial institutions, and investors, to cover the risk of non-payment of export receivables resulting from commercial (buyer) or non-commercial (country) risks, and political risks. It also provides re-insurance services to the export credit agencies of member countries.

In 1436H, ICIEC's business insured increased by 22.3 percent to ID3.7 billion (\$5.3 billion) from ID2.9 billion (\$4.3 billion) in 1435H while its new commitments totaled ID2.7 billion (\$3.8 billion) in 1436H representing a growth of 7.6 percent over last year's figure of ID2.4 billion (\$3.6 billion) (Fig. 1.9). Since its inception up to 1436H, ICIEC's new commitments reached ID18.4 billion (\$27.6 billion), while its total business insured reached ID18.3 billion (\$27.5 billion). The overall claims ratio (claims paid over premium invoiced), the main indicator of credit insurance operations performance, was 19 percent which is significantly below the industry's ratio. More details about ICIEC's activities are available at [www.iciec.com](http://www.iciec.com).

**Developing Islamic Economics and Finance:** The IDB Group promotes the development of Islamic economics, banking and finance through its various entity, programs and initiatives.

In terms of entity, the Islamic Research and Training Institute (IRTI) is responsible for the development of a dynamic and sustainable Islamic financial services industry (IFSI) through knowledge creation and dissemination, human capital development, and advisory services. In 1436H, IRTI completed the following activities:

- (i) Thirty-four in-house research papers completed in collaboration with different centers of excellence,
- (ii) Signed an agreement with edX, an online learning platform founded by the Massachusetts Institute of Technology (MIT) and Harvard University, to deliver the first-of-its-kind Islamic Banking and Finance Massive Open Online Courses (MOOCs)
- (iii) Produced 30 new publications in Arabic, English, French and Portuguese languages covering different areas of Islamic Economics and Finance
- (iv) Conducted 25 training programs on various aspects of Islamic Economics and Finance, both under the Member Country Assistance Training (MCAT) program and its fee-based training program targeting the private sector
- (v) Launched ten new Library Corners located in institutions in Nigeria, Bangladesh, Malaysia, Indonesia, Mozambique and Russia, among others
- (vi) Introduced new knowledge dissemination channels, including webinars and a Twitter handle to complement its YouTube channel, Facebook page and IRTI Smartphone app
- (vii) Organized the 10th IDB Global Forum on Islamic



**\$2.7 BILLION**  
 THE LEVEL OF CONTRIBUTIONS TO THE ISFD REACHED \$2.7 BILLION, OF WHICH 44 MEMBER COUNTRIES PLEDGED \$1.7 BILLION AND THE IDB \$1 BILLION

Finance on "Exploring Innovative Solutions for Affordable Islamic Microfinance in Africa" and received the award of "Best Research and Development Institute in Islamic Finance 2015" from the Global Islamic Finance Awards (GIFA) for its pre-eminent role in the development of the global Islamic financial services industry.

More details on the activities of IRTI are available at [www.irti.org](http://www.irti.org).

With respect to programs and initiatives in 1436H (see details in Section 2.6), the Bank undertook these activities:

- Financed five technical assistance projects from its Technical Support Program, to support new and existing Islamic finance jurisdictions in Afghanistan, Gambia, Mozambique, Tajikistan and Uganda to enhance their infrastructure and build their capacity.
- Provided technical assistance to four Islamic Infrastructure Institutions –CIBAFI, AAOIFI, IFSB and IIRA– to enhance their effectiveness and strengthen their capacity.
- Finalized with local partners to create Islamic Microfinance institutions (IMFIs) for Bangladesh, Indonesia, Senegal, and Tunisia while engaging with stakeholders to find suitable local partners for Egypt, Pakistan and Tajikistan.
- Announced the first-of-its-kind Award for the Best Application of Agent-based Simulation (ABS) in Islamic Finance in collaboration with SABIC Chair of Islamic Financial Markets Studies and the Islamic Financial Engineering Lab.
- Awarded the IDB Prize in Islamic Economics for 1436H to Dr. Seif Eldin Tag Eldin.

**Building Opportunities for the Poor:** Following the decision of the Extraordinary Islamic Summit Conference held in Makkah, Saudi Arabia, in December 2005, the Islamic Solidarity Fund for Development (ISFD) was established as a Special Fund in the form of a Waqf<sup>4</sup> (i.e. Trust), with a principal target capital of \$10 billion. The Fund is dedicated to reducing poverty in the OIC member countries, particularly the LDMCs, by providing concessionary loans and grants to promote pro-poor growth and human development especially improvements in health care and education.

As of the end of 1436H, the contributions to the ISFD reached \$2.7 billion, of which 44 member countries pledged \$1.7 billion and the IDB \$1 billion. The actual amount received stood at \$2.4 billion, of which \$850 million was paid by the IDB and \$1.6 billion by member countries. The net income of the Fund in 1436H was \$69 million, generated from the returns on investments and retained earnings.

To address the low level of commitments to the ISFD capital by member countries, the ISFD's Board of Governors adopted a Resolution at its fourth meeting in Jeddah in June 2011 which aimed at determining the appropriate level of a member country's voluntary

contribution to the ISFD. This is based on an average weighted criterion of three indicators: a country's GDP, export of goods and services and the value of its foreign exchange reserves. Furthermore, the Board's Resolution called on member countries to allocate a suitable Waqf (such as a plot of land in a prime area) in favor of the ISFD, which the Fund can develop to generate revenues that can enhance its resources.

**22%**  
 ICIEC'S BUSINESS INSURED INCREASED BY 22 PERCENT TO ID3.7 BILLION (\$5.3 BILLION) FROM ID2.9 BILLION (\$4.3 BILLION) IN 1435H

Cumulative ISFD approvals by the end of 1436H reached ID293.8million (\$442.4 million) with disbursements totaling \$97.3 million. The LDMCs received about 80 percent of the total approvals. The ISFD has developed new flagship programs such as the Urban Poverty Reduction Program, the Renewable Energy for Poverty Reduction Program, and Save the Mothers Program. It contributed \$100 million on a grant basis towards a new program called "Lives and Livelihoods Fund (LLF)," which is a buy-down facility that has been established by the IDB and the Gates Foundation. Its contribution to the LLF will not only help in addressing extreme poverty in the LDMCs, but will also generate estimated concessional resources of \$500 million for the member countries.

The Fund plans to set up special poverty-related Trust Funds to attract external funds to finance the provision of basic services to the poor, such as primary education, primary health care, microfinance, agriculture and rural development, energy, emergency relief and institutional capacity building.

**Awqaf Properties Investment Fund (APIF):** This Fund was established by the Bank in 2001 to address the development needs of the Awqaf sector. The Bank acts as a Mudarib for the Fund whose objective is to develop idle Waqf lands and renovate existing Waqf buildings, thereby transforming them into income-generating assets. Recently, APIF has started financing the purchase of existing buildings in order to convert them into new Waqf properties. The income generated from APIF projects is used by the Waqf and by charitable organizations to finance and support their activities in the social and charitable fields in favor of the poor, as well as in the religious and cultural fields.

<sup>4</sup> The concept of Waqf (Islamic Endowment/Trust) implies that only the income which will be made from the investments of the Fund's resources will be available to finance its operations.

**“The income generated from APIF projects is used by the Waqf and by charitable organizations to finance and support their activities in the social and charitable fields in favor of the poor, as well as in the religious and cultural fields”**

The current capital of the Fund is \$76.4 million funded by 15 participants, which are mainly Awqaf organizations and Islamic banks including IDB. In addition, the Bank has provided a Line of Financing of \$100 million to APIF to support its activities. Since its inception, APIF has approved 53 projects spread in 31 member countries and non-member countries. These approvals comprised 36 projects for \$300.3 million for member countries and 17 projects for \$141.3 million for non-member countries. In terms of modes of financing, 38 projects were approved by way of leasing, ten projects under Istisna'a, and two projects through equity participation and three projects through Murabaha.

In 1436H, eleven projects at a cost of ID 63 million (\$89 million) were approved. These projects involved financing the construction of residential or commercial/ office buildings in Jordan, Mauritania, Maldives, Malawi, Sudan and the USA as well as the purchase of existing office buildings in Kenya and Saudi Arabia. APIF also signed Memorandum of Understandings (MoUs) with two organizations aiming at mutual cooperation in developing the Waqf sector and supporting their philanthropic activities. In addition, three TAs were approved during the year in support of development of Awqaf projects and operations in Guinea (to create awareness of the importance of Wqaf, the Balkans (Assessing the needs and formulate action plan for restoration of expropriated Awqaf properties for five countries (Albania, Montenegro, Macedonia, Kosovo and Bosnia) and for the fund itself (in conducting feasibility studies).

World Waqf Foundation (WWqF): Since its inception, the WWqF has been collaborating with International Advisory Houses, consulting specialists in Awqaf, private sectors and holding several workshops and meetings of its executive boards and committees, in order to come up with the right business model to achieve its mission. It has developed new business model focusing on three initiatives –Investment, development and knowledge.



**53**

THE AWQAF PROPERTIES INVESTMENT FUND (APIF) HAS APPROVED 53 PROJECTS SPREAD IN 31 MEMBER COUNTRIES AND NON-MEMBER COUNTRIES

**\$76.4 MILLION**

THE CURRENT CAPITAL OF THE AWQAF PROPERTIES INVESTMENT FUND (APIF), FUNDED BY 15 PARTICIPANTS, WHICH ARE MAINLY AWQAF ORGANIZATIONS AND ISLAMIC BANKS INCLUDING IDB

In the area of investment, the WWqF is currently finalizing the registration of an Investment Fund called Awqaf Capital (ACAP) with the Central Bank of Bahrain, Kingdom of Bahrain.

In the development of Awqaf projects, the WWqF is at Phase 2 of implementation of activating the role of individual and institutional philanthropists to contribute to the establishment of Awqaf specialized projects that support education, health and social programs, alleviate poverty, and effectively disburse Awqaf proceeds in collaboration with civil society institutions.

With respect to knowledge sharing, the WWqF is activating the role of Waqf as an economic and development institution through research and development (R&D). It is also strengthening the Awqaf institutions to advance their roles in the development of societies, and coordinate among themselves, and raise awareness of Waqf. In this context, the WWqF has collaborated with IRTI to incubate the International Waqf Advisory House (IWAH) which is working on three strategic areas in the field of Waqf, namely the Third Sector Organizations Project (NGOs); the Waqf model Law for Muslim communities in non-IDB member countries; and the Awqaf Database. 🌱



# 2

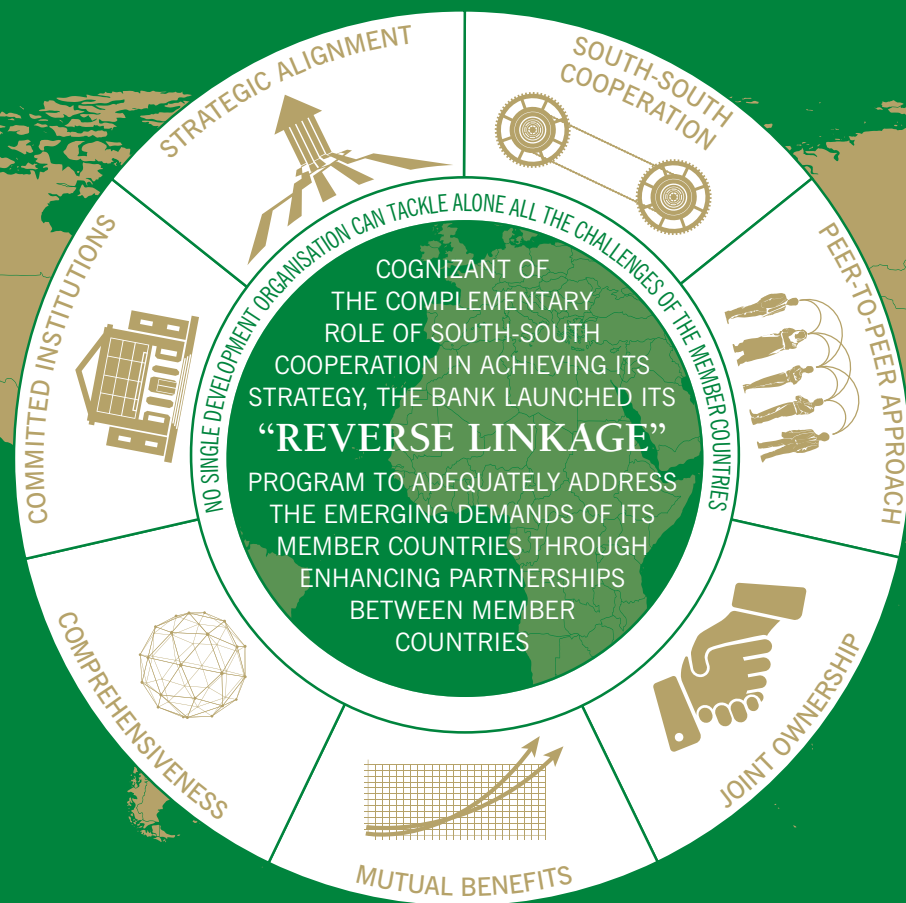


## CHAPTER TWO

### FOSTERING INCLUSIVE AND SUSTAINABLE DEVELOPMENT

The Bank provides loans and grants to foster socio-economic development of its member countries. This chapter analyses the activities of the Bank related to its ordinary capital resources, its capacity-building programs, co-financing, partnership, co-operation arrangements and contribution to Islamic financial services industry.

The chapter also covers activities related to women's empowerment, IDB prizes, and solidarity program.



## 2.1 PROMOTING QUALITY OF LIFE

Since its inception, the Bank has given priority in its strategy to promoting the quality of life of people in its member countries by investing substantially in social sector (particularly health and education). In 1436H, it approved 29 social sector-related operations for ID376.9 million (\$535.8 million) with cumulative approvals since inception totaling ID4.1 billion (\$5.9 billion) for 704 operations.

### EDUCATION

The Bank continues to focus its interventions on education sector in key areas: (i) basic education particularly bilingual and madrasah education to help the beneficiary member countries attain quality universal basic education, (ii) science and mathematics education for technological advancement; (iii) science and technology, (iv) vocational training and technical education to enhance youth employability; and (v) non-formal education and functional literacy through vocational literacy programs (VOLIP) for skills acquisition and productive engagement.



In 1436H, the Bank approved 17 operations in education sector for an amount of ID 239.4 million (\$339.2 million), an increase of 75 percent over the previous year's approval of ID126.1 million (\$194 million). This stellar growth was largely due to the Higher Education Development Project in Benin. This alone accounted for 45 percent of the year's total approval. About 90 percent of the Benin's operation was financed from non-concessional resources of the Bank. In terms of volume of the interventions, which is largely determined by the mode of financing (concessional versus non concessional), higher education accounted for 46 percent of the 1436H approvals, followed by TVET and secondary education with 23 percent and 18 percent respectively while basic education accounted for 13 percent of approvals.

The total investment in education in member countries reached ID2.5 billion (\$3.5 billion) with the bulk of the investment made from non-concessional resources.

The higher education development project in Benin was approved for an amount of ID106.1 million (\$151.5 million) to provide an additional intake capacity of 10,000 students. The project provides new infrastructure for a

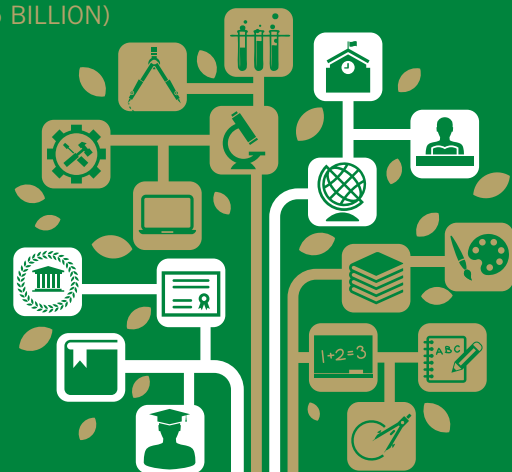
built-up area of 182,237 m<sup>2</sup>, furnishing and equipping the facilities, updating the curricula, training lecturers and strengthening research capacity among others.

The project will increase the competitiveness of the country by producing a qualified workforce with relevant skills demanded in the economy to propel growth and productivity. It is financed through a combination of concessional (9 percent) and non-concessional resources (91 percent). As a model project for other low income countries, the project signals a paradigm shift from investment in productive sectors only as an engine of growth to including social infrastructure as a basis for building the requisite human resources to improve productivity and growth.

Under the Bank's Bilingual Education Program which supports the integration of formal education system with madrasa education system and particularly targeting out-of-school children, four bilingual education operations were approved in 1436H and are expected to add over 100,000 school intakes. These students will be provided with sufficient textbooks and learning materials within conducive learning environments and trained teachers to attain national standards.

TOTAL INVESTMENT IN EDUCATION IN MEMBER COUNTRIES REACHED

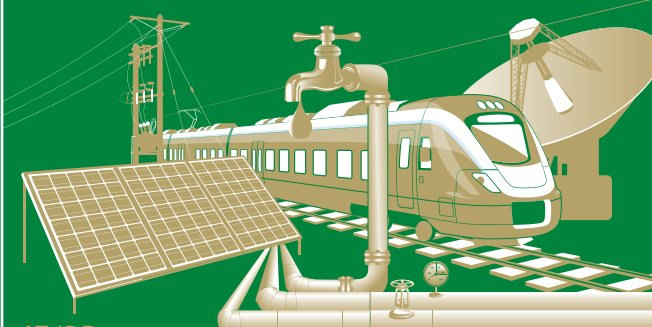
**ID2.5 BILLION**  
(\$3.5 BILLION)



**46% HIGHER**  
**23% SECONDARY**  
**18% TVET**  
**13% BASIC**  
PERCENTAGE OF EDUCATION APPROVALS

THE IDB'S TOTAL APPROVALS IN HEALTH SECTOR SINCE INCEPTION REACHED

**258 OPERATIONS** TOTALING  
**ID1.6 BILLION**  
(\$2.4 BILLION)



AT IDB **80%** OF THE REQUESTS FOR FINANCING RECEIVED FROM MEMBER COUNTRIES ARE IN INFRASTRUCTURE SECTORS

In the area of education for competitiveness (E4C), the IDB and the World Bank, during the year under review, agreed to establish collaboration on this initiative to support quality enhancement of educational systems of member countries so as to promote competitiveness of their economies. The E4C builds national human capital that strengthens the long-term global competitiveness and emphasizes a shift in approach by making the education interventions bottom-up, based on deep consultative process with countries, and supported by results-based innovative financing mechanisms. The E4C has three dimensions: education for life-long learning, education for employment, and education for transformation. The two institutions are designing prospective interventions to support each pillar of E4C in consultation with countries.

#### BOX 2.1 PARTNERSHIPS AGAINST MALARIA, THE IDB FOCUS

The IDB, OIC, Executive Director of the Roll Back Malaria (RBM) Partnership, Ministers of Health from Turkey, Senegal, Saudi Arabia, Indonesia and diplomatic representatives from MCs participated in a town hall meeting and photo exhibition at the IDB HQs. in Jeddah to celebrate the World Malaria Day (WMD) on 25 April 2015. The aim was to raise awareness on the scourge of malaria in OIC countries. Leveraging the importance of the final World Malaria Day under the United Nations Millennium Development Goals (MDGs), participants noted the tremendous progress made against the preventable and treatable disease over the past 15 years and called for increased commitment and collective action to advance efforts toward ambitious malaria elimination targets, particularly in OIC countries. The event also heralded the successful implementation of the IDB TA grant (\$400,000) for the RBM to build the capacity of six MCs (Chad, Mali, Mozambique, Niger, Nigeria and Yemen) to qualify for the Global Fund (GFATM) grant resources for malaria. The TA has facilitated access to \$967 million in funding for malaria programs in all six countries during 2015.

THE TECHNICAL ASSISTANCE HAS FACILITATED ACCESS TO  
**\$967** MILLION  
 IN FUNDING FOR MALARIA PROGRAMMES

## HEALTH

The Bank's interventions in the health sector in 1436H were focused on two thematic areas: (i) prevention and control of both communicable and non-communicable diseases; and (ii) health system strengthening to improve access to and quality of healthcare services. As a result, in 1436H, the Bank approved twelve operations in health sector, of which 6 projects including 2 TA grants cover areas of prevention and control of communicable diseases and health system strengthening (HSS) for ID138.6 million (\$198.3 million). The IDB's total approvals in health sector since inception reached 258 operation totaling ID1.6 billion (\$2.4 billion).

During 1436H, the IDB focused on disease control in response to global strategic directive to strengthen health security by enhancing observance of the International Health Regulations (2005) (IHR). The approved projects targeted prevention of yellow fever and polio eradication as the main epidemic diseases still emerging in some member countries besides Ebola Virus Disease (EVD). To this end, the Bank approved the "Support to Yellow Fever Vaccine (YFV) Production" project in Senegal for €20 million, which ensures universal access to quality preventive healthcare services in Senegal and the region. Specifically, the project addresses the regional and global demand for Yellow Fever Vaccine (YFV) through increasing the YFV production capacity of the Foundation Institute Pasteur in Dakar (FIPD) from 4.5 million to 15 to 30 million doses per year (Box 2.1).



In pursuance of its effort to eradicate polio in its member countries, the Bank approved a TA grant of \$300,000 in support of national and global efforts for "Polio Outbreak Response" in Somalia. UNICEF will facilitate the procurement of 1.7 million doses of oral polio vaccine (OPV) to vaccinate 1.5 million children over five years during the mass vaccination campaign planned for October-November 2015.

The Bank also approved the "Support to Maternal, Newborn and Child Health (MNCH)" project in Cameroon for \$27.8 million for the reduction of maternal, neonatal and infant mortalities in the country. The project aimed to improve quality of MNCH services in 34 health districts, and promote MNCH services seeking behavior and solidarity-based "micro-Takaful" through community mobilization, health workers training, and Integrated Management of Childhood Illness (IMCI).

In Sierra Leone, the Bank approved a project for Health System Strengthening for \$10 million. The project is to contribute to the realization of the National Health Sector Strategic Plan target of reducing maternal and neonatal mortality through strengthening the health system. The specific objective of the project is to improve access to and quality of maternal health care services by establishing and equipping, by the end of 2019, two new Basic Emergency Obstetric and Neonatal Care (BEmONC) and equipping 8 existing BEmONC facilities respectively, establishing a Midwifery Training School (MTS) and improving the referral system among healthcare facilities at different levels of the health care system. The project will also equip the School of Clinical Sciences (SCS) and will support the training and management of Community Health Workers (CFIW). Upon completion, the project will directly benefit more than 300,000 inhabitants of Koinadugu District and its neighboring Districts and the whole population of the country at large.

In Gabon, the Primary Healthcare Services Project was approved for \$122.3 million with the goal of contributing to the achievement of universal health coverage (UHC) while enhancing the quality of healthcare in the country. Specifically, the project aims at improving primary healthcare (PHC) services coverage through constructing and equipping of ten Departmental Hospitals (DH), one Urban Health Center (UHC), a new National Training Institute for Health and Social Action (INFASS) and providing support for the training of medical and paramedical staff and health trainers.

In 1436H, the Bank successfully launched the Support to Equipping State Sanitary Epidemiological Supervision Centers with Laboratory Equipment in Cameroon/Niger, through project start-up workshops (PSW) conducted at beneficiary country level.

## 2.2 INVESTING IN INFRASTRUCTURE

Infrastructure development is the main driver of economic growth in many countries. At IDB, almost 80 percent of the requests for financing received from member countries are in infrastructure sectors (energy, water, transport and telecommunications), a reflection of infrastructure deficit in member countries.

Since its inception, the Bank has accorded priority to financing infrastructure sector in its member countries reaching ID21.3 billion (\$31.6 billion), of which 80 percent (ID16.6 billion or \$25.2 billion) has been provided in the last ten years (1427H-1436H); a significant increase in direct response to the increasing infrastructure needs of member countries.

The active infrastructure portfolio of the Bank reached 203 projects for ID10.5 billion (\$15.6 billion), of which 35 percent has been disbursed. In 1436H, the Bank approved 54 infrastructure operations for ID2.7 billion (\$3.9 billion) which financed electricity generation and transmission, transportation, and water and sanitation infrastructure. In the same year, it disbursed \$1.1 billion for ongoing active infrastructure projects, demonstrating its continued strong commitment to help create an enabling environment in its member countries (Box 2.2).

Within infrastructure financing, the transport sector accounted for the largest allocation at 46 percent in 1436H, followed by energy (29 percent), water and sanitation and urban development (10 percent), industry (4 percent) and the remaining was allocated to PPP. In addition, 15 percent was allocated as lines of financing to support infrastructure and SME growth.

### ENERGY

Energy plays a critical role in modernization, industrialization and poverty reduction. Increased concern for the environment and the ecosystem has increased interest in developing indigenous renewable energy (RE) resources as well as promoting energy efficiency

#### BOX 2.2 G20 INFRASTRUCTURE WORKING GROUP MEETINGS

The G20 started in 1999 as a meeting of Finance Ministers and Central Bank Governors in the aftermath of the Asian financial crisis. Three IDB member countries are represented in the G20, i.e. Indonesia, Saudi Arabia, and Turkey. With Turkey assuming the G20 Presidency in 2015, the significance of alternative financing mechanisms such as Securitization and Islamic Finance (including Sukuk Markets) to support development of new infrastructure was actively discussed and recognized as a key area of interest by the G20. IDB continued to play an active part in the various G20 meetings throughout 2015.



enhancement (EEE) initiatives. Therefore, supporting environmentally friendly and self-sustainable energy projects is a key priority for the Bank.

The Bank has developed its energy sector policy to provide a firm basis for future intervention in the sector, in line with the main thrusts and priorities set in its 1440H Vision and the 10-Year Strategy Framework. The Bank energy policy is anchored on four main pillars, namely: (i) Maximizing access to modern energy, (ii) Increasing access to renewable energy, (iii) Enhancing Energy Efficiency, and (iv) Improving Knowledge services.

In addition, the Bank would promote Regional Integration of Energy Systems and give priority to Private Sector Development in the energy sector.

In 1436H, the Bank approved 20 operations totaling ID770 million (\$1.1 billion) in 12 member countries (Djibouti, Egypt, Guinea, Kyrgyz republic, Mozambique, Pakistan, Senegal, Tajikistan, Togo, Tunisia, Uganda, and Yemen). Special focus is being given to the development of energy projects in Africa to enhance accessibility and reduce energy poverty (Box 2.3).

#### BOX 2.3 ENERGY SECTOR SUPPORT FOR EGYPT

The rapid growth in electricity demand in Egypt has resulted in the need for big investments in the sector to spur economic growth of the country. The Bank has focused its support in the electricity sector towards the development of new generation facilities to enable the country to cover the increasing electricity demand. Approximately 7,300 MW of new power plants have been funded by the Bank in partnership with the African Development Bank, Arab Fund for Social and Economic Development, Kuwait Fund for Arab Economic Development, OPEC Fund for International Development, Saudi Fund for Development, the World Bank, as well as local banks.

In view of the Bank's enhanced focus on regional integration among member countries, the Bank has approved recently the financing of the Saudi-Egypt Electricity Interconnection Project, which would lead to interconnecting the largest two power systems in the Arab region. The project will support the power sector's infrastructures in both Egypt and Saudi Arabia. It would play a key role in securing urgent power supplies for both countries via load sharing especially during peak demand periods. The majority of the Bank's approved financing in the sector is focused on the new power plants utilizing the indigenous gas including 1300 MW Abo Qier Thermal Power Project, 1950 MW South Helwan Power Plant (PP), 750 MW Banha combined Cycle PP, 650 MW Al-Suez PP, 250MW Damitta Combined Cycle Power Project, 750 MW Cairo North PP, 650 MW Assuit Thermal PP, and 650 MW Cairo West PP. In addition, the Bank has also supported the Petroleum Refining Industry by financing Assuit Oil Refinery Upgrade Project.



## TRANSPORTATION

Transport sector, as an indispensable catalyst of accelerated growth and economic development, continues to remain one of the highest priorities of member countries.

Therefore, Bank-approved projects in this sector effectively contribute to the economic prosperity and social well-being of its member countries and play a strategic role in the opening up of peripheral, isolated and landlocked countries and regions. Alleviating poverty and accelerating transport infrastructure development in member countries remain a strategic priority for IDB in 1436H.

Transport is a strategic area of responsibility for Governments, and transport sector projects (including but not limited to Road Transport, Sea Transport, Air Transport and Rail Transport) have all played a major role in facilitating mobility, accessibility and supply of transport services. The aim is to promote regional integration among neighboring countries and as such the overall transport sector projects approved in 1436H reached 19 projects for ID1.2 billion (\$1.6 billion) in 12 member countries.

The Bank is committed to the goals of the United Nations Decade of Action for Road Safety, a global action initiative toward providing safe transport facilities by promoting best practices and approaches in the planning, design, construction, operation and maintenance, of IDB financed road infrastructure. The IDB also actively coordinates its financing in this sector with multilateral development banks (MDBs) in order to enhance its commitment to road safety and transport sustainability by ensuring that the transport infrastructure financed by IDB are safe, more efficient, environmentally friendly and economically sustainable. In this regard, Sustainable Transport Workshops have been organized in five member countries. The Bank, in cooperation with the German Development Agency (GIZ) and five host countries, have trained more than 150 officials from 36 member countries in sustainable transportation concepts and best practices (Box 2.4).

## URBAN DEVELOPMENT

Urban areas are emerging as centers of culture as well as social, political and economic innovation. This factor as well as increased migration from rural areas means urban areas are facing difficulties in providing affordable housing, adequate municipal services, well-connected transport infrastructure, employment, and opportunities for human development, to the growing urban population.

In this context, the Bank is strongly committed to contributing to efficient urban development in its member countries by directly improving the living environment and social and economic conditions of the urban population through a multi-sectoral approach.



#### BOX 2.4 IMPROVING INTERCONNECTIVITY TO ENHANCE ECONOMIC DEVELOPMENT AND TECHNOLOGY TRANSFER

The railway sector in Turkey has been losing market share over recent years, both in terms of passengers and freight transportation. The reasons include (i) Increased competition from air and road transport (from both cars and buses) in terms of cost, comfort, speed and safety, (ii) the limited financial resources of Turkish State Railway (TCDD) which has impeded its ability to expand the network, replace its rolling stock and tracks and improve its facilities and service. Aware of these problems, TCDD has been keen to resolve them within the limits of its financial resources. One of TCDD's key measures, in this respect, is the renewal of old and inefficient locomotives. The main objective of the "Electric Locomotives" Project, approved in May 2009 for \$220 Million is to increase the competitiveness of the railway transportation sector. Ways of doing this have included improving the utilization of the existing electrified rail network and contributing to the locomotive technology transfer (South Korea to Turkey). Eighty electric locomotives will be acquired and manufactured (in Turkey) under this project. TCDD will use the new engines for both passengers and freight. As a result, the TCDD will provide more efficient rail mobility and contribute to economic development, through the creation of high-skill technical jobs, and transfer of high technology from Hyundai Corporation to Turkish heavy manufacturing industry.

**80 ELECTRIC LOCOMOTIVES**  
WILL BE ACQUIRED AND MANUFACTURED (IN TURKEY)

In 1436H, the Bank continued its efforts by approving six operations for an amount of \$368 million for Bangladesh, Burkina Faso, Senegal, and Uzbekistan. It also mobilized \$474 million from various financiers, including the African Development Bank, the Arab Bank for Economic Development in Africa, the European Investment Bank, the French Development Agency, the OPEC Fund for International Development, and the World Bank.

The approved operations focused on (i) more access to better water supply and sanitation services for the urban population; (ii) boosting the treatment of waste water and solid waste in urban areas; (iii) providing sustainable and affordable housing to low-income urban communities; and (iv) ensuring capacity-building of municipalities and raising awareness among the local population. More specifically, the operations will lead to the following main outputs: (i) construction of two water treatment plants, with a cumulative capacity of 200,000 m<sup>3</sup>/day and installation of 900 km of water transmission pipelines; (ii) construction

of three waste water treatment plants, with a total capacity of 40,000 m<sup>3</sup>/day and installation of 200 km of sewerage networks; (iii) connection of 100,000 households to water supply systems; (iv) establishment of 23 solid waste management systems; (v) setting up of 1,100 housing units along with social infrastructure, including markets, community centers, schools and health clinics; and (vi) provision of training programs for 1,600 participants and awareness campaigns reaching more than 500,000 beneficiaries.

The envisioned development outputs are fully aligned with the Bank's institutional goal for alleviating poverty through comprehensive human development. They are expected to contribute directly towards the newly-adopted Sustainable Development Goals, mainly Goal 6 of "Ensuring Access to Water and Sanitation for All" and Goal 11 of "Making Cities and Human Settlements Inclusive, Safe, Resilient and Sustainable". They are projected to benefit a total urban population estimated at about 1.5 million residents.

## PUBLIC-PRIVATE PARTNERSHIP

The Bank continues to expand its Public-Private Partnership (PPP) portfolio by actively seeking opportunities to help bridge the infrastructure gap in its member countries. The Bank's PPP portfolio targets in particular non-sovereign infrastructure projects that promote economic development, job creation, regional integration, and the transfer of skills and expertise to promote sustainable growth in its member countries.

In 1436H, the Bank more than doubled its PPP annual financing by approving ID505 million (\$740 million) worth of new projects compared to ID220 million (\$336 million) in the previous year.

Following years of slow growth, the Financial Sector benefited the most from the Bank's PPP activity this year, with 95 percent of approvals going to Lines of Finance Facilities. The uptick in the Financial Sector activity is part of the Bank's strategy to partner with, and provide support for, Export Credit Agencies and Development Financing Institutions in member countries to promote on lending for PPP infrastructure projects to support the local economy. The strategy enables the Bank to benefit from the local knowledge of the financial intermediaries while addressing the binding constraint of lack of availability of affordable long-term financing needed to support infrastructure development and SME growth in member countries.

The Bank's PPP portfolio accounts for almost a quarter of all IDB infrastructure financing, with total investment

reaching \$3.9 billion. Going forward, the PPP portfolio is expected to expand and diversify into untapped soft infrastructure sectors in healthcare, education and agriculture as substantial resources are being allocated to develop these sectors (Box 2.5).

## 2.3 BOOSTING AGRICULTURE AND FOOD SECURITY

The agriculture sector is the backbone of the economies of many member countries, contributing significantly to employment generation and achieving food security, which is why the IDB invests so much in the sector. To date, the IDB has invested in agricultural production, natural resource management and development, water availability and security, rural SMEs and job creation, commercialization of smallholder farmers, building resilience, institutional strengthening and inclusive financial services.

In 1436H, the Bank approved 31 projects in agriculture sector for ID290 million (\$419 million) covering member countries in Asia, Africa and the MENA regions. The overall portfolio of the agriculture and rural development sector since the Bank's inception reached ID5.0 billion (\$7.4 billion). Significant efforts were also made during the year to complete and close the aging agriculture projects as the Bank continues its efforts to shift its focus to new approvals and implementation support.

High cumulative undisbursed commitments are constraining the ability of the Bank to support its member countries in

agriculture sector. To this end, the Bank has intensified its implementation support activities as well as having prepared a program for progressively enhancing its annual disbursements. The portfolio enhancement exercise focused on improving quality at entry, enhancing efficiency of procurement, disbursement and implementation, and restructuring problematic projects. The Bank targeted quality improvement of the portfolio for high exposure countries and prioritized large projects that are moving slowly. With these efforts, the Bank disbursed ID185.8 million (\$275.6 million) in the agriculture and rural development sector during 1436H, achieving a target of 98 percent for the year.

**Jeddah Declaration for Food Security:** Since the completion of the approval phase of the Jeddah Declaration initiative, the Bank has made extensive efforts to improve the implementation of the approved operations through operationalization of the 'crash program' which was initiated in 1435H. Under the three tracks of the crash program, which focuses on intensifying implementation support and increased face-time with clients; improving project implementation readiness; and portfolio cleaning, the Bank has conducted 43 supervision missions, organized 14 reverse supervisions, and undertook portfolio review in four countries. In addition, four start-up workshops were organized for new projects, while two capacity building workshops for PMUs were conducted in Jeddah. In the process of cleaning the portfolio, 14 projects were restructured or re-scoped while one highly problematic project was cancelled.

The implementation of the crash program improved portfolio quality by the end of 1436H. During the year, the Bank through its technical assistance program and in partnership with ICARDA successfully completed the 'Promoting Regional Food Security in MENA' project which covered eight member countries in the MENA region and focused on improving productivity of cereal crops and water resources through the promotion of improved technologies. An independent assessment of the project indicated that the introduced technologies led to an average yield increase of 28 percent and improvement in water use efficiency by 72 percent.

**Livestock and Horticulture Development:** The Bank has increased its support for the development of the livestock sector in member countries, focusing on the value-chain and the sustainable management of the livestock and rangeland resources. It has partnered with Liptako Gourma Region Integrated Development Authority (LGA) to support the development of livestock resources in three Sahel states: Burkina Faso, Niger, and Mali. The project, upon implementation, will help almost 80 percent of the population of these countries, who rely on agriculture for their livelihood and food security. In 1436H, a project for integrated development of animal resources, including livestock, was approved for Mali for Euro 19.6 million. The project will improve food security and reduce poverty in the country by directly targeting the poor Western Sahel regions of Kaye, Segou and Koulikoro. The intervention, which targets red meat value chain development, will invest

### BOX 2.5 AL-QATRANA INDEPENDENT POWER PLANT PROJECT, JORDAN

The Al-Qatrana Independent Power Plant Project is a public private partnership (PPP) comprising: a special purpose vehicle company (Qatrana Electricity Power Company), the financiers (IDB, Korea Exim Bank and French Agency Group for Development) and the Jordanian National Electricity Power Company as the off-taker. The project aimed at meeting the rising demand for electricity and increasing the reserve margin of the generated power to an acceptable level. The project, which was appraised in August 2009 and approved by the BED in September 2009, was declared effective in December 2009. The Bank approved an amount of \$80 million through leasing mode of financing to cover 17.5% of the total cost of the project (estimated at \$457 million at the time of appraisal).

The project achieved an installed capacity of 373 MW through the combined cycle gas turbine power plant with two-127 MW gas turbine generator units, one 119 MW steam turbine generator unit, two heat recovery steam generators (boilers) and the other planned components. The total cost of the project at completion (December 2011) stood at US\$ 460 million of which US\$ 71 million (or 88% of the approved amount) was financed by IDB. During the operational period, power plant met the minimum availability requirement of 92% and its generation efficiency has been high.

The project has contributed to increasing the generation capacity of the country. QEPC is one of the major generation companies in Jordan with 373 MW installed power accounting for 9.7% of the country's total installed capacity. In 2013, the plant generated 2,400 GWh of electricity equivalent to 13.6% of the total generation in the country. By employing local professionals and training them (in Korea), the project contributed to the power sector's capacity development and assisted in the technology transfer.



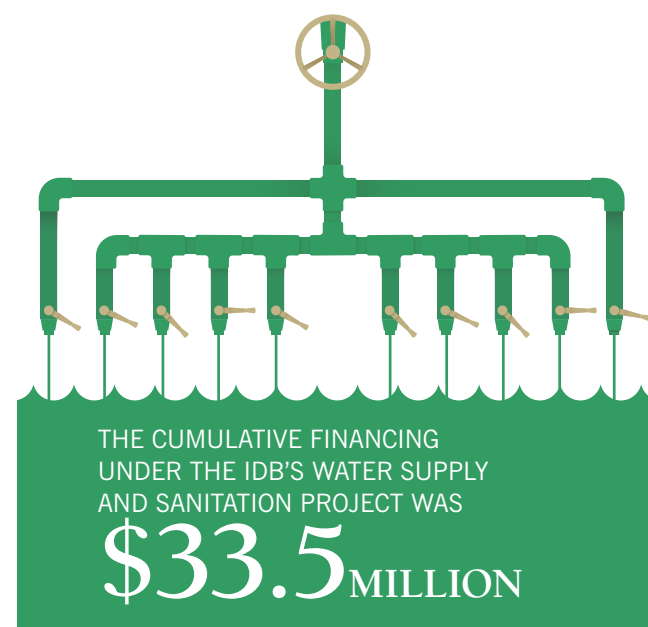
IN 2013 THE PLANT GENERATED  
**2,400** GWh  
OF ELECTRICITY, EQUIVALENT TO  
**13.6%**  
OF THE TOTAL GENERATION IN  
THE COUNTRY

in basic infrastructure development and human capital development while supporting and promoting Islamic micro-finance.

The Bank is expanding its portfolio in the livestock and fisheries sector. It is finalizing a TA grant to strengthen community fisheries associations for the coastal communities in Brunei Darussalam, Malaysia and Indonesia. The Bank, in collaboration with the World Bank, is also financing a Halal red meat production and processing project in Kyrgyz Republic.

**Water Resource and Irrigation Development:** The Bank's financing in the water sector focused on climate-smart irrigation development, rural water supply, sustainable management of water resources, and multipurpose dams. The projects have tended to focus on not only infrastructure development but also the promotion of efficient and sustainable water management practices and modern technologies to improve water use efficiency.

In 1436H, the Bank approved three projects for rural portable water supply: (i) Rural water supply in the governorate of Bizerte, Tunisia; (ii) Rural water supply in 8 regions of Cameroon, and (iii) Almaty region water supply improvement project. The cumulative financing under the IDB's Water Supply and Sanitation Project was \$33.5 million. This includes the provision of potable water to half a million people in 60 villages in rural Cameroon and increased access to drinking water supply to 95 percent from only 40 percent in 31 rural communities in Kazakhstan. The Bank is benefiting from the knowledge, financing and expertise of UNDP and ICBA in the implementation of these projects.



## 2.4 DEVELOPING HUMAN CAPITAL

Capacity development plays a critical role in human capital development in IDB's member countries. By virtue of its nature, capacity development cross-cuts with activities covering transfer of technology and expertise, development of vital skills, knowledge dissemination through regional and international forums, women's empowerment, and support to civil society.

The Bank establishes and manages a number of capacity development programs, which are related to human development. They include (i) the Technical Cooperation Program, (ii) the Science & Technology Program, (iii) the Scholarships Program, (iv) NGO Program, and (v) the Women in Development Program. The progress and achievements of these programs are summarised in this section.

**Technical Cooperation Program (TCP):** This program focuses on the transfer and exchange of skills, knowledge and know-how among member countries. It is a tripartite scheme involving a technical donor, a beneficiary, and the IDB as a facilitator. It organizes seminars, on-the-job training courses and recruits experts to assist beneficiary member countries for capacity-building purposes, and to augment their skills and enrich the experience of technical and professional staff.

In 1436H, 67 operations were approved under the TCP and implemented for a cumulative amount of \$1.7 million, of which 15 were for recruitment of experts, 13 for on-the-job training and 39 were for seminars/conferences/meetings. Most of these operations were initiated by the IDB's Country Gateway Office in Turkey. This office has become an important hub for identifying new capacity-building projects, building partnerships, raising funds, as well as supporting project implementation.

**Science and Technology Program (S&T):** The S&T program focuses on cooperation for knowledge and technology transfer and partnership in scientific research among member countries. It promotes and encourages the acquisition and dissemination of knowledge through activities such as short-term assignments of experts, exchange of scientists, networking among associations of scientists and organization of the on-the-job training as well as conferences.

Between 1425H and 1436H, 232 S&T operations were approved for an amount of \$11.6 million. In 1436H, nine operations totaling \$450,000 were approved. In addition, the IDB has approved financial support for a training course and a networking workshop for the benefit of managers and staff of the Science and Technology Parks in member countries. This will be organized and hosted by

the Inter-Islamic Network on Science and Technology Parks on Cooperation (INSTP) in the first quarter of 1437H. This network was established in January 2012 based on the decision of the 14th General Assembly Meeting of COMSTECH, which took place at the Guilan Science and Technology Park, Rasht, Guilan, Iran.

The training course and the workshop are part of a three-year program designed to raise the capacity of the existing Science and Technology Parks of the member countries with financial support from the Government of Iran, through the Ministry of Science, Research & Technology; and the Guilan Province Government.

**Scholarships Program:** The three IDB Scholarship Programs are designed to build science-based human capital in member countries as well as Muslim communities in non-member countries. These are: (i) Scholarship Program for Muslim Communities in non-Member Countries (SPMC), (ii) M.Sc. Scholarship Program in Science and Technology for the Least Developed Member Countries (MSc) and (iii) Merit Scholarship Program for High Technology for Member Countries (MSP).

For the SPMC, meritorious students from Muslim communities in non-member countries with limited financial means are granted scholarships in the form of loans to pursue their first degree-level education. Approved disciplines under this program are medicine, engineering, dentistry, pharmacy, nursing, veterinary sciences, agriculture and computer science. In 1436H, 352 students from 36 Muslim communities in non-member countries and three member countries benefited from this scholarship program bringing the total beneficiaries from inception of the program in 1404H (1983) to 13,162 students.

The MSc aims to develop the intermediate level of science-based human capital in selected member countries and to enable students to qualify for the IDB Merit Scholarship Program for High Technology (MSP). The annual enrollment of students for this scholarship program has increased since 1429H from 20 to 50. In 1436H, 50 scholarships were granted bringing the cumulative number of beneficiaries since the inception of the program in 1419H (1998) to 610 students. Under the IDB-STATCAP initiative, 18 scholarships were awarded in the fields of statistics, demography and other related fields.

The MSP provides an outright grant to scholars from member countries who intend to undertake doctoral or post-doctoral research in designated universities. Under this program, the IDB signed MoUs with several universities including the universities of Cambridge, Nottingham, Birmingham and University College London in the UK and ParisTech Group in France and King Abdullah University for

Science and Technology (KAUST) in Saudi Arabia. Since signing the MoUs, 96 scholars have benefitted from this program in these universities. So far, 1051 scholarships have been awarded since the inception of the program in 1413H (1992), of which 23 scholarships were to Muslim communities in non-member countries, representing about 5 percent of the total quota for the program between 1428H and 1433H.

The number of graduates under the three programs has exceeded 9,000 from Muslim communities in non-member countries and member countries. Ninety percent of graduates from non-member countries are in gainful employment. Seventy percent of the M.Sc graduates are engaged in employment in their countries, filling the intermediate level human resources needs in the science and technology sectors. Ninety percent of MSP graduates have returned to their respective countries to join their home institutions.

The IDB also provides students with extra-curricular activities during their course of study under a special program called "Guidance and Counseling Activities". These are later followed through with "Post-Study Activities" including community service. Until 1429H, these activities were restricted to the beneficiaries of the program for Muslim communities in non-member countries. But starting from 1430H, the activities have been extended to a number of graduates from other IDB scholarship programs.

In addition to these activities, IDB has initiated in 1430H an "Excellent Leadership Award" for high achieving graduates – both professionally and in community service – of all the three scholarship programs. Furthermore, the Bank has been organizing Community Development Workshops to strengthen the capacity of partner NGOs. In 1436H, one workshop was organized for 30 leaders.

**The IDB Prizes for Science and Technology:** The IDB Prizes for Science & Technology (S&T) were established in 1422H to promote excellence in research and development and scientific education. Three prizes are awarded on an annual basis to reward achievements in the following three categories: (i) outstanding science & technology contribution to social and economic development; (ii) excellence in a given scientific specialty; and (iii) best performing S&T center in a least developed member country. The amount of each prize is \$100,000.

In 1436H, the 13th edition of the IDB Prizes for Science & Technology was processed and the prize winners were *Centre de Recherche sur les Filarioses et autres Maladies Tropicales*, Cameroon (Category 1), The National Nanotechnology Research Center, Bilkent University, Turkey (Category 2) and the Faculty of Science, Al-Azhar

## BOX 2.6 1436H PRIZE WINNERS OF IDB PRIZES FOR SCIENCE & TECHNOLOGY

### CATEGORY 1: Centre de Recherche sur les Filarioses et autres Maladies Tropicales, Cameroon

The Center's research is anchored and connected in a diversity of communities facilitating improvements in health care delivery to people affected by often neglected and debilitating tropical diseases, especially young and productive people, improving the quality of their lives in the process. The Center's scientific contribution includes 28 peer-reviewed scientific journal publications with a cumulative impact factor of 200, successful supervision of theses and dissertations in medicine and public health. The Center's work contributed to better understanding of the geographical distribution, risk factors and pathophysiology of tropical diseases, specifically, in filariasis.

Further, the Center is a hub for applied research, capacity and competency building in diverse areas in debilitating tropical diseases. The Center's significant contribution and performance has resulted in its being designated as a reference laboratory for entomological and epidemiological surveillance of onchocerciasis in the Central African sub-region.

### CATEGORY 2: The National Nanotechnology Research Center, Bilkent University, Turkey

The Center has used its extensive infrastructure to successfully bridge the gap between academia and industry. The range of activities is large, from biology to lasers to materials. The institutions using its facility for education and research have grown steadily since its establishment. The number of publications exceeded 350 during the last five years with an exceptionally high impact factor. The Center has also generated 13 high-technology start-ups during the period in addition to 17 patents registered inside Turkey and in the OECD. The Center is an excellent example of the rapid application of research carried out at the frontiers of science.

### CATEGORY 3: The Faculty of Science, Al-Azhar University, Palestine

The Faculty of Science showed remarkable outcomes despite a severely restrictive and challenging environment brought about by the blockade imposed on Gaza (Palestine). The Faculty of Science has excellent accomplishment in terms of scientific publications and their ability to share and attract scientists from peer institutions from around the world. The researchers of the faculty of science contributed 398 peer-reviewed and well-cited articles, in international journals with good impact factor.

The Faculty of Science is one of the largest in terms of the diversity of the programs offered and the number of academic staff. In addition, the quality of its graduates in the different fields of science enables them to compete effectively for jobs in the labor market and for international postgraduate scholarships and grants. The Faculty of Science has built an active collaboration and partnerships with national and international organizations to address developmental challenges.

University, Palestine (Category 3). Details of the prize winners are given in Box 2.6.

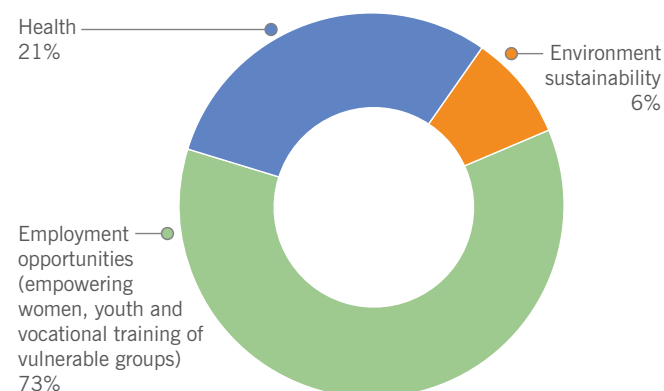
**NGO Program:** Established in 1997, this program helps the Bank to partner with NGOs in order to create complementarities between the government, private sector, civil society and donors as well as to rely on their comparative advantage through their flexibility and ability to introduce innovative practices. The program focuses its intervention in areas such as poverty alleviation, education and health to increase the prosperity of the people and improve governance

Over the period (1424H-1436H), the NGO program approved 243 projects for \$12.8 million in the form of grants consisting of direct support to grassroots communities and capacity development to improve the efficiency of local NGOs to allow them better serve the population in all member countries. The scope of interventions covers training, information, education and communication activities and the provision of equipment.

In 1436H, seven operations, amounting to \$450,000, were approved under the NGO Program benefiting six countries (Saudi Arabia, Turkey, Kuwait, Bahrain, Mali and Senegal). The operations focused on capacity development in the health sector, national campaign for visually impaired children, vocational training program and creation of employment opportunities in rural areas as well as empowerment of women in the social sector and job opportunities in the rural areas (Fig. 2.1).

In line with the growing demand for NGOs for support, the program is exploring synergies with various funds within the IDB Group. In this respect, the NGO program has collaborated with the ISFD to support Obstetric Fistula and approved in 1436H three additional operations for

FIG 2.1 DISTRIBUTION OF NGO PROGRAM APPROVALS IN 1436H



Somalia, Pakistan and Bangladesh for an amount of \$300,000, increasing the total number of projects under this initiative to 12. In addition, the IDB conducted an evaluation of completed projects on Fistula in Gambia and Nigeria. Moreover, it has contributed to the regional Fistula conference in Pakistan.

### IDB Prize for Women's Contribution to Development:

This prize was launched in 2006 to highlight the vital role that women play in the development process. Its aim is to recognize and reward contributions made by women, whether as individuals or within organizations, in various socioeconomic development sectors. Every year, the theme for the prize is decided upon in consultation with the IDB's Women Advisory Panel to promote the role of women in all socio-economic activities and highlight important development challenges facing them. The areas that are considered for this award include: Promoting Women's Access to Education, Promoting Women's Role in Health Services, Promoting the Development of Young Women, Promoting Women in Science, Women's Contribution to Food Security, as well as others.

The 10th edition of the Prize was devoted to "Women's Contribution to Water Resources Management". Three laureates were selected to receive the award. The individual category was awarded to Dr Laila Mandi, a professor at the Cadi Ayyad University, for providing disadvantaged populations in Morocco with innovative and low-cost technologies and solutions for waste water and grey water treatment and its reuse. The organization category was shared by *Ajuda de Desenvolvimento de Povo para Povo* (ADPP) from Guinea-Bissau (for increasing women's awareness and mobilizing them to avoid waterborne diseases) and the African Agency for Integrated Development (AAID) from Uganda (for training and educating women on the maintenance of water sources and waterborne diseases in order to improve the management and sustainability of easily accessible and safe drinking water). The organization also focuses on creating opportunities for women to participate in decision-making and to become agents of change. Since the inception of the Prize in 2006, 36 laureates have been selected from 23 IDB member countries.

**Alliance to Fight Avoidable Blindness:** In 2009, the Bank launched this initiative to reduce the prevalence of blindness due to cataract and improve access as well as quality to eye health care in member countries especially in Benin, Burkina Faso, Cameroon, Chad, Djibouti, Guinea, Mali and Niger. Following six years of implementation, the Alliance has completed its first phase with these results: (i) 244,197 patients received free eye care consultations (97% of the initial target), (ii) 49,486 men, women and

children were operated for cataract free of charge (99% of the initial target), (iii) More than 177 medical staff benefitted from training (268% of the initial target), and (iv) More than \$6 million grant resources was raised for this program from partners such as BADEA, the Egyptian Agency of Partnership for Development, the Azerbaijan International Development Agency, etc.

In October 2013, the Prevention of Blindness Union (PBU), which is headed by the HRH Prince Abdul-Aziz Ahmed Al-Saud, announced a new initiative for ocular health interventions for 10,000 people in Africa. In this context, the IDB and the PBU signed a framework agreement in 2014 to reduce the prevalence of blindness and provide quality access to eye health care.

## 2.5 STRENGTHENING ECONOMIC COOPERATION AND INTEGRATION

One of the over-arching objectives of the Bank since its inception is the promotion of economic cooperation and integration of member countries. In pursuance of this objective, the Bank has over the years established several programs, schemes, and partnership arrangements with development partners and regional organizations to strengthen economic cooperation and integration. This section presents the progress and achievements of these initiatives in 1436H.

**Reverse Linkage (RL) Program:** Cognizant of the complementary role of South-South Cooperation in achieving its strategy, the Bank launched its "Reverse Linkage" program to adequately address the emerging demands of its member countries through enhancing partnerships between member countries. The program is essentially about capacity development through the transfer of knowledge, expertise and technology. The role of the IDB in this program is to serve as an enabler and connector by matching the needs and capacities of its member countries, and supporting them in their aspiration to help as well as mutually benefit from one another. In a bid to scale up its efforts, the Bank is mainstreaming the RL concept in its ordinary operations. This means that there is now increased collaboration with sector departments to scale-up the RL program in order to spread the benefits to a wider group of MCs (Box 2.7).

In 1436H, the Bank initiated ten new Reverse Linkage projects, of which three were approved: (i) the Reverse Linkage project between Senegal and Indonesia in Flood Disaster Risk Management; (ii) the Reverse Linkage project between Djibouti and Morocco in the monitoring and surveillance of high-risk pregnancy and childbirth; and (iii) the Reverse Linkage project between the Republic of Suriname and Malaysia in the area of rice production (Box 2.8).

**BOX 2.7 MAINSTREAMING RL IN ORDINARY OPERATIONS: THE CASE OF SARYMSAK IRRIGATION SCHEME DEVELOPMENT PROJECT IN THE KYRGYZ REPUBLIC**

The volume of demand from member countries for capacity development cannot be addressed by the resources of a single IDB Department. Mainstreaming the Reverse Linkage modality in the IDB's ordinary projects can contribute to addressing this challenge.

Through the mainstreaming, the IDB's Sector and Capacity Development Departments combine their financial and knowledge resources to deliver greater value to the recipient country and scale up capacity development. Furthermore, the financial resources and knowledge of another/provider country are utilized.

In light of that, the Capacity Development Department and Agriculture & Rural Development Department worked together during 1436H (2015) on the first instance of mainstreaming the Reverse Linkage modality in an IDB-financed project.

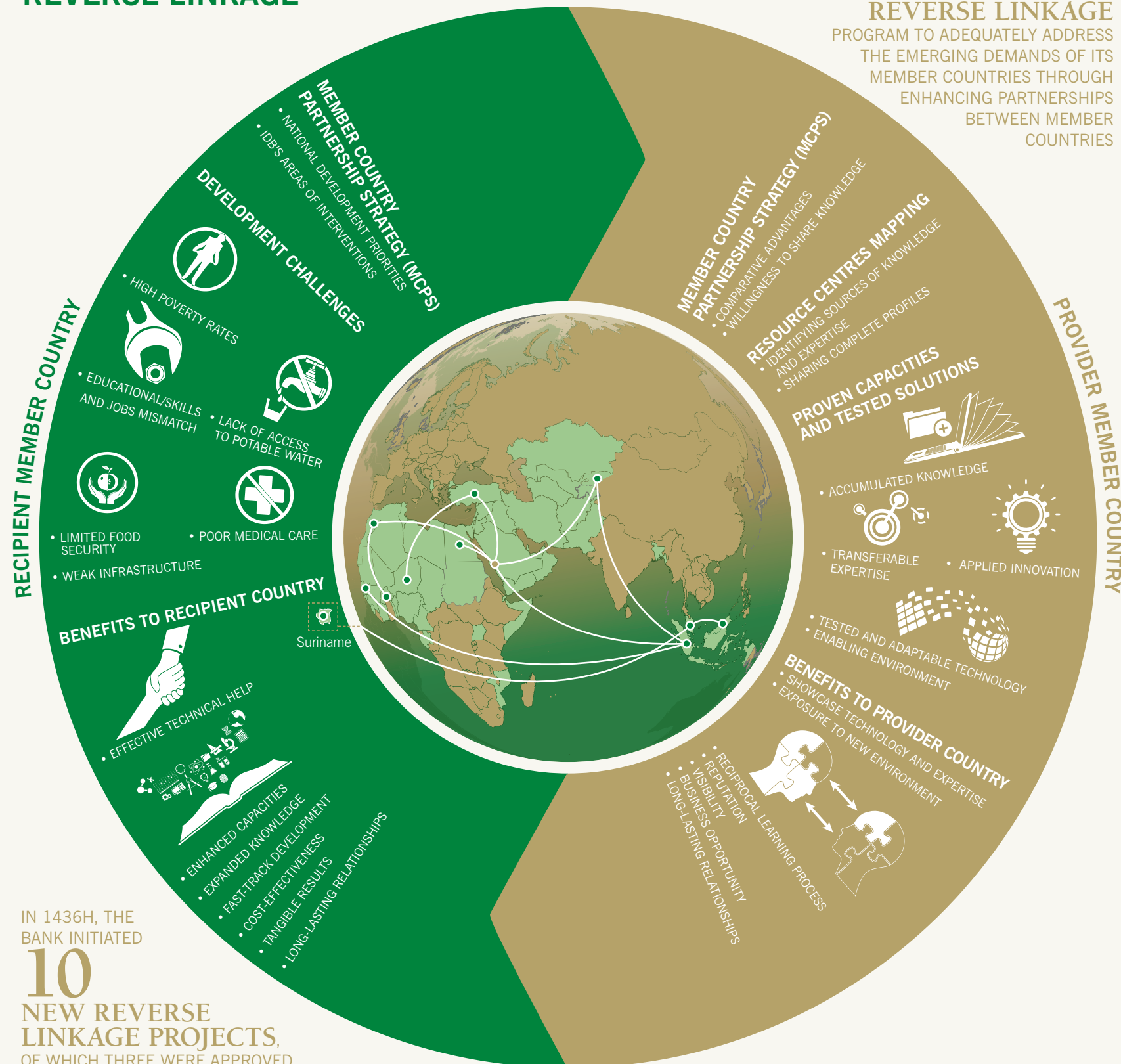
In July 2015, the IDB approved the project of "Sarymsak Irrigation Scheme Development Project, Kyrgyz Republic". The project aims at improving the water supply to 1,685 hectares of irrigated land and develop an additional 1,918 hectares of irrigated land for agriculture production through the reconstruction and upgrading of the Sarymsak irrigation system in the Kara-Bura district of Talas region in Kyrgyz Republic.

The total cost of the project was \$16.37 million, and the IDB's financial support in the form of loan was \$13.25 million. The project's executing agency was the Ministry of Agriculture & Amelioration, Kyrgyz Republic.

The project has a capacity development component for the benefit of the water management authorities and water users in Kyrgyz Republic. The tentative scope of this component includes (i) establishment of pilot scale demonstration plot for introduction of water saving technologies, including construction of new drip irrigation scheme; (ii) supply of water and soil/land measurement instruments for monitoring and reporting on water use; (iii) training on application of effective water management methods; and (vi) studying the feasibility of scaling up the experience of the project.

The IDB will provide financial support to the capacity development component amounting to \$650,000 in the form of loan. This component will be implemented via the Reverse Linkage modality, meaning a competent providing institution from another Member Country will be identified to implement it, as well as providing a financial contribution to it.

## REVERSE LINKAGE



IN 1436H, THE BANK INITIATED **10** NEW REVERSE LINKAGE PROJECTS, OF WHICH THREE WERE APPROVED

THE BANK LAUNCHED ITS **REVERSE LINKAGE** PROGRAM TO ADEQUATELY ADDRESS THE EMERGING DEMANDS OF ITS MEMBER COUNTRIES THROUGH ENHANCING PARTNERSHIPS BETWEEN MEMBER COUNTRIES

**BOX 2.8 ENHANCING RICE PRODUCTION IN SURINAME WITH MALAYSIAN EXPERTISE**

In 1436H, the IDB formulated and approved a RL project between Suriname and Malaysia with the objective to enhance the capacity of Suriname in rice production in order to maintain self-sufficiency and increase the export of high quality rice.

IDB's capacity development needs assessment of Suriname determined that the rice subsector does not possess the necessary area-specific rice varieties for the different areas and soil types in the country. In addition, the country is facing the problem of an acute lack of qualified rice breeders. Furthermore, the rates and requirements of fertilizer usage in Suriname's rice cultivation is not fully documented and properly organized.

Having identified Suriname's need to develop its capacity in rice production, the IDB facilitated the creation of a link with Malaysia, which was selected as a provider country because of its well-known expertise in the rice sub-sector. The Malaysian Agricultural Research & Development Institute (MARDI) through its subsidiary, MARDITECH Corporation Sdn. Bhd. (MCSB) will provide the expertise and knowledge as well as in-kind contribution (share eight area-specific rice varieties) as its co-financing in the Reverse Linkage Project.

The Ministry of Agriculture, Animal Husbandry and Fisheries (MOAAHF) through Anne van Dijk Rijst Onderzoekscentrum Nickerie (ADRON) of Suriname is the main recipient of the transfer of expertise and skills. It will contribute in-kind support through the facilitation of the logistical arrangements in the country.

At the end of the project, the recipient institution is expected to have the capacity to effectively manage the country's program to improve quality and efficiency of rice production.

The project will ultimately assist in transforming the role of the Ministry and the recipient research center to develop a sustainable and competitive industry, which will benefit directly at least 1,500 farmers and indirectly 5,000 people. The eventual increase of the rice sector will contribute greatly to the overall GDP of the country.

IN 1436H, THE IDB APPROVED A RL PROJECT BETWEEN SURINAME AND MALAYSIA. THE PROJECT WILL BENEFIT DIRECTLY AT LEAST

**1,500** FARMERS AND INDIRECTLY 5,000 PEOPLE

In the case of the reverse linkage project between Senegal and Indonesia, the improvement in the capacity of Senegal in flood disaster risk management was made possible based on the expertise gained by Indonesia in fighting flood disasters, particularly after the Tsunami tragedy. The project design was initiated through a peer-to-peer approach consisting of a consultation process between different stakeholders. A five-party scheme was adopted for the project involving the participation of (i) resources centers from Indonesia (Tsunami and Disaster Mitigation Research Center; Indonesia National Disaster Management Agency); (ii) Ministry of Development, Restructuring and Upgrading of Suburbs in Senegal; (iii) Indonesia National Development Planning Agency (BAPPENAS) in collaboration with USAID; (iv) Azerbaijan International Development (AIDA); (v) in addition to IDB playing the role of catalyst and facilitator.

For the Reverse Linkage project between the Republic of Suriname and Malaysia in the area of rice production, the total cost of the project is \$7.7 million with Malaysia, through MARDI, contributing \$0.7 million in-cash; Suriname pledged to provide \$808,000 through in-cash and in-kind contributions; and IDB (\$300,000 through grant and \$5.9 million through concessional loan). By this action, this project is the first time that a Reverse Linkage's capacity development project is financed through non-grant financing and further shows the commitment of member countries to take concessional loans to enhance the capacity of their institutions.

In the area of partnerships under the Reverse Linkage Program, two noteworthy partnership arrangements were concluded in 1436H. One was with the Egyptian Agency of Partnership for Development (EAPD) to implement Reverse Linkage and technical cooperation activities in member countries. A Memorandum of Understanding (MoU) was signed between EAPD and the Bank in April 2015 to formalize cooperation between both entities and strengthen their South-South cooperation for the benefit of member countries. The second arrangement was with the Arab Bank for Economic Development in Africa (BADEA). This arrangement focuses co-operation on the transfer of expertise from the Arab countries to build the capacity of Sub-Saharan African member countries. Starting from 2016, BADEA will in principle allocate yearly an amount of \$600,000, over a period of five years, to support the financing of Reverse Linkage project(s) processed by IDB for the benefit of Sub-Saharan African member countries. The provider of expertise for the project(s) will be an institution from an Arab country.

**Investment Promotion Technical Assistance Program (ITAP):** Since its establishment in 2005, ITAP has been managed by ICIEC on behalf of the IDB Group. Its key objectives are to build the capacity of investment promotion

agencies (IPAs) of member countries and assist member countries in improving their investment climate as well as in identifying and promoting promising investment opportunities. To serve its objectives, ITAP has established a network of partners including specialized international organizations and relevant investment-focused entities from member countries.

In 1436H, ITAP worked with the Sierra Leone Investment and Export Promotion Agency (SLIEPA) and provided a technical assistance project, which is in the final stage of its completion. The remaining component for the project is a targeted marketing campaign including an investment forum in Freetown, which was postponed due to the outbreak of Ebola Epidemic. Similar country program for the Gambia Investment and Export Promotion Agency (GIEPA) is about to be completed. A familiarization visit to the IDB Group is the remaining component that is scheduled to take place in 1437H.

In addition, ITAP conducted three capacity-building programs for IPAs in member countries: (i) Malaysia program on "Malaysian Investment Promotion Model", held in November 2014 in collaboration with Malaysian Investment Development Authority (MIDA), (ii) Morocco program, organized in partnership with the United Nations Conference on Trade and Development (UNCTAD) in January 2015, which focused on International Investment Agreements, and (iii) Turkey program, held in October 2015, which included two components – the first was attending OECD-G20 Global Forum on International Investment; and the second was Turkey's experience-sharing program on investment climate reform.

**IDB's WTO-related Program:** This program was launched in 1997 to help member countries to ascend to WTO by strengthening their negotiation skills and negotiations within the framework of the Doha Work Program. In 1436H, under the program, the following activities were undertaken:

- IDB Advisory Mission to Sudan on accession to WTO, 26 October-3 November 2014, Khartoum, Sudan.
- IDB/NDP/League of Arab States Regional Workshop on "Technical Model of Cross-Border Operations for better Connectivity", 26-27 January 2015, Amman, Jordan.
- Seminar on Promoting Africa intra-regional trade through Value Chains" 2-4 March 2015, Dakar, Senegal.
- Seminar on "Trade Preferential System among OIC Member Countries (TPS-OIC) and its protocols for ECO member countries, 7-9 April 2015, Istanbul, Turkey.
- Seminar on Aid for Trade for Arab Countries, 21-23 April 2015, Amman, Jordan.
- Seminar on Trade Facilitation for GCC countries, 12-14 May 2015 Dubai, U.A.E.
- Workshop on "the New Generation of Free Trade

Agreements (FTAs), the feasibility of signing them and their impact on Intra-OIC trade 4-6 May, 2015, Casablanca, Morocco.

- Workshop on "the New Generation of Free Trade Agreements (FTAs), the feasibility of signing them and their impact on Intra-OIC trade 25-27 May 2015, Istanbul, Turkey.
- Regional Meeting of the IDB African member countries in preparation of the 10th WTO Ministerial Conference 14-16 September 2015, Abidjan, Cote D'Ivoire.

#### **IDB Group's cooperation and collaboration with OIC Institutions:**

The IDB Group attaches importance to its relations and co-operation with the members of the OIC family in particular, the Standing Committee for Economic and Commercial Cooperation (COMCEC), the Standing Committee for Scientific and Commercial Cooperation (COMSTECH) and the OIC Standing Committee for Information and Cultural Affairs (COMIAC).

During 1436H, it implemented the resolutions of the OIC conferences in the economic, science and technology and humanitarian domains and those activities entrusted to it by OIC resolutions and decisions. It contributed financially or technically to organizing a number of activities proposed and initiated by the OIC institutions. Some of the major OIC-related meetings in which the IDB participated and made intellectual contributions were:

- a. Meeting of the OIC Institutions for Preparations of the COMSTECH Summit, 24-26 December 2014, Islamabad, Pakistan.
- b. 42nd Session of the OIC Council of Foreign Ministers, 27-28 May 2015, Kuwait.
- c. 31st Meeting of the Follow-up Committee of the COMCEC, 14-15 May 2015, Ankara, Turkey

The successful completion of the implementation tenure of the OIC Ten-Year Program of Action (2005-2015) and the development of the Successor OIC Ten-Year Program of Action presented another opportunity for the IDB Group to strengthen its intellectual engagement with the OIC. The new program will help converge the development agenda, priorities and complementarities of the two institutions and create maximum development impact for the OIC member countries.

**IDB Group Special Program for Central Asia (SPCA):** The IDB Group has initiated a new regional flagship program called the Special Program for Central Asia (SPCA), which is developed under the framework of the "OIC Plan of Action for Cooperation with Central Asia". Its main objective is to enhance economic co-operation among member countries within the region (i.e. Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan), and

beyond. The focused areas under the program are: (i) transport; (ii) energy; (iii) trade and trade facilitation; and (iv) food security and agriculture development with cross-cutting themes of private sector development, inter-country knowledge and sharing experience.

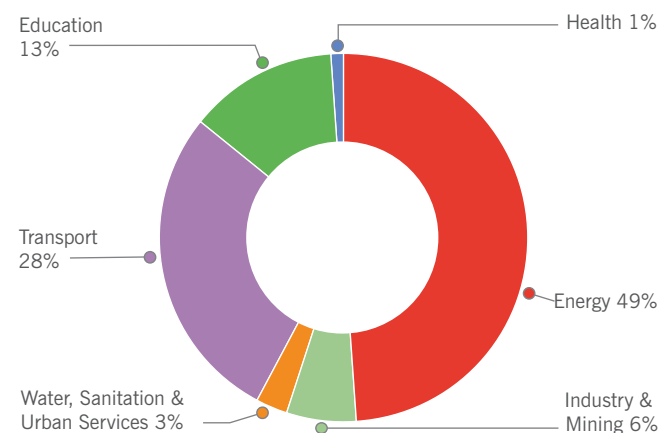
At the end of its effective implementation, the SPCA is expected to contribute to increased trade within the region, increased trade-share of member countries in international trade, enhanced regional energy security, agricultural production and value addition, and an expanded transport network in the region. The SPCA has received strong support from all the governments involved, OIC, and the international development community. A consultation workshop was organized on the sidelines of the 38th Annual Meeting of the Bank in Dushanbe, Tajikistan in 2013. Since then, the IDB Group has been actively collaborating with the OIC and other stakeholders to ensure that the program is focused on its fundamental objective of promoting co-operation among the Central Asian States.

Upon completion of the extensive consultation process with member countries' governments and international development partners, the SPCA will be launched in 2016. For the effective implementation of the program, a structured co-ordination mechanism will be set up. Besides, the program will be subjected to regular implementation reviews through annual stakeholders' meetings to ensure adherence to its stipulated objectives. These meetings will serve as a forum to discuss the progress, share good practices, disseminate knowledge products, and mobilize further resources from development partners.

**Co-financing with Development Partners:** The IDB forges strong partnerships with various multilateral, bilateral and donor institutions in order to explore joint activities, which will contribute to socio-economic development of its member countries. Cooperation with development partners covers a broad range of activities. In 1436H, 24 projects in 18 member countries were co-financed with other development partners. The total cost of the projects was

**“The IDB forges strong partnerships with various multilateral, bilateral and donor institutions in order to explore joint activities, which will contribute to socio-economic development of its member countries”**

**FIG 2.2 SECTORAL DISTRIBUTION OF CO-FINANCED OPERATIONS IN 1436H**



\$13.8 billion, of which IDB contributed \$1.8 billion (or 13 percent), other co-financiers \$5.3 billion (or 39 percent) of which about \$558 million (4 percent of the total cost of projects) originated from members of the Coordination Group<sup>5</sup> and \$4.7 billion (34 percent) from multilateral development banks and international institutions (ADB, BOAD, EIB, World Bank, and EU/EU-AITF) and bilateral funding agencies (AFD, CIDA, KFW, JICA and JBIC) with the remaining coming from the beneficiary countries. In terms of financing volume, co-financed projects represented about 36 percent of the IDB's total approvals for development projects.

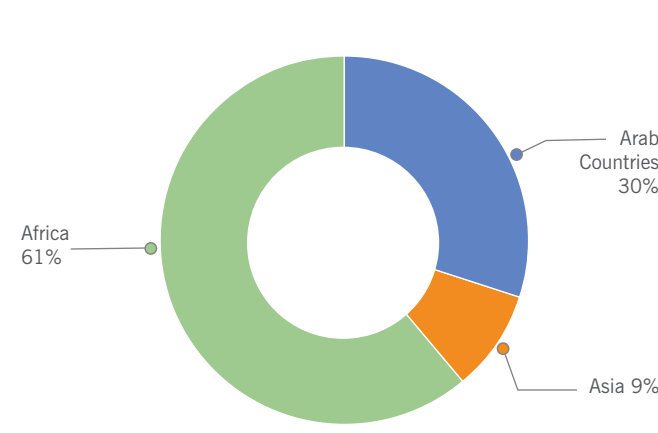
Fig 2.2 shows that most co-financing activities targeted the infrastructure sector, particularly projects in the power sector and, to a lesser degree, the transport and water sectors, which together attracted 80 percent of co-financing (49 percent in the power sector, 28 percent for projects in

<sup>5</sup>The Coordination Group currently consists of ten institutions, four of which are national institutions including the Abu Dhabi Fund for Development, the Kuwait Fund for Arab Economic Development, the Qatar Development Fund, the Saudi Fund for Development, and six regional organizations consisting of the Arab Fund for Economic and Social Development, Islamic Development Bank, OPEC Fund for International Development, the Arab Bank for Economic Development in Africa, the Arab Gulf Program for Development and Arab Monetary Fund.

**TABLE 2.1 EVOLUTION OF CO-FINANCING (1427H -1436H)**

Year	OCR Approvals \$ million	Co-financing \$ million (% of OCR)	No. of Co-financed Operations	No. of MCs	Co-financiers \$ million	Of which CG \$ million	Projects' Cost \$ million
1436H	4,909	1,783 (36%)	24	18	5,333	558	13,725
1435H	5,098	1,832 (35%)	16	14	4,208	971	7,823
1434H	4,164	1,410 (34%)	17	15	1,733	337	4,290
1433H	4,168	1,286 (31%)	31	20	2,474	1,180	5,733
1432H	4,270	1,518 (36%)	21	16	4,468	1,421	7,863
1431H	3,702	1,495 (40%)	26	17	5,806	862	7,302
1430H	3,359	1,213 (37%)	23	16	2,766	1,479	7,133
1429H	2,498	856 (34%)	21	18	2,151	540	5,218
1428H	2,087	1,014 (49%)	31	20	2,818	786	6,925
1427H	1,652	368 (22%)	8	7	793	437	1,802
<b>Total</b>	<b>35,907</b>	<b>12,775 (35.5%)</b>	<b>217</b>	<b>n/a</b>	<b>32,549</b>	<b>7,151.40</b>	<b>67,814</b>

**FIG 2.3 REGIONAL DISTRIBUTION OF CO-FINANCED OPERATIONS IN 1436H**



the transport sector and three percent for water, sanitation and urban development sector). The remaining 20 percent targeted education (13 percent), industry and mining (six percent) and health (1 percent) sectors.

Regionally, about a third of the co-financing activities targeted Arab countries, while the member countries in Sub-Saharan Africa, Asia and Asia received 61 percent and 9 percent, respectively (Fig. 2.3).

The IDB's consistent focus on partnership and co-financing is reflected in Table 2.1, which shows trends in co-financing for the period 1427H-1436H. It is evident that a third (35.5%) of the IDB-OCR's cumulative approvals was on a co-financing basis. Furthermore, \$12.7 billion of IDB financing over 1427H-1436H mobilized \$67.8 billion worth of investment, of which \$32.5 billion was contributed by other donors, including \$7.1 billion from the Coordination Group. In other words, IDB has provided, on average, around 19 percent of the combined total cost of co-financed projects, while co-financiers provided 48 percent, including 10.5 percent from the Coordination Group (CG).

**CO-FINANCING WITH THE COORDINATION GROUP**

IDB is a member of the Coordination Group, which works closely with multilateral and bilateral donors/funding agencies e.g. the European Community, the Development Assistance Committee of the Organization for Economic Cooperation and Development, the World Bank, the African Development Bank, the Asian Development Bank, and the bilateral development/financing institutions. Of the 24 projects co-financed with development partners in 1436H, ten projects in ten countries were supported by the Coordination Group, which collectively provided \$552 million of financing, equivalent to 24 percent of the total cost of the projects (\$2.3 billion), with IDB contributing 34 percent (\$785 million). The sectors focused by the Coordination Group were power (65 percent), education (26 percent), transport (6 percent), and water (3 percent). Further details on co-financed operations in 1436H with members of the Coordination Group are as follows:

**Arab Fund for Economic and Social Development (AFESD):** IDB and AFESD have enjoyed a close co-operation for some 40 years. Both have co-financed nine regional technical assistance and 86 projects in 17 countries of common membership in Middle East and North Africa at a total cost of \$25 billion, of which IDB provided \$3.6 billion and AFESD contributed \$5.4 billion. In 1436H, IDB and AFESD co-financed the Egyptian segment of the Egypt-Saudi Electricity Interconnection Project as a regional power transmission project contributing to creating a regional energy market in the region. The institutions contributed \$220 million and \$155 million respectively, towards the total cost of the projects (\$627 million).

**Arab Bank for Economic Development in Africa (BADEA):** Aggregate co-financing between the IDB and BADEA targeted more than 68 projects for \$5.9 billion in 16 countries of common membership in Africa. Co-financing targeted mainly infrastructure projects including transport, energy and water sectors as well as the agriculture and rural development with the IDB and BADEA approving \$1.3 billion and \$726 million, respectively. In 1436H, IDB and BADEA co-financed the Ouagadougou Water Supply Project in Burkina Faso at a total cost of \$196.8 million, of which IDB provided \$20 million and BADEA allocated \$10.6 million.

**Kuwait Fund for Arab Economic Development (KFAED):** The IDB and the KFAED have co-financed three regional technical assistance operations and 100 projects in excess of \$27.2 billion in IDB member countries, mainly in the Africa and the Arab regions. Cumulative co-financing came to \$4.4 billion and \$3.4 billion for IDB and KFAED, respectively. Co-financing focused mainly on infrastructure

projects, particularly in the power and transport sectors. In 1436H, IDB and KFAED co-financed three projects at a total cost of \$1.3 billion, including two power transmission projects in Egypt (Egypt-Saudi Electricity Interconnection Project) and Senegal (OMVG High Voltage Electricity Interconnection Project) and one transport project in Niger (construction of the Tebaram-Tahoua road). The IDB contributed \$305 million to the cost of the projects while the KFAED's contribution was \$146 million.

**OPEC Fund for International Development (OFID):** The IDB and OFID have co-financed more than 123 projects including four regional and 119 national projects in 35 IDB member countries in Asia, Africa and Middle East. The total cost of the co-financed projects is about \$17.2 billion with the IDB and OFID contributing \$3 billion and \$1 billion, respectively. Co-financing in 1436H targeted three projects, including Ouagadougou Water Supply Project in Burkina Faso (\$20 million from the IDB and \$10.5 million from OFID), Expanding Girls' Access to Secondary Education Project in Côte d'Ivoire (\$55 million from IDB and \$11.6 million from OFID), Niger's Construction of Tebaram-Tahoua Road (\$31.4 million from the IDB and \$20.3 million from OFID).

**Saudi Fund for Development (SFD):** IDB and SFD co-financed 115 projects including three regional ones in 38 IDB member countries in Asia, Africa and the Arab region. The total cost of the projects reached \$24.9 billion, of which IDB and SFD contributed \$4.5 billion and \$3.2 billion, respectively. Co-financing targeted projects mainly in infrastructure, agriculture and rural development, health and education sectors. In 1436H, IDB and SFD co-financed five projects in energy and education sectors in Benin, Kyrgyz Republic, Mali, Tunisia, and Yemen valued at \$709.8 million, of which IDB and SFD contributed \$404.8 million and \$204 million, respectively.



IDB and BADEA co-financed the Ouagadougou Water Supply Project in Burkina Faso

## CO-FINANCING WITH MULTILATERAL DEVELOPMENT BANKS/INSTITUTIONS

**World Bank Group:** Cooperation between IDB and the World Bank Group (WBG) began in earnest when IDB started its operations in 1976. Cumulatively, co-financing targeted some 80 projects worth \$27 billion in common member countries in Africa, Asia and the Middle East & North Africa, in which IDB and the World Bank contributed \$2.7 billion and \$6.8 billion, respectively. The bulk of co-financed projects targeted infrastructure sector including power (46 percent), transport (30 percent), water (6 percent) and extractive industry (7 percent).

In 1436H, IDB and the World Bank co-financed five operations in the power and transport sectors in Asia and Africa. Co-financed transactions included a major South Asia-Central Asia power interconnection project, known as CASA-1000, which aims to create a regional power grid linking Central Asia and South Asia. IDB's combined CASA-1000 financing to the Kyrgyz Republic, Tajikistan and Pakistan totaled \$155 million, while the World Bank's financing to these countries reached \$526 million. The IDB and the World Bank co-financed Senegal's \$645 million OMVG High Voltage Power Interconnection Project by contributing \$53.6 million and \$180 million, respectively. IDB and the World Bank are also co-financing the construction of Côte d'Ivoire's Yamassoukro-Bouake Highway by providing financing of \$154 million and \$96 million, respectively.

**Asian Development Bank (AsDB):** Co-operation with the Asian Development Bank (ADB) dates back to inception of the IDB during which the ADB provided valuable technical assistance. Cumulatively, the two institutions have co-financed two regional technical assistance operations and 33 projects in ten common member countries in Asia. The projects supported an investment of \$13.5 billion with the IDB and the Asian Development Bank contributing \$1.8 billion and \$4.1 billion respectively. The co-financed operations focused on infrastructure including transport, water, and energy especially in the power sector. In 1436H, the IDB and the ADB co-financed reconstruction of the North-South alternative highway project (Balyktchy-Jalal-Abad) for \$74 million with the IDB and the ADB contributing \$12 million and \$35 million respectively.

**African Development Bank (AfDB):** The co-operation between the AfDB and the IDB dates back to 1978 when they co-financed a water project in Somalia and an agriculture development project in Chad. Signing of the Co-operation Agreement (CA) in 1987 institutionalized their bilateral co-operation and resulted in co-financing operations in common member countries. Under the CA, the two institutions have, under parallel financing schemes,

financed 66 projects including two regional operations and 64 projects in 20 common member countries in Africa. The total cost of these projects amounted to \$17 billion with the IDB and the AfDB contributing \$2.1 billion and \$4 billion respectively.

In an effort to harmonize and coordinate the delivery of financial and knowledge products and services to their common constituencies in an effective and efficient manner, the two institutions signed, on 21 December 2010, a Memorandum of Understanding on co-financing of projects worth \$1 billion. Under this Memorandum of Understanding, the AfDB and the IDB each earmarked \$0.5 billion to co-finance a pipeline of projects in their common member countries over a three-year period (2011-2013). The sectors of intervention are mainly derived from the Medium-Term Strategy of the AfDB and the IDB's Special Program for the Development of Africa (SPDA) focusing on priority areas such as Infrastructure, Agriculture and Food Security, Health, Education, and Capacity Building.

In 1436H, the two institutions approved four projects in four common member countries in Africa. These include one urban development project (Ouagadougou Suburban Areas Development Project) in Burkina Faso and three transport projects in Côte d'Ivoire (Yamoussoukro-Tiebissou Section of Yamoussoukro-Bouake Highway), Cameroon (Construction of Lena-Tibati Section of Batchenga-Ntui-Yoko-Tibati-N'gaoundere Corridor) and Mozambique (upgrading of Mueda-Negomano Road). The total cost of these projects was \$1.9 billion with IDB and AfDB contributing \$418 million and \$455 million respectively.

**European Investment Bank (EIB):** The European Investment Bank (EIB) is one of the IDB's original co-financing partners, having co-financed the IDB's very first operation, Cameroon's Song-Loulou hydropower project, which was approved in 1396H (1976). Since that time, co-operation has expanded significantly, particularly in recent years, which witnessed growing co-financing in the power and transport sectors. Cumulatively, the IDB and the EIB co-financed 34 projects worth \$13.9 billion, in which the IDB and the EIB contributed \$1.8 billion and \$2.7 billion, respectively. In 1436H, the IDB and the EIB co-financed two projects worth \$840 million in the utility sector. The first of these was Burkina Faso's \$197 million Ouagadougou Water Supply (Phase-II) to which the IDB and the EIB contributed \$20 million and \$43 million respectively. The second project was Senegal's \$645 million OMVG High Voltage Power Interconnection Project, where the IDB is financing project components worth \$53.6 million, in addition to EIB's financing of \$93.3 million.

**West African Development Bank (BOAD):** Collaboration with the West African Development Bank (BOAD) began more than 30 years ago. Cumulatively, co-financing has targeted 35 projects worth \$5 billion in seven common West African member countries, with IDB and BOAD contributing \$1 billion and \$575 million respectively. Co-financing has primarily targeted power transmission/generation including hydropower, water, transport and the agriculture sectors. In 1436H, the IDB and BOAD co-financed one transport and two energy projects in Senegal and one road construction project in Togo. The total cost of these projects amounted to \$906 million, of which the IDB contributed \$212 million and BOAD \$103 million.

**European Union (EU) and EU- Africa Infrastructure Trust Fund (EU-AITF):** EU and IDB have contributed to one regional project with the Program Infrastructure Development in Africa (PIDA) and parallel financed seven projects in transport, energy, water, finance, and agriculture sectors in four countries i.e. Côte d'Ivoire, Mali, Senegal and Yemen. The total cost of these projects was \$1.9 billion with IDB and EU contributing \$307 and \$190 million respectively. Three of the above-mentioned projects (Construction of Yamoussoukro-Tiebissou Section of Yamoussoukro-Bouake Highway Project in Côte d'Ivoire, Rural Electrification and Ovmg High Voltage Electricity Interconnection Projects in Senegal) were approved in 1436H. The Ovmg High Voltage Electricity Interconnection Project was co-financed by IDB and the EU-AITF with a total cost of \$645 million, of which IDB provided \$53.6 million and EU-AITF contributed \$22.5 million.

## CO-FINANCING WITH BILATERAL FUNDING AGENCIES

**French Development Agency (AFD):** France and IDB have a long-standing co-operation since the days of the Caisse centrale de coopération économique (CCCE was the precursor to the French Development Agency). The IDB and CCCE co-financed their first Song-Loulou hydropower project in Cameroon in 1976. In 2012, the AFD and the IDB signed a Memorandum of Understanding to revitalize their growing partnership, especially in Arab countries in transition. Cumulatively, IDB and AFD co-financed 33 projects for \$9.2 billion mainly in Sub-Saharan Africa and the Middle East & North Africa, where the IDB and the AFD each contributed \$1.5 billion. In 1436H, IDB and AFD co-financed 6 projects in Sub-Saharan Africa (Burkina Faso, Côte d'Ivoire, Cameroon and Senegal) valued at \$2.1 billion. IDB's co-financing contribution to these projects was \$458 million, while AFD's contribution was \$283 million. These co-financed projects targeted transport, power, water and health sectors.

**UK Department for International Development (DFID):** Cooperation between the IDB and DFID was given a major impetus when, in the spirit of the Paris Declaration on Aid Effectiveness and in demonstration of their shared values, the IDB and DFID signed a Memorandum of Understanding in 2009 setting out the framework for future cooperation. The Memorandum of Understanding identified a number of priorities for joint action. The priorities included health, education, food security, climate change, water and sanitation, job creation, private sector development, statistical capacity building and development effectiveness, with a special focus on fragile and conflict-affected countries.

The partnership was further strengthened through the long-term secondment of a DFID development effectiveness expert with IDB since early 2012. In 1436H, IDB and DFID formally joined forces to support women entrepreneurship through the Arab Women's Enterprise Fund (AWEF), a joint DFID-IDB initiative. Initially announced in June 2013 at the UK-hosted G8 Deauville Partnership Conference on Women's Role in Arab Countries, the AWEF initiative received a major boost when the UK Prime Minister David Cameron announced at the 9th WIEF in October 2013 in London that the UK was increasing its contribution from £4 million to £10 million to AWEF, and that the UK was teaming up with the IDB to bring AWEF to fruition. The IDB and DFID subsequently designed an operational framework to deliver on this joint commitment, which was formally endorsed and signed off by the IDB and DFID Senior Management in January 2015 in London. AWEF is targeting budding entrepreneurs in Deauville Partnership countries (Egypt, Jordan, Libya, Morocco, Tunisia and Yemen) and Palestine.



**“In 1436H, IDB and DFID formally joined forces to support women entrepreneurship through the Arab Women's Enterprise Fund (AWEF)”**



In support of IDB-Statistical Capacity Building (STATCAP) Initiative, IDB and DFID signed a Memorandum of Understanding in 2009 whereby DFID agreed to contribute £2 million to finance statistical capacity activities of countries in the MENA region. The purpose of the contribution was firstly to help fund statistical projects to improve the availability and quality of data in the Middle East and secondly to strengthen its relationship with IDB. After reviewing the challenges associated with the implementation of the approved projects, a two-year no-cost extension was agreed. This extension accommodated a reshaping of the project to be more “demand-driven” so that national statistics offices from across the region could pro-actively bid for funds. Over the lifetime of the agreement, DFID disbursed the entire agreed £2 million to the IDB while the IDB in turn used the money to fund the following country-level and regional statistical projects:

**(a) Country-level:**

- a. Palestine’s agriculture census (\$1.55 million),
- b. Egypt’s Household Income, Expenditure and Consumption Survey (HIECS) using Computer Assisted Field Edit (CAFE) (\$557,000),
- c. Yemen’s survey of International Trade in Services (ITIS) and Foreign Direct Investment (FDI) (\$290,744).

**(b) Regional-level:**

- a. Two regional training workshops organized by the Arab Institute for Research and Training in Statistics (AIRTS) based in Jordan on “In-Depth Demographic Analysis” and “Population Projection Techniques” (\$67,886),
- b. World Health Organization (WHO)’s project on data reconciliation and harmonization related to access to water and sanitation in MENA countries (\$201,000),
- c. UNESCWA’s Energy Statistics and Energy Consumption Survey (for Palestine, Egypt and Jordan) (\$421,897), and
- d. Other miscellaneous: consultancy services to identify STATCAP projects for Yemen and Iraq (\$14,280 and \$10,700 respectively).

**“Overall, the completed projects achieved their objectives of producing data to support evidence-based policy formulation at country and regional levels”**

The cost of these projects totaled \$3.1 million. Of this total, \$2.9 million was disbursed, representing a disbursement rate of 93 percent. All the projects have been completed except for Yemen’s ITIS and FDI’s survey which could not be completed due to political instability in the country. As per the original MoU, the unspent amount from the Fund was returned to DFID.

Overall, the completed projects achieved their objectives of producing data to support evidence-based policy formulation at country and regional levels as well as helping international community to have access to data to monitor progress of international development goals. In addition, the funded projects directly or indirectly contributed to capacity development of the beneficiary country’s national statistical offices in terms of honing the skills of their staff and exposing them to the use of latest equipment and techniques to conduct surveys and share best practices. Despite the success of the individual projects, the program was not without its challenges and some valuable lessons were learnt.

**United States Agency for International Development (USAID):**

The IDB and USAID signed in April 2015 in Washington DC a Memorandum of Understanding concerning Cooperation in Global Development. This new cooperation framework builds on the successful reverse-linkage partnership supported by the IDB and USAID, which aimed to transfer Indonesia’s disaster risk management experience to Senegal.

The new MoU between the IDB and USAID paves the way for co-operation in the following areas: (i) south-south and triangular cooperation; (ii) science, technology & innovation; (iii) gender; (iv) renewable energy for poverty reduction; (v) innovative financing; (vi) capacity development; (vii) disaster risk reduction; (viii) aid for trade and trade facilitation; (ix) financial inclusion; (x) private sector development and public-private partnerships; (xi) Arab women’s entrepreneurship (Arab Women’s Enterprise Fund); and (xii) development effectiveness.

**Japan Bank for International Cooperation (JBIC):** The IDB and JBIC signed a Memorandum of Understanding on co-operation in 2007 to facilitate the sharing of knowledge and experiences and effective use of their financial resources in IDB member countries where Japanese companies are involved. The IDB and JBIC have been collaborating for a number of years. In 1436H, IDB and JBIC co-financed Saudi Arabia’s \$8 billion Rabigh 2 Project of Petro Rabigh in which the IDB and the JBIC contributed \$100 million and \$2.2 billion respectively.

**Japan International Cooperation Agency (JICA):** In 1436H, IDB and JICA co-financed two projects in

Togo (Construction of Katchamba-Sadori Road Project) and Cameroon (Construction of Lena-Tibati Section of Batchenga-Ntui-Yoko-Tibati-N’gaoundere Corridor) at a total cost of \$651 million, of which IDB and JICA contributed \$198 million and \$67 million respectively.

**Canadian International Development Agency (CIDA):**

Cumulatively, IDB and CIDA co-financed two regional programs and nine projects in seven member countries in Asia and Africa. The total cost of the projects was \$2.5 billion with IDB providing \$105 million and CIDA contributing \$203 million. In 1436H, IDB and CIDA co-financed the Ouagadougou Water Supply Project in Burkina Faso worth \$196.8 million with IDB and CIDA contributing \$20 million and \$73.3 million respectively.

**German Aid Agency (Kreditanstalt Für Wiederaufbau (KfW):**

Cumulatively, IDB and Kreditanstalt Für Wiederaufbau (KfW) co-financed 19 projects in 13 member countries in agriculture, education and infrastructure including energy, transport and water sectors. The total cost of the co-financed projects was \$7.2 billion out of which IDB and KfW provided \$590 million and \$664 million respectively. In 1436H, IDB and KfW co-financed OMVG High Voltage Electricity Project in Senegal with a total cost of \$645 million with the IDB and the KfW respectively contributing \$53.6 million and \$28.7 million.

**Establishment of New Partnerships:** In 1436H, IDB signed a number of agreements with several institutions including the Strategic Partnership Framework with the World Bank Group (Oct. 14, 2015), a Procurement Agency Agreement and one Original Facility Agreement with Africa Finance Corporation (31 August 2015) as well as ne MoUs with the Islamic Financial Services Board (08 July 2015), the Islamic Conference Youth Forum for Dialogue and Cooperation (15 June 2015), the Qatar Islamic Bank (22 March 2015), the GCC Association of Chambers (26 March 2015), the Arab Monetary Fund (7 April 2015), the Imperial Technology and Medicine-London (ICI)-United Kingdom, the Organization of Islamic Conference (1 February 2015), the International Renewable Energy Agency (23 March 2015), and the African Finance Corporation (31 August 2015).

**2.6 PROMOTING ISLAMIC FINANCE DEVELOPMENT**

The global Islamic financial sector is continuously gaining momentum as evidenced by the growth of the industry. The Bank has contributed in many ways to the development of the sector through undertaking various initiatives and programs. These include supporting the development of a requisite enabling environment for Islamic finance, establishing and supporting Islamic financial institutions, developing Islamic microfinance sector and enhancing awareness about Islamic finance through organization and participation in awareness creation events. Working with various strategic partners such as governments, private sector institutions and multilateral development banks and donor institutions, the Bank has achieved significant contributions to the industry. It has also intensified its efforts in developing the Awqaf sector for charitable purposes. The key activities undertaken by the Bank for Islamic finance activities during the year are presented in this section:

**Technical Support Program:** The Bank provides technical assistance for creating an enabling environment in support of the development of Islamic finance sector for both member and non-member countries. Such assistance facilitates the development of legislation, regulations, Sharia governance mechanism, and supervisory framework for various Islamic finance industry segments including Islamic banks, Islamic Capital Market and Takaful. In addition, assistance is also granted to recipient countries for formulating and implementing a high-level strategy for Islamic finance sector development.

In 1436H, the Bank approved five technical assistance projects to both new and existing Islamic finance jurisdictions to enhance the infrastructure support and also build their capacity. In addition to the new TA approvals, the Bank was actively involved in the implementation of previously approved TA projects that were at various stages of completion. Table 2.2 presents the TA activities in 1436H.

**TABLE 2.2 TA APPROVALS UNDER TECHNICAL SUPPORT PROGRAM (1436H)**

S. No.	Country	Executing Agency	Objective
1	Afghanistan	Da Afghanistan Bank	Assist Da Afghanistan Bank to develop regulatory and supervisory framework for Islamic banking
2	Gambia	The Central Bank of Gambia Arab Gambian Islamic Bank	Assist the Central Bank of the Gambia to develop Islamic Microfinance Guidelines. Assist the Arab Gambian Islamic Bank to develop new Islamic Banking products and services.
3	Mozambique	Bank of Mozambique	Assist the Bank of Mozambique in enhancing capacity for development of Participative Banking
4	Tajikistan	National Bank of Tajikistan	Assist the National Bank of Tajikistan to develop a regulatory framework for Islamic banking
5	Uganda	Bank of Uganda	Assist Bank of Uganda to develop a regulatory framework for Islamic banking

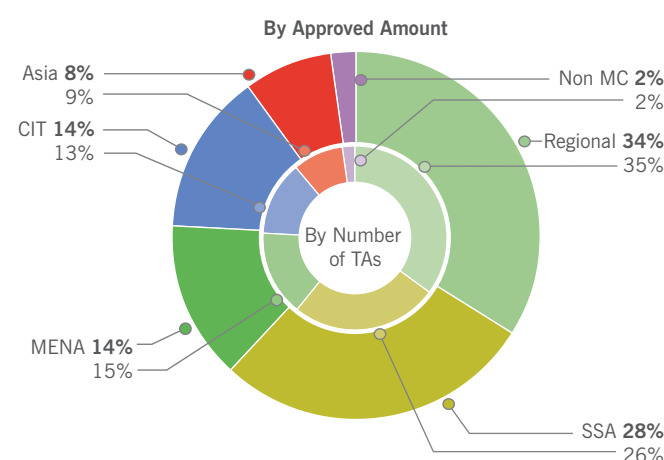
**Islamic Financial Architecture Development:** The Bank acknowledges the importance of having a strong architecture and framework to harness the development of the Islamic finance industry globally. In this regard, as in the past, it continues to support the activities of the Islamic Infrastructure Institutions (IIIs) such as AAOIFI, CIBAFI, IFSB, IICRA, IIFM, and IIRA in various ways, including providing technical assistance, financing the development and implementation of standards and documentations, and participating on their Board, Council, Technical Committee meetings, as well as in other activities and events. As a co-founding member, the IDB has been engaging with these IIIs in exploring ways and means to find the optimum mechanisms to enhance the effectiveness of IIIs in promoting the adoption of their output by IDB member and non-member countries. Table 2.3 presents the TA approvals for supporting IIIs in 1436H.

**TABLE 2.3 TAs APPROVALS FOR ISLAMIC INFRASTRUCTURE INSTITUTIONS (1436H)**

S. No.	Institution/Executing Agency	Objective
1.	CIBAFI	Assisting CIBAFI in the development and implementation of CIBAFI strategic plan.
2	AAOIFI	Assisting AAOIFI in its restructuring process through formulation of a new strategic and operational plan.
3	IFSB	Assisting IFSB in the formulation and implementation of IFSB Standards
4	IIRA	Assisting IIRA to develop the sovereign rating of IDB member countries

Over the years, the Bank has approved several TAs to member countries and IIIs in various regions. Fig. 2.4 shows the distribution of the TAs by regions.

**FIG 2.4 REGIONAL DISTRIBUTION OF TA APPROVALS (SINCE INCEPTION)**



**IDB Microfinance Development Program (IDB-MDP):** The main objective of the IDB-MDP is to provide an avenue for the underprivileged, especially the poor, to access Islamic finance facilities. To this end, the Bank provides TAs to develop the Islamic microfinance sector, establish Islamic Microfinance Institutions and formulate regulations for improving the enabling environment for Islamic microfinance. Since this program began, eight countries (Bangladesh, Indonesia, Sudan, Senegal, Tunisia, Egypt, Pakistan and Tajikistan) have been beneficiaries. Some of the projects in these countries have been completed or are in progress.

In 1436H, the Bank focused its interventions on the implementation of the findings and recommendations arising from the feasibility studies associated with the projects. It is at the advanced stage of finalizing the partnership with identified local partners to create Islamic Microfinance institutions (IMFIs) for Bangladesh, Indonesia, Senegal, and Tunisia. Meanwhile, for Egypt, Pakistan and Tajikistan, the Bank is actively engaging with stakeholders in finding suitable local partners.

In recognition of the contributions of the IDB-MDP, the Bank will enhance and improve the MDP into a full-fledged Financial Inclusion Program, which would have broader intervention mandate in supporting the underprivileged segment of the community. This includes, among others, the development of systematic micro-takaful and zakat and other related operations in enhancing access to Islamic finance.

**Support for SMEs, Rural Finance and Islamic Financial Services:**

The IDB's microfinance investment program is aimed at building inclusive pro-poor and unemployed microfinance facility for men and women in order to provide access to integrated financial and business support services for farmers and non-farm households in rural areas. Under the program, the Bank has financed rural microfinance programs, capacity building, and policy dialogue in its member countries.

In 1436H, the Bank approved \$100 million for two investment lending projects (\$50 million each): Entrepreneurship Development Project in Morocco, and Phase-II of the Integrated Microfinance Support Program in Benin. These projects aim to improve technical and financial capacity of partnering financial institutions in providing access to economic empowerment package for the vulnerable populations (poor households, women, and youth). The Bank also approved several other Integrated Agricultural Development projects under the program that incorporated financial access as a key component. These include Pensa-Liptougou Agricultural Development Project in Burkina Faso, Rehabilitation of Chokwe Irrigation

Project Phase-II in Mozambique, and Mont Mbapit Rural Development Project Phase-II in Cameroon.

In the area of knowledge services under the program, the Bank provided policy advice and advocacy for promoting inclusive Islamic financial services in respect to access to finance for the poor. In 1436H, the Bank prepared a toolkit for member countries on "Empowering the Poor through Group Value Chain Islamic Microfinance" that explains the concept and approach of how the IDB promotes Islamic Microfinance in its member countries and exhibit examples of how Islamic Finance should provide 'smart finance' to the end beneficiaries. The Bank also co-organized the "Unleashing Universal Access to Promote Inclusive Growth in Egypt" conference with the World Bank on 27 October 2014, in Cairo. In addition, it participated in the Symposium of Financial Inclusion and Innovation in Human Development organized by the Arab Gulf Program for development (AGFUND) on 12 January 2015.

The Bank also presented its Islamic microfinance approach during the conference on "Responsible Financial Inclusion for Social Inclusion and Stability" organized by the G7 Deauville Partnership on 28 April 2015. The conference focused on various approaches for promoting job creation in the MENA region and facilitated exchange of information on IDB's microfinance framework among other topics. The conference provided an opportunity for exposing the partners to the IDB's approach as adopted under its Youth Employment Support Facility program. In the spirit of reverse linkage, the Bank has actively supported the transfer of knowledge among member countries on Islamic microfinance implementation and business model.

**Cooperation, Alliances and Partnerships:** The Bank recognizes the significance of leveraging and building on the strength of other strategic partners such as multilateral organizations and donor institutions in order to intensify the development of the Islamic finance industry. In this respect, in 1436H, the Bank, in addition to implementing the previously approved initiatives, has received invitations for new strategic collaboration with prominent institutions and banks from Russian Federation and Japan. In the context of the IDB-World Bank Working Group established a year ago, both parties have strengthened the partnership by entering into a new collaboration effort, under the 'Deep Dive' program, in which Islamic finance sector is one of the key themes. In addition, the Bank has also renewed its collaboration with the IMF by signing a new Letter of Understanding for Islamic finance sector development.

**IDB Prize in Islamic Economics and Islamic Banking & Finance:** The annual IDB international awards were instituted in 1408H (1988) to recognize outstanding

efforts in the fields of Islamic Economics, Banking and Finance. It is a cash reward of 30,000 Islamic Dinars (about \$45,000). To date, there have been a total of 36 recipients, comprising 32 scholars (economists, bankers and jurists) and four institutions (research centers and financial institutions) from different parts of the world. In 1436H, the IDB Prize in Islamic Economics was awarded to Dr. Seif Eldin Tag Eldin.

**Islamic Finance Awareness Enhancement:** Under this initiative, the Bank contributes to spurring the development of the Islamic financial services industry by either organizing and/or participating in seminars and fora at international events. In 1436H, the Bank organized two side events during the 40th IDB Annual Meetings held in Maputo, Mozambique. These were the 10th IDB Global Forum on "Islamic Finance: Exploring Innovative Solutions for Affordable Microfinance in Africa" and 'The Role of Islamic Finance in Enhancing Shared Prosperity'. The Bank also participated in two major United Nations events related to UN Sustainable Development Goals: The Third International Conference on Financing for Development (FfD) in July 2015 in Addis Ababa, Ethiopia; and the UN Summit for Sustainable Development in September 2015 in New York, United States of America. At these two major events, the Bank organized side events on 'The Role of Islamic Finance in Achieving Sustainable Development Goals'. In addition, the Bank's senior staff participated as speakers in various international forums, seminars and roundtable discussion such as the World Islamic Economic Forum Foundation and B20 where they contributed to raising awareness about Islamic finance. In the former, the Bank in collaboration with the UNDP also organized a side event on "Financial Inclusion for Achieving Sustainable Development Goals: Role of Islamic Finance".

The IDB also sponsored various Islamic finance awareness events globally such as the 'Islamic Finance Conference in Abidjan' organized by Côte d'Ivoire, 'Seminar on Islamic Microfinance' organized by the Tunisian Islamic Economics Society, 'Islamic Finance Lawyer's Forum' organized by the International Islamic Centre for Reconciliation and Arbitration (IICRA), the 'Islamic Banks' Directors of Operations Meeting' organized by CIBAFI, 'the Seminar on Regulations of Islamic Banks' organized by Banque Centrale des États de l'Afrique de l'Ouest (BCEAO), and the 'Seminar on Sukuk' organized by the Fiqh Academy.

Since its inception, the Bank has assisted in many important factors that would lead to better infrastructure and capacity building of the Islamic financial services industry as shown in Fig. 2.5.

**Islamic Financial Engineering Laboratory:** The Bank and the Mohammad V University (Agdal, Rabat, Morocco) have established the first-of-its-kind Islamic Financial Engineering Lab (IFE Lab) at the Mohammadia School of Engineering. The Lab will apply agent-based simulation (ABS) to develop, evaluate and test new Islamic financial instruments and products, in order to assist the economic development of member countries and the Islamic financial industry. After signing the Memorandum of Understanding



on Jumada II 1434H (April 2013), the Lab was officially launched in Muharram 1435H (November 2013).

As a three-year Ph.D. program, the Lab aims to build a new generation of financial engineers for the Islamic financial industry that will succeed in applying modern techniques to implement the objectives of the Islamic economics in developing financial innovative instruments. Candidates for the Lab will build models and contribute publishable work that identifies certain challenges for the Islamic financial industry and how they can be practically solved. The Lab capitalizes on the long-standing expertise of the Research Laboratory for Applied Mathematics (LERMA) at the Mohammadia School of Engineering, and the leading role of the Bank in Islamic banking and finance, as represented by the Financial Product Development Center.

Since its establishment, the IFE Lab has attracted more than 20 students, and organized more than nine specialized courses delivered by reputable international professors and specialists. The Lab also organized 23 seminars and workshops in the various areas of Islamic finance. Students of the IFE Lab successfully submitted a total of eight papers and communiqués (brief reports) about their research in various professional outlets.

**Award for Best Application of Agent-based Simulation in Islamic Finance:** In collaboration with the SABIC Chair of Islamic Financial Markets Studies and the Islamic Financial Engineering Lab, the Financial Product Development Center of IDB announced the first-of-its-kind Award for the Best Application of Agent-based Simulation (ABS) in Islamic Finance. The Award aims at inspiring young researchers

across the world to use and apply Agent-based Simulation (ABS) to various aspects of Islamic economics and finance. ABS is a valuable tool for studying complex phenomena and developing practical solutions. Platforms such as ABS proved to be effective in understanding multi-agent behavior in complex systems. Over the past 25 years, ABS has been increasingly applied in a variety of fields of knowledge such as science, management, economics and finance, among others.

The Award offers three prizes to the best three winners: first place \$8,000; second place \$6,000; third place \$4,000. The deadline for submission was 20 October 2015, and the winners will be announced in 2016.

### 2.7 ADVANCING INCLUSIVE SOLIDARITY AND RESILIENCE AGENDA

The Muslim communities in non-member countries need access to basic social services and economic opportunities. The Bank has a Special Assistance program that enables the Muslim Communities in non-member countries to get quality education, health facilities, and empower them through training, micro-finance, seminars and educational materials. The program also provides relief assistance to both member and non-member countries in situations of natural and man-made disasters, offering opportunities for academically meritorious and financially needy young Muslim students to pursue higher education.

**Special Assistance:** During the year, the Bank approved 36 special assistance operations in seven member countries and twenty-nine non-member countries for an amount of \$14.4 million. Of these operations, ten were for relief assistance in seven member countries and three non-member countries for \$6 million. The majority of the operations were for the provision of access to basic services in the education and health sectors.

The special program intervention for India, part of three programs, was undertaken in 1436H for \$480,000 contributing to the education development of Muslim communities in India. The Bank also implemented and delivered the relief assistance to people affected by natural and man-made disasters in Afghanistan (\$200,000), Egypt (\$200,000), Iraq (\$200,000), Libya (\$400,000), Sudan (\$200,000), Syria (\$600,000) and Yemen (\$1.5 million).

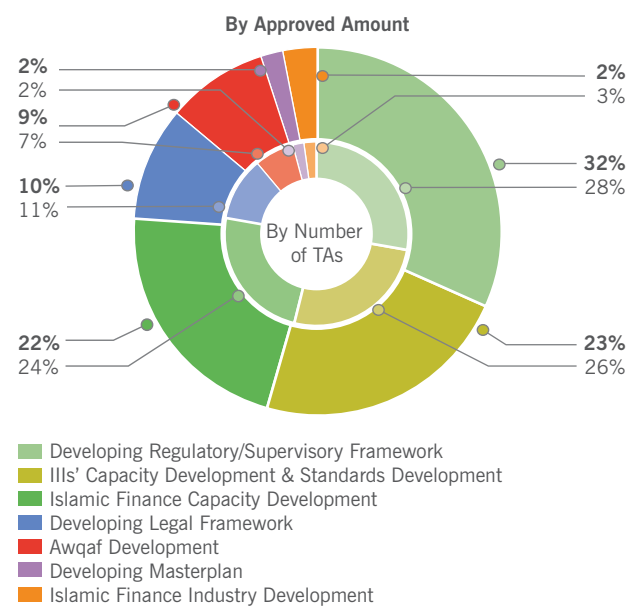
**Trust Funds (Bringing Inclusive Social Development):** By 1421H, there were only two trust funds managed by the Bank. These were Al-Aqsa Fund and Al Quds Fund, that were established pursuant to the Arab Summit decision held in Cairo, Egypt, in Rajab 1421H (October 2000) to provide an immediate response to the needs of the occupied Palestinian people.



With the IDB's increased interventions in Palestine and other fragile member countries, the number of trust funds has increased in recent years with the establishment of GCC Fund in 1427H, and the joining of other Arab funds thereafter. Over the years, trust funds have substantially expanded in providing financial assistance for development projects, emergency response and recovery, in addition to capacity building. Apart from Palestine, new beneficiaries of the IDB's trust funds were Somalia, Niger, Comoros and the neediest Muslim communities in Asia. Of the total trust funds, Palestine received about \$1.5 billion allocated for vital sectors including health, education, water and sanitation, agriculture, housing, municipal capacity, and economic empowerment.

In 1436H, a special program, called the Fael Khair Program, which was established in the Bank with trust funds of \$696 million, implemented eight different projects in many sectors including health, education, and water supply. These projects are created to improve the living standards of the under-privileged communities in several Muslim countries in Asia and Africa. One of these Fael Khair projects aimed at establishing 75 mobile clinics in Afghanistan, Bangladesh, India, Kyrgyz, Pakistan, Uzbekistan and Yemen. During 1436H, Fael Khair Program led an emergency response to fight the Ebola epidemic in four African countries, Mali, Sierra Leone, Guinea and Liberia, as well as to prevent its spread abroad (Box 2.9). The project focuses on the education sector in particular, and is working to open schools safely after being closed because of the fear of the spread of the epidemic.

FIG 2.5 SCOPE OF TA APPROVALS (SINCE INCEPTION)



Above: Former IDB Vice President, Dr. Abdulaziz Al-Hinai (center) signs the MOU with Mohamed V University in Jumada II 1434H (April 2013), represented by Ms. Rajaa Al Sharqawi (left of the center), the Vice President for Scientific research, Cooperation and Partnership.

Left: Mohammad V University (Agdal, Rabat, Morocco)



**BOX 2.9 EBOLA VIRUS DISEASE (EVD) EPIDEMIC CONTROL: LESSONS LEARNED**

In co-operation with the Ministry of Health of Mozambique, the Bank organized a seminar on the sidelines of its 40th Annual Meeting in Maputo (8-12 June 2015) on the lessons learnt from the Ebola virus disease (EVD) epidemic control. It aimed at drawing lessons from EVD epidemic control efforts by bringing together representatives of the affected and potentially-at-risk countries with the main players on the ground (Médecins Sans Frontières (MSF) and donors). The Seminar highlighted the importance of continued joint support with development partners for the basic development endeavors at district level in target countries with emphasis on water, primary health care services and health promotion and education to facilitate early warning and outbreaks response operations.

**Building Resilience, Managing Risks and Improving Quality of Life:**

The last few years have seen an increase in both natural and man-made shocks and disasters across member countries. Accordingly, the IDB has invested significantly in building the resilience of its member countries through addressing youth unemployment issues, a major cause of unrest in many countries, and mitigating the effects of natural disasters and varying climatic conditions. In recent years, IDB member countries have witnessed turbulence and conflicts in the MENA region, natural disasters in Southern Asia, and varying climatic conditions as well as the outbreak of Ebola in Africa. The Bank's flagship YES program was approved in favor of Morocco during the year.

A major project was financed in Pakistan during the year to support the Return, Rehabilitation and Reconstruction program for the Temporary Displaced Persons (TDPs) of the Federally Administered Tribal Area (FATA) in Pakistan. The \$55 million project was aimed to (i) provide financial and technical assistance to 18,000 affected houses in FATA, in reconstructing or retrofitting their damaged houses, using a home-owner driven, but assisted construction regime; (ii) support the communities to build back better, appropriate and disaster resilient; (iii) support the communities for better livelihoods through effective household program and microfinance schemes.

**Climate Change and the Post-2015 Sustainable Development Framework:**

Climate change is one of the greatest development challenges of our time. As part of the Bank's effort to mainstream climate change in its operations and interventions, it is actively exploring various initiatives including networking and partnership with other institutions.

During its 40th Annual meeting, the Bank in collaboration with the International Center for Biosaline Agriculture (ICBA), the United Nations Environment Program (UNEP), and the Ministry of Environment, Mozambique, organized a high-level event with a focus on Climate Change Adaptation and the Post-2015 Sustainable Development Agenda. An analytical work based on the event's proceedings was produced which proves to be beneficial to development practitioners, environmental ministries, policy makers and climate researchers in IDB member countries.

The Bank was actively involved in the activities of the United Nations Framework Convention on Climate Change Conference (UNFCCC) in Paris in 2015, during which it organized a side event on 'Climate Change: Financing and Capacity Building Challenges' in collaboration with the African Development Bank. Speakers from member countries' Ministers of Environment (MoE) and eminent personalities participated in the event.

**The Saudi Arabian Project for the Utilization of Hajj Meat:**

This project is managed by the Bank for the Government of Saudi Arabia and lies outside its normal operations. The project serves the pilgrims by performing the ritual (nusuk) and related services on their behalf. The Bank oversees the utilization of the Hajj meat and then distributed to the needy and the poor in some of the member countries and to Muslim communities in non-member countries.

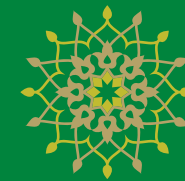
**Gelatin Project:** The gelatin in the markets, whether for pharmaceutical or food Grades, is porcine in origin. Therefore, there is a need to produce halal gelatin for the Muslim population. To this end, the United Company of Gelatin and Organic Material Production was established with a Chinese contractors to produce 600 ton of Halal gelatin (extracted from skin & bones) and one billion hard gelatin capsules as the primary packaging material for pharmaceutical companies products of different sizes (0,1,2,3). The Saudi Project for Utilization of Hajj Meat is one of the biggest shareholders (approximately 20 percent) of the total shares and planned to be 51 percent.

The capsules factory is ready for operation with three successful trials conducted. The company is preparing the necessary documents to get the final approval for civil defense as well as for the operation from the Saudi Food and Drug Authority. To date, 100 percent Gelatin factory equipment had been installed while some civil works are still in progress with five skin trials productions undertaken.

**Hajj Meat Distribution:** In 1435H, the number of carcasses was 874,667 sheep and 1,464 cows and camels. Out of these, 683,167 sheep were distributed among the poor and needy people in the Haram area in Makkah Al-Mukarrama and charities inside the Kingdom, as well as, all cows and camels. The remaining 191,500 sheep were distributed outside the Kingdom of Saudi Arabia, The plan for the distribution of meat in 1436H will follow previous year's pattern.



**874,667 SHEEP  
AND 1,464 COWS AND  
CAMELS WERE DISTRIBUTED  
AMONG THE POOR AND NEEDY**



## CHAPTER THREE

### STRENGTHENING INSTITUTIONAL EFFECTIVENESS

This chapter covers the activities of the IDB Board of Governors and the Board of Executive Directors. It also presents a brief on the progress of activities related to Bank Group's evaluation, risk management, internal audit and integrity functions. In addition, the chapter also provides an update on the new Ten Year Strategy, Group Business Enhancements and System Transformation Program (GBEST), knowledge management and innovation activities, and changes and improvements made in human resources to hire and retain staff as well as enhancement of work environment.



AT THE END OF 1436H, THE TOTAL STAFF OF IDB GROUP REACHED **1,192** COMPRISING

9 MANAGEMENT	703 PROFESSIONALS
56 DIRECTORS	137 PARA-PROFESSIONALS
66 MANAGERS	221 SUPPORT STAFF

THE IDB GROUP PRESIDENT LAUNCHED THE IDB GROUP ENHANCING WORK ENVIRONMENT (EWE) INITIATIVE

**DIAGNOSIS**  
REVIEW OF ALL ASSESSMENTS CONDUCTED OVER THE LAST **5-7** YEARS

**ONLINE SURVEY: MORE THAN 80 RESPONSES**

**1 TO 1 INTERVIEWS**

**VALIDATION**  
THE FINDINGS WERE PRESENTED AT **3** FORUMS

**SOLUTIONS**  
AN EWE SOLUTIONS WORKSHOP WAS ORGANISED WITH **70** PARTICIPANTS

THE PROPOSALS RECEIVED WERE SYNTHESIZED INTO **50** ACTIONABLE SOLUTIONS FOR MANAGEMENT CONSIDERATION

**21** APPROVED FOR IMMEDIATE IMPLEMENTATION

**20** CONCEPTUALLY CLEARED FOR DEVELOPMENT

**ISSUES GROUPED INTO 6 CLUSTERS**

- MERIT-BASED CULTURE
- LEADERSHIP & MANAGEMENT
- COMMUNICATION
- WORK POLICIES & PROCESSES
- LEARNING & DEVELOPMENT
- STAFF SUPPORT & SERVICES

GROUP MANAGEMENT COMMITTEE MEETING

IDB GROUP COORDINATION FORUM

A STAFF TOWN HALL

**OUTCOME PRESENTED TO ALL STAFF LED BY THE PRESIDENT OF IDB**

### 3.1 BOARD OF GOVERNORS

The 40th Annual Meeting of the Board of Governors was held on 23-24 Sha'baan 1436H (10-11 June 2015) in Maputo, Republic of Mozambique. It was graced by the presence of H.E. Filipe Jacinto Nyusi, the President of the Republic of Mozambique, who opened the meeting.

At that meeting, the Board of Governors directed the Board of Executive Directors and the IDB management to: (i) formulate a detailed action plan for the IDB Group Ten-Year Strategy Framework and implement it in accordance with a fixed timeline with a view to enhance internal and external efficiency and achieve excellence in performance and financial sustainability; (ii) achieve synergy between the activities of the IDB Group members and their detailed plans and to prevent duplication in order to enhance Group-wide performance and maximize the outcome of their collective interventions; and (iii) submit periodic reports on the progress of implementation of these activities.

The Board of Governors also approved the recommendation of the Board of Executive Directors to move the financial year of the IDB to Solar Hijri calendar and resolved that Article 12 of the By-Laws of the IDB be amended to read "The Hijra calendar shall be the official calendar of the Bank. However, the Board of Executive Directors shall determine the beginning and end of the financial year of the Bank". It called on the Board of Executive Directors of the IDB to reach a consensus with the Boards of Executive Directors of the members of the IDB Group to agree on a unified beginning and end of the financial year of the Group.

### 3.2 BOARD OF EXECUTIVE DIRECTORS

During 1436H, the Board of Executive Directors (BED) held seven meetings (of which one meeting took place on the occasion of the Board of Governors' Annual Meeting) while its Standing Committees had a total of 20 meetings.

The Board of Executive Directors approved 65 projects and adopted 135 Resolutions on financing and policy matters. The most important policy matters processed by the Board of Executive Directors were (i) Reappointment of the

Members of the IDB Group Shariah Committee; (ii) Proposal on the IDB-Bill and Melinda Gates Foundation Buy-Down Facility; (iii) The Financial Year of the IDB Group; (iv) Progress Report on Detailing of IDB Group 10-Year Strategy; (v) Update for the Board of Governors on special allocation to develop Islamic financial services industry; (vi) Upsize of the IDB's Existing Medium Term Note Program Limit from Current Limit of \$10 Billion to \$25 Billion, and (vii) Leverage Policy of the Bank.

### 3.3 OPERATIONS EVALUATION

The Group Operation Evaluation (GOE) Department, which reports directly to the BED, provides objectives and independently assessment of the development effectiveness of IDB Group interventions. Its role covers all the IDB Group activities, including the evaluation of operations of the Bank itself, the Islamic Corporation for Development of the Private Sector (ICD), the International Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Trade Finance Corporation (ITFC) and the Islamic Research and Training Institute (IRTI).

In 1436H, the GOED post-evaluated 26 projects, comprising 23 projects financed from the Ordinary Capital Resources, two projects by ICD and one project by APIF. It also conducted an evaluation of a cluster of Special Assistance operations in one non-member country and carried out a review and validation of 12 Project Completion Reports (PCRs).

For higher-level evaluations, the GOED initiated the Country Assistance Evaluations (CAEs) for Lebanon (Box 3.1) and finalized those of Bahrain and Gambia. It also finalized the evaluation of the Science and Technology program and the synthesis of Technical Assistance Operations that was started in 1435H. Three other syntheses were undertaken on Special Assistance Operations, the Energy Sector and the Agriculture Sector. In addition, it initiated a thematic evaluation for ITFC's Trade Finance in 1436H and conducted four country case studies that constituted the main building blocks for the evaluation. The GOED also conducted a capacity-building workshop in Kuwait on development evaluation and monitoring.

### BOX 3.1 GOED COUNTRY ASSISTANCE EVALUATION (CAE) FOR LEBANON

Since its first operation in 1980, IDB Group has approved \$1,390 million for 139 operations in Lebanon. This includes 59 Ordinary Capital Resources operations of \$1,123 million; \$10 million for 31 Special Assistance Operations; \$5 million for 1 Awqaf Property Investment Fund (APIF) operation, \$0.5 million for 14 Capacity Development operations; and \$251.5 million approved for 14 operations through ITFC (and its predecessor ITFO). ICIEC provided insurance coverage worth \$487 million through eight insurance policies covering businesses in Lebanon. Lebanon also benefited from 12 capacity building activities by IRTI. Ordinary project approvals have increased in recent years and hence more than half of approved amounts for projects are currently active (\$634million).

The water and sanitation sector received the highest share of financing (47 percent, or \$527 million) followed by Education (22 percent, or \$248 million), Transport (15 percent, or \$162 million) and Health (13 percent, or \$146million). In aggregate, \$483 million (43 percent) of total approvals have been disbursed. One of the reasons was the slow disbursement of the more recent growth in approvals in the last five years. For completed operations, the disbursement rate is 84%, which underscores the high rate of utilization of funds. The disbursement rate is likely to go up as recently-approved projects become effective and ready for disbursements.

The IDB financed projects in Lebanon have contributed to the socio-economic development of the country and improved standards of living for people. The projects have enhanced the quality of transport system, water transmission and distribution systems, health services and access to education.

**Water and Sanitation Sector:** The IDB projects contributed to increasing the water treatment capacity in the targeted areas by 170,000 m<sup>3</sup>/day and made reliable water supply available to about 250,000 inhabitants. In the Sanitation sector, the completed projects have resulted in construction and equipment of ten (10) treatment plants with total Effluent treatment capacity of 37,000 m<sup>3</sup>/day, installation of 70 km of storm collectors, installation of 102 km of wastewater distribution network serving 300,00 inhabitants.

**Transport Sector:** The completed projects in the transport sector have added 204 km to the road network in various parts of the country as well as an important interchange (bridge and underpass) in the heart of Beirut. For instance, the traffic on the South Coastal Highway has doubled (from an average daily traffic of 32,000 vehicles to 56,000 vehicles per day) between 1998 and 2012, while the Vehicle Operating Cost (VOC) decreased from \$ 0.198/km to \$ 0.154/km during the same period. Moreover, the completed IDB-financed road projects contributed to the economic development in Lebanon through supporting strategic sectors such as tourism and agriculture.

**Health Sector:** The IDB interventions in the health sector have provided the following facilities: i) about 900 beds have been added to five hospitals including the Beirut Government Hospital (BGH), the Rafik El-Hariri Hospital, the Saida and Zahle Government Hospital (SGH) and Al-Makassed General Hospital; ii) State-of-the-art medical equipment has been provided to all the hospitals. These facilities have been serving more than 2.2 million people all over Lebanon and have increased the public sector bed capacity by more than 25 percent at the national level.

**Education Sector:** The IDB interventions in the education sector have contributed to enhancing access to education and improving its quality in Lebanon. The eight completed projects in education enhanced learning environment and modernized laboratory equipment in 42 schools including 31 new vocational schools. Similarly, the projects in Lebanese University contributed to upgrading equipment of the Faculty of Engineering and provided new buildings with modern equipped laboratories. In West Beqaa, Schools have been completed with an average of 25 students per class.

# \$1,390 MILLION

HAS BEEN APPROVED BY  
IDB GROUP SINCE 1980  
FOR 139 OPERATIONS  
IN LEBANON IN FOUR KEY  
SECTORS – WATER AND  
SANITATION; TRANSPORT; HEALTH  
AND EDUCATION



## “Completed projects in the transport sector have added 204 km to the road network in various parts of the Lebanon”



The evaluations conducted in 1436H showed that the IDB Group's interventions have been relevant to the national priorities of member countries and to the IDB's strategic agenda. The outputs, outcomes and impacts of the post-evaluated projects contributed to improving access to basic utilities such as potable water, sanitation, electricity, transport infrastructure, and health services, and supporting basic, primary and higher education, promoting Islamic finance and developing institutional capacity. A number of valuable lessons have been drawn from the evaluations conducted during the year. These lessons have been disseminated to provide feedback for improving future IDB Group interventions.

### 3.4 AUDIT ACTIVITIES

The Group Internal Audit Department (GIAD) helps the IDB Group to accomplish its objectives by bringing a systematic, disciplined approach to assess and improve the effectiveness of risk management, internal control, and governance processes. Its activities are conducted in compliance with the audit charter and manual, code of ethics and the internationally recognized professional framework and standards set by the Institute of Internal Auditors (IIA). Its role is to raise awareness of risks and their mitigating controls and provide advice to management in developing effective control solutions.

The GIAD's Annual Audit Plan development process, which employs a risk-based approach, ensures that the Plan is aligned with IDB Group's strategic priorities and its most significant risks. Management's view of risk areas is also considered. In addition, the Plan remains current by instituting a continuous risk assessment process which ensures that resources continued to be targeted to areas of highest risk covering the core business activities of the IDB Group including treasury, operations, finance, administration, sovereign and non-sovereign credit assessments, export credit and investment insurance, trade finance, and IT systems. Accordingly, individual audit assignments, that are part of the plan, are carried out during the year. GIAD also undertakes other assignments on an ad hoc basis in response to specific requests by the Management and the Audit Committee which encompass consulting, advising, investigating, facilitating, process designing, training and are restricted primarily to the domain of GIAD's competencies and expertise.

In 1436H, GIAD successfully rolled out the implementation of TeamCentral, an on-line tracking module of the TeamMate Audit Management System (other modules of TeamMate were implemented in 1435H). TeamCentral provides automated issue tracking management capability that allows business units to submit status updates online; thus increasing the level of efficiency and accountability

in the implementation follow-up process throughout the IDB Group.

In line with its continuous efforts to enhance audit practices, GIAD participated in the 46th Annual Meeting of the Group of Representatives of Internal Audit Services of the United Nations Organizations, Multilateral Financial Institutions and Associated International Organizations (RIAS) which was held in the Asian Development Bank (ADB) headquarters in Manila; where invaluable experiences and best practices in internal auditing were shared among the participants.

### 3.5 RISK MANAGEMENT

IDB pursues prudent risk management policies and practices with an emphasis on optimal deployment of capital resources for effective delivery on its developmental mandate while minimizing exposure to risks. This strategy has helped the Bank to preserve its financial soundness and achieve good results despite a difficult operating environment and financial market turbulences.

The Bank enjoys a very high commitment from member countries as evidenced by several capital increases that resulted in the issued and authorized capital reaching ID50 billion and ID100 billion respectively. This has strengthened the financial capacity and commitment headroom of IDB.

IDB continues to leverage its risk management framework to address all types of financial risk associated with its business (credit, market, liquidity and operational risks) and adjusts the policies, guidelines and processes to its evolving risk profile. In managing these risks, due consideration is given to the risk-bearing capacity and prudential rules anchored to its capital adequacy and exposure management framework. Risk oversight is performed at different levels with the Board of Executive Directors (BED) and its Audit Committee approving the risk strategy, policies and guidelines. Management, supported by the Group Risk Management Committee (GRMC) and Asset and Liability Management Committee (ALCO) ensures the execution of the Bank's activities in accordance with

approved risk governance frameworks. The Group Risk Management Department is responsible for independent and ongoing risk identification, quantification, monitoring and reporting as well as recommending strategies to enhance financial risk governance and minimize overall risk exposure.

In the light of the strong growth of its operations, the Bank gives a high priority to strengthening its internal risk management capacity in addition to fiduciary controls and safeguards. In this regard, the Bank is taking steps toward developing an Enterprise Risk Management Framework with the objective of further reinforcing risk governance, monitoring, portfolio management and streamlining business processes. This will contribute to the development of a comprehensive risk model for each entity and the IDB Group as a whole to maintain its long-term sustainability and build resilience to stress events.

The IDB Group is committed to ensuring that all its activities are governed by strict internal procedures and guidelines to facilitate regularity, transparency and legality in all aspects of its activities. The Group's internal policy takes into consideration the unbiased and non-political recommendations of international entities such as the United Nations Financial Action Task Force (FATF) and its Forty Plus Nine Recommendations on Anti-Money Laundering and Combating Financing of Terrorism, as well as the International Convention for Suppression of the Financing of Terrorism and UN Security Resolution No. 1373 as measures to combat money laundering and the financing of terrorism.

### 3.6 INTEGRITY FUNCTION

IDB Group management recognizes that appropriate and efficient use and management of resources and funds are fundamental prerequisites for achieving the IDB Group's primary objectives, which are to contribute to the reduction of poverty and support sound development in member countries. To achieve this, the IDB Group established the Group Integrity Office (GIO) to combat fraudulent and corrupt practices on IDB-related projects.

The GIO has successfully implemented the IDB Group Speak Up Hotline and a Case Management System (CMS), which is designed to facilitate the reporting of fraudulent and corrupt practices and related staff misconduct. The Speak Up Hotline is open 24/7 and 365 days a year with multilingual interview specialists in over 175 different languages. Reports can also be anonymously submitted via CMS's highly secure and web-based self-reporting system at [integrity.isdb.org](http://integrity.isdb.org).

**“The IDB Group is committed to ensuring that all its activities are governed by strict internal procedures and guidelines”**



**OPEN 24/7  
AND 365 DAYS A YEAR**  
THE IDB GROUP SPEAK UP HOTLINE IS  
OPERATED BY MULTILINGUAL INTERVIEW  
SPECIALISTS IN OVER 175 LANGUAGES

The GIO is in the process of establishing a phased mandatory E-Learning Ethics and Integrity training program for all the IDB Group Staff members as implemented in other MDBs. This E-Learning system will focus on training new and current IDB Group staff members on Bank's Ethics and Integrity related to policy and procedures, which will include a thorough review of existing policies and procedures and an annual successful completion of related videos and questionnaires.

The GIO has participated in the Ethics Network of Multilateral Institutions (ENMO) on 7-10 July, 2015 where fruitful discussions were held in the form of plenary sessions and round tables to review institutional progress in the context of ethics and industry best practices. The GIO presented an engaging Conflict of Interest case study with representatives from the IMF and the UN Secretariat. Other members shared various materials and provided numerous practices of promoting coherence and transparency among ethics programs that are aimed at developing effective leadership, management and ethical operational functions in their respective organizations. At the end of the meeting, the IDB Group was nominated as Chair for the 2016 ENMO Meeting.

### 3.7 GROUP TEN-YEAR STRATEGY FRAMEWORK

The IDB Group 10-Year Strategy Framework (10YSF) was endorsed by the Board of Governors (BoG) at its 39th Annual Meeting<sup>6</sup>, and by the General Assemblies (GAs) of Members of the IDB Group. The Framework helps IDB

Group to respond more effectively to socio-economic changes and demands in the coming ten years, both from its member countries and globally, thereby, updating the IDB Group Vision<sup>7</sup> given the changing global context<sup>8</sup>. The 39th BoG resolved that the IDB Board of Executive Directors (BED) work with the Management on the further detailing of the 10YSF and associated work plans and programs.

Three key initiatives have been undertaken for the detailing of the 10YSF as follows:

- In addition to recently launched institutional performance efforts such as the Knowledge Management & Innovation strategy and Enhancing Work Environment, additional efforts were exerted to address the short-term measures that were identified in the 40-Year Assessment Report.
- In shaping the IDB Group towards a result-based management culture, the IDB Group results-based framework, including a results-based scorecard (RSC)<sup>9</sup> comparable to those used at other MDBs was adopted by the Joint Boards of the IDB and its group members. This results-based framework (Fig. 3.1) will continue to be refined and updated with selective indicators and targets, to direct the long-term (10 year strategy) implementation, and a means to enhance group-wide synergy in delivering effective results to its member countries and communities.
- Based on the directional plan endorsed by the Joint Boards of IDB and its group members, detailed action plans for five key initiatives to enhance organizational effectiveness, operational efficiency and ensure financial sustainability, are being developed, to put in place the needed institutional infrastructure for the implementation of the 10 year strategy.

Based on a normalized growth that was duly noted by the Board of Governors (BoG) at its 40th Annual Meeting, and by the General Assemblies (GAs) of Members of the IDB Group, the 10 year strategy will be rolled out via an annually-prepared 3-Year Rolling Work Plan (3YWP), within which the annual Budget is included, starting with 1437/38H-1439H (2016-2018). Clearly, neither global development nor the development of IDB Group member countries will remain static. As such, the IDB Group 10-Year Strategy Framework will need to be adapted and updated, particularly reflecting implementation challenges, embodied in the 3YWP.

<sup>6</sup>BoG Resolution No. BG/3-435.

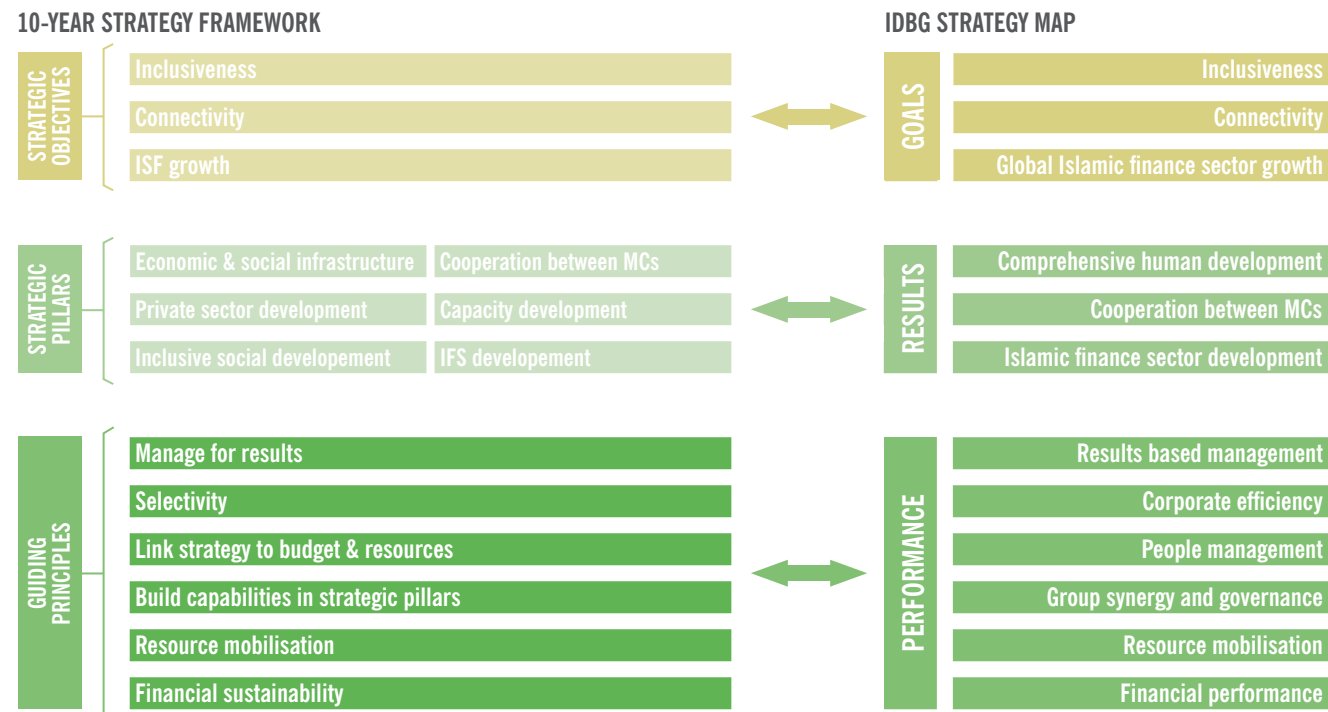
<sup>7</sup>IDB Vision 1440H was reported at the 31st BoG meeting (Kuwait).

<sup>8</sup>Among others, the UN is updating the Millennium Development Goals (MDG), that is ending by 2015; OIC Ten Year Plan of action is ending by 2015, and a new 10 Year plan is being developed; the World Bank and African Development Bank have announced their next 10-15 years long term strategies

<sup>9</sup>Also referred to, generically, as a corporate scorecard.



FIG. 3.1 IDB GROUP STRATEGY MAPPED TO 10-YEAR STRATEGY FRAMEWORK



### 3.8 GROUP INFORMATION MANAGEMENT AND TECHNOLOGY SOLUTIONS

The IDB Group Business Enhancement and Systems Transformation Program (GBEST Program) is at the final stage of implementation. The program started in Ramadan 1433H, using the SAP and MISYS Platforms to automate the IDB Business Processes and Transform the Bank into a world-class process-based institution.

During the years 1434H, 1435H and 1436H several solutions were delivered for live use in all business areas of the IDB Group such as: Funds Management; Cash Management; Bank Communication Management; Employee and Manager Self Services; Budget Planning and Consolidation; Scholarship Management; Treasury and Investments Management; Operations Financing; Travel Management and the Operations Management. Work is in progress to complete the remaining solutions of Risk Management; Enterprise Content Management; SAP Strategy Management and Business Intelligence & Analytics Management.

The Program is scheduled to be completed as planned within the approved budget while maintaining the highest quality of deliverables and solutions.

### 3.9 KNOWLEDGE MANAGEMENT AND INNOVATION

The Knowledge Management Strategy was finalized and approved by the IDB Board of Executive Directors in 1436H. It aims to position the IDB Group as the 'best practice institution, reference and knowledge broker of choice in the niche of Islamic socio-economic development and banking knowledge' for both member countries and Muslim communities in non-member countries.

The Bank in 1436H undertook a number of KM activities including organizing (i) the Knowledge for Sustainable Development Forum during the 40th Annual Meeting of the Bank in Maputo, Mozambique, (ii) the Knowledge & Innovation Fair and Forum (KIFF), which was a major activity to influence the change in sharing culture, (iii) a workshop on Capacity Building in Knowledge Management to provide staff with the necessary skills to participate effectively in Communities of Practices (CoPs), use the KM Platform as well as a broad array of tools, methodologies, templates, (iv) launched the 'Dare to Share' award, which calls on staff to share a story or article on a subject close to their heart and related to the CoP working area, (v) introduced a newsletter "Knowledge Matters" which highlights recent announcements, news, KM ongoing

and planned activities as well as selected KM tools and techniques. So far, the newsletter was issued every quarter and one special edition for the Annual Meeting.

In 1436H, the Communities of Practices (CoP) were revitalized, in terms of working towards achieving its objectives to promote knowledge sharing and learning across the IDB Group. For instance, two of the five active CoPs provided intellectual guidance to knowledge sharing events during the IDB Annual Meeting in Maputo, Mozambique. Similarly, the IDB Group library embarked on laying the foundation for transforming itself into a 21st century library and knowledge center. Three initiatives were launched to drive this process: (i) modernizing the information technology infrastructure by installing a state of the art integrated library management system, and replacing the library website with a new library portal; (ii) creating a stimulating, adaptable environment that facilitates and inspires creativity and innovation by redesigning the library space; and (iii) moving towards an e-library by digitizing some of its collections (reference, learning resources) and availing of more e-resources.

During 1436H, 13 Knowledge Sharing events and two Knowledge Café Talks were organized to create a culture of knowledge sharing and connecting internal and external experts, knowledge workers to explore and share important contemporary development topics, lessons learned and good practices.

In the area of innovation activities under the KM program, the Bank in conjunction with its 40th Annual Meeting in Maputo, Mozambique organized (i) the third annual exhibition focusing on innovative development solutions. The exhibition, which brought together 24 innovative solutions from 19 countries in the fields of agriculture, water, and energy, was designed to create a platform for innovators and entrepreneurs from member countries to meet, network, share practices and plan for knowledge transfer in the future, and (ii) a workshop on Social Innovation for Development in order to create awareness on various facts on Social Innovation and help in building capacity of young people to become

social entrepreneurs. A book, titled, Innovation Solutions in Agriculture, Water and Energy was also published detailing information about the exhibited solutions.

Other innovation events organized by the Bank in 1436H included the Senegal Innovation Exchange, held in Dakar, Senegal on 8-9 April 2015. The event, consisting of several technical workshops and an exhibition aimed at exploring technical feasibilities of replicating three innovative solutions from the member countries, was inaugurated by the Senegal's Minister of Economy and Finance. Two Corporate Innovation trainings entitled REVlate and a workshop on Design Thinking held at the IDB HQ were organized in collaboration with the King Abdullah University of Science & Technology (KAUST). The training was designed and delivered by the Entrepreneurship Center of KAUST.

The Bank and the Boğaziçi University (Istanbul, Turkey) designed an online certification program in English on Innovation and Entrepreneurship focusing on developing, managing and sustaining an enabling environment for innovation and entrepreneurship. The certification course with 3 major modules and span over four months started in August 2015 with 30 participants from the IDB member countries.

### 3.10 HUMAN RESOURCES MANAGEMENT

**Aligning People Strategy to the 10-Year Strategy:** The People Strategy seeks primarily to support the realization of the vision and mission of the IDB Group. It was developed with a view to achieve full alignment with the 10-year business strategy, the 40-year retrospective assessment report and BCG report recommendations. It focuses on human capital enhancement with a view to better align IDB Group's human resources with strategic priorities.

INNOVATIVE SOLUTIONS WERE EXHIBITED AT THE THIRD ANNUAL EXHIBITION. AS PART OF THE KM PROGRAM ACTIVITY A BOOK, TITLED, *INNOVATION SOLUTIONS IN AGRICULTURE, WATER AND ENERGY* WAS ALSO PUBLISHED DETAILING INFORMATION ABOUT THE EXHIBITED SOLUTIONS



As such, the Strategy focuses on reviewing the existing HR systems and policies necessary to implement it, realizing the right skill mix, balancing growth with internal efficiency, especially for human resources as they constitute a significant portion of the operating expenses, assessing the internal capacities of IDB Group in detail with the dual objective of streamlining employee-related expenses and increasing internal operating efficiency.

With the above objectives in mind, the Human Resources Management Department has completed a 3-Year Operating Plan aligned with the 3-Year Business Plan. The key areas of focus in the 3-Year Plan and the achievements during 1436H are presented below:

**Recruitment and Selection:** The Recruitment function aims at attracting the right talent to the IDB Group in order to help achieve its strategic priorities. In 1436H, the Bank continued its efforts to fill its vacant positions at its headquarters as well as at Regional Offices and Country Gateway Offices. The target for year was to fill at least 70 positions. The Bank issued 107 job offers since 1st Muharram 1436H. Out of 155 vacancies for which job offers were issued, 94 were filled by 64 externals and 30 internal candidates (Box 3.2). The geographical distribution policy of the Bank in terms of recruitment has been followed. Recruited staff came from various member countries and non-member countries. At the end of 1436H, the total staff of IDB Group reached 1,192 comprising 9 Management, 56 directors, 66 managers, 703 professionals, 137 para-professionals and 221 support staff.

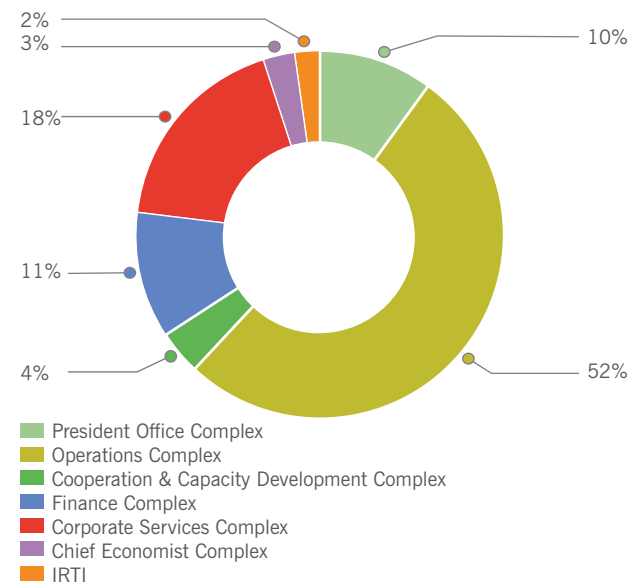
To improve the integration of new staff and ensure higher rate of retention, the onboarding processes have been re-engineered in 1435H. A new full-time onboarding specialist was appointed in 1436H. The onboarding specialist is taking care of the whole onboarding process from the time of the job offer is accepted to ensure that administrative hurdles are reduced and that the staff integration is smooth.

**Leadership & Staff Development:** To support the IDB with high-impact leadership and talent to foster its strategic objectives, HRMD has undertaken the following major programs in 1436H:

- 360 Degree feedback and Executive Coaching for all members of the Management, Directors and Managers to improve leadership effectiveness.
- Management Development Program for 28 Directors and 39 Managers in partnership with a leading European business school, which was followed up with focused coaching sessions.
- Training and Cultural Orientation of Managers for IDB Country Gateway Offices



**FIG 3.2 BREAKDOWN OF 94 JOINERS IN 1436H BY COMPLEX**



- IDB Group Culture Model Awareness, eight sessions were organized for 204 staff members from different departments.
- Launch of Talent Management System (TMS) consisting of the following modules:
  - *Learning Management System (LMS)*: This module was launched successfully in 1435H and it is being fully utilized by all IDB staff during 1436H. This has contributed to the overall efficiency of the training function.
  - *E-Learning Platform*: it consists of two Knowledge Centers -- Leadership and Professional Foundation. IDB Group staff have 24/7 access to more than 250 online courses in various leadership and foundational skills.
  - *Staff Performance Management System (SPMS)*: this consists of the new platform for staff performance appraisal. It is fully automated and integrated with the other Talent Management System modules. This module is configured and tested during 1436H and will be launched in the next staff performance cycle (1437H / 2016)
  - *Career and Succession Planning System*: This module will be launched in 1437H and it will be a major addition to the talent management strategy envisioned through the implementation of the Talent Management System
- Publication of a monthly HR Newsletter to promote open communication on areas of staff interest. This publication is making a significant contribution to culture change.



- Five Talent Management policies are either approved or under the approval process.
- Furthermore, to support the IDB with fresh talent from highly respected academic institutions, 11 YPs have been recruited in 1436H through a rigorous selection process. With this addition, the total number of YPs under training has reached 22 YPs, which is the highest for many years. They represent diverse geographies and 18 nationalities, 11 fields of specialization and different skills and education systems. They will go through a rigorous training and rotational assignments for 27 months as part of a Foundation Stage of the program before being confirmed across the IDB Group.

### 3.11 ENHANCING WORK ENVIRONMENT

Recognizing the need to make the work environment more conducive to attracting and retaining talent and to boost productivity and performance of the existing staff, the IDB Group President launched the IDB Group Enhancing Work Environment (EWE) initiative. The EWE program, through surveys, workshops and online consultations, not only provided insight of operational issues and challenges affecting the staff and the work environment, but also promoted bottom-up solutions.

In working on the initiative, a dedicated team followed these three steps:

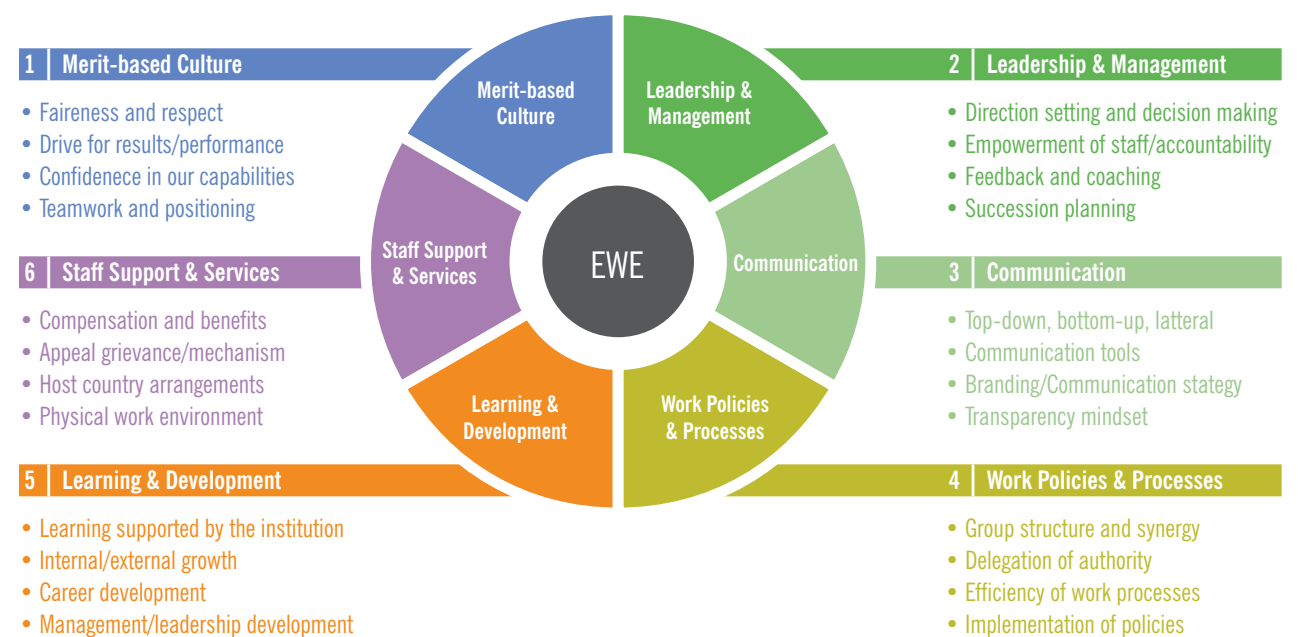
- *Diagnosis*: The team performed a comprehensive review of all internal/external assessments conducted on the

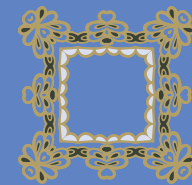
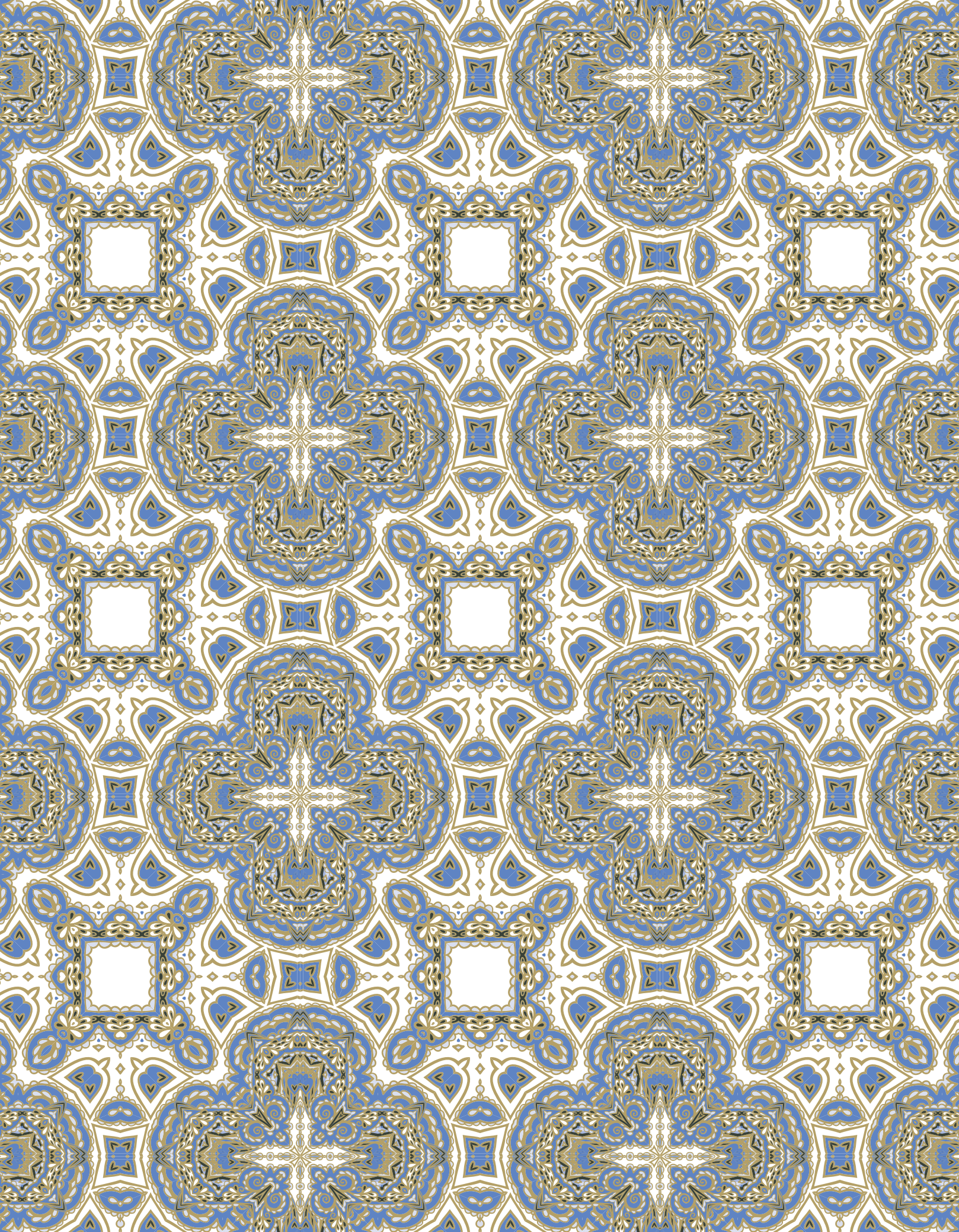
Bank over the last five to seven years. It also conducted an online survey in which more than 80 responses were received as well as one-to-one interviews with selected staff who had faced major difficulties in the Work Environment. The issues were grouped into six clusters as shown below.

- *Validation*: The above findings were presented and validated at three forums: a Group Management Committee Meeting, an IDB Group Coordination Forum, and a Staff Town Hall.
- *Solutions*: An EWE Solutions Workshop was organized with 70 participants from across the IDB Group to brainstorm about solutions that are needed to address the issues highlighted in the diagnosis exercise. The proposals received were synthesized into 50 actionable solutions for management consideration. Twenty-one proposals were approved by the management for immediate implementation while 20 proposals were conceptually cleared for development of implementation plans. The outcome was presented to all the staff in a town hall meeting led by the President himself to address the concerns of the staff.

The Bank has put in place a mechanism to regularly monitor the progress and follow-up with the concerned implementing departments. The outcome of the implementation will be assessed at the end of the year and the outcome will be communicated to staff in full transparency. 🌟

**FIG 3.3 DIAGNOSIS: THE SIX CLUSTERS OF IDBG WORK ENVIRONMENT ISSUES**





# ANNEXES 1-5

## INCORPORATING

- Annex 1** Shari'ah Audit Report
- Annex 2** Islamic Development Bank Ordinary Capital Resources
- Annex 3** Islamic Development Bank Special Account Resources Waqf Fund
- Annex 4** IDB Board of Executive Directors and their Constituencies
- Annex 5** Statement of IDB Share Capital Subscription & Voting Power of the IDB Executive Directors

## ISLAMIC DEVELOPMENT BANK SHARI'AH AUDIT REPORT FOR 1436H

Praise be to Allah and may Allah's prayer and peace be upon our  
Prophet, Muhammad, and on his household and companions

**Chairman of the Board of Governors,  
Members of the Board of Governors,**

*Assalamu alaikum warahmatullahi wabarakatuhu*

Following your request to provide you with a Shari'ah report on the IDB Group's 1436H activities, we have audited the existing principles as well as the contracts pertaining to the transactions undertaken by the Islamic Development Bank's – Ordinary Capital Resources, Islamic Corporation for the Insurance of Investment and Export Credit, Islamic Corporation for the Development of the Private Sector, International Islamic Trade Finance Corporation, Islamic Solidarity Fund for Development, Awqaf Properties Investment Fund (IDB Group), Islamic Development Bank's Special Account Resources Waqf Fund, and Islamic Development Bank's Special World Waqf Foundation, for the year ending on 30 Dhul Hijjah 1436H (13 October 2015). We have also conducted the audit required to give an opinion on whether the IDB Group has complied with the rules and principles of the Shari'ah as well as the *Fatwas*, decisions, rulings and specific guidelines issued by us<sup>1</sup>.

The responsibility of ensuring that the IDB Group operate in accordance with the rules and principles of the Shari'ah lies with the management of the IDB Group. Our responsibility is to merely give our opinion based on our audit of the IDB Group's operations and to prepare a report thereon.

We have carried out our audit, which involved examining the IDB Group's documentation and standard procedures for all types of operations.

We planned and carried our audit so as to obtain every fact and explanation that we deemed necessary to provide us with enough proof to reasonably confirm that the IDB Group has not contravened the rules and principles of the Shari'ah.

<sup>1</sup> Members of the Islamic Development Bank Group Shari'ah Committee are: His Eminence Dr. Hussein Hamed Hassan Chairman, His Eminence Dr. Abdulsattar Abu Ghuddah Deputy Chairman, His Excellency Sheikh Abdullah S. M. Al Meneea, His Eminence Shaik Muhammad Taqi Usmani, His Eminence Ayatu Allah Shaik Mohammad Ali Taskhiri.

## IN OUR OPINION

1. The IDB Group has followed the procedures required to comply with the contracts that the Committee prepared and audited.
2. The dividends paid and the losses incurred on the investment accounts are in conformity with the basis that we adopted in line with the rules and principles of the Shari'ah.
3. All gains made from transactions or methods forbidden under the rules and principles of the Shari'ah have been avoided by spending them on charity.
4. The IDB Group does not pay *Zakat* because the sources of its assets are either from public or *Waqf* funds or from institutions that have not delegated the IDB Group any authority to pay *Zakat* on their behalf. The payment of *Zakat* is the sole responsibility of the owners.

We pray that Allah the Almighty enable the IDB Group to follow the right path in the interest of the *Ummah*.

*Wassalamu alaikum warahmatullahi wabarakatuhu*

## The Shari'ah Committee IDB Group



**Dr. Hussien Hamid Hassan**  
Chairman of the Committee



**Aboubacar Salihou KANTE**  
IDB Group Internal  
Shari'ah Auditor

Jumad- ul - Awwal 29, 1437H  
March 9, 2016  
Jeddah

## ANNEX 2

ISLAMIC DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES  
FINANCIAL STATEMENTS AND INDEPENDENT JOINT AUDITOR'S REPORT  
YEAR ENDED 30 DHUL HIJAH 1436H (13 OCTOBER 2015)

### INDEPENDENT JOINT AUDITORS' REPORT

Your Excellencies the Chairman and Members of the Board of Governors  
Islamic Development Bank  
Jeddah  
Kingdom of Saudi Arabia

We have audited the accompanying statement of financial position of Islamic Development Bank - Ordinary Capital Resources (the "Bank") as of Dhul Hijjah 30, 1436H (October 13, 2015) and the related statements of income, changes in members' equity and cash flows for the year then ended and the attached notes from 1 to 34 which form an integral part of the financial statements.

#### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and to operate in accordance with Islamic Shari'ah rules and principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at Dhul Hijjah 30, 1436H (October 13, 2015), and the results of its operations, changes in members' equity and its cash flows for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and the Shari'ah rules and principles as determined by the Shari'ah Committee of the Bank.

### PricewaterhouseCoopers



Ali. A. Alotaibi  
Certified Public Accountant  
Registration No. 379



PricewaterhouseCoopers  
P.O. Box 16415  
Jeddah 21464  
Kingdom of Saudi Arabia

### KPMG Al Fozan & Al Sadhan



Ebrahim Oboud Baeshen  
Certified Public Accountant  
Registration No. 382



KPMG Al Fozan & Al Sadhan  
P.O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia

Jumad- ul - Awwal 29, 1437H  
March 9, 2016  
Jeddah

## ANNEX 2

### ISLAMIC DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES STATEMENT OF FINANCIAL POSITION

AS OF 30 DHUL HIJAH 1436H

(All amounts in thousands of Islamic Dinars unless otherwise stated)

	Notes	1436H	1435H (Restated)
Cash and cash equivalents	4	235,724	1,043,659
Commodity placements	5	1,699,794	1,731,444
Sukuk investments	6	1,764,101	1,047,793
Murabaha financing	7	272,138	253,911
<b>Treasury assets</b>		<b>3,971,757</b>	<b>4,076,807</b>
Istisna'a assets	9	4,125,553	3,692,588
Restricted Mudaraba	10	527,763	225,576
Instalment sale	11	1,399,026	1,334,409
Ijarah assets	12	2,515,584	2,268,273
Loans	13	1,845,397	1,770,911
<b>Project assets</b>		<b>10,413,323</b>	<b>9,291,757</b>
Equity Investments	15	739,769	777,641
Investment in Associates	16	656,872	633,150
Other investments		90,671	87,172
<b>Investment assets</b>		<b>1,487,312</b>	<b>1,497,963</b>
Property and equipment		64,255	52,939
Other assets	17	160,796	155,799
<b>Other assets</b>		<b>225,051</b>	<b>208,738</b>
<b>Total Assets</b>		<b>16,097,443</b>	<b>15,075,265</b>
<b>Liabilities</b>			
Commodity purchase liabilities	19	676,159	1,031,228
Sukuk issued	18	7,317,434	6,104,949
Other liabilities	20	254,353	218,017
<b>Total Liabilities</b>		<b>8,247,946</b>	<b>7,354,194</b>
<b>Members' Equity</b>			
Paid-up capital	22	4,939,998	4,853,867
Reserves	23	2,751,839	2,702,155
Net income for the year		157,660	165,049
<b>Total Members' Equity</b>		<b>7,849,497</b>	<b>7,721,071</b>
<b>Total Liabilities and Members' Equity</b>		<b>16,097,443</b>	<b>15,075,265</b>
<b>Restricted Investment Accounts</b>	28	<b>73,888</b>	<b>64,067</b>

The notes from 1 to 34 form an integral part of these financial statements.

## ANNEX 2

### ISLAMIC DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES INCOME STATEMENT

FOR THE YEAR ENDED 30 DHUL HIJAH 1436H

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	Notes	1436H	1435H (Restated)
<b>Income from:</b>			
Commodity placements		17,959	26,517
Sukuk investments	6	48,228	38,978
Murabaha financing		9,887	7,319
<b>Treasury assets</b>		<b>76,074</b>	<b>72,814</b>
Istisna'a		149,209	153,091
Restricted Mudaraba		12,807	-
Instalment Sale		64,767	61,746
Ijarah		236,301	203,109
Depreciation of assets under Ijarah	12	(173,972)	(160,381)
Loans		20,847	14,004
<b>Project assets</b>		<b>309,959</b>	<b>271,569</b>
Equity capital		42,203	36,293
Associates	16	16,095	13,409
Other investments		3,815	1,343
<b>Investment assets</b>		<b>62,113</b>	<b>51,045</b>
Other income		13,505	4,639
Foreign exchange Losses		(32,292)	(14,444)
losses from swap	17	(27,600)	(5,429)
<b>Others</b>		<b>(46,387)</b>	<b>(15,234)</b>
<b>Total income</b>		<b>401,759</b>	<b>380,194</b>
Financing costs	18,19	(110,705)	(84,367)
Impairment charge	14	(18,867)	(12,946)
<b>Net income before operating expenses</b>		<b>272,187</b>	<b>282,881</b>
Administrative expenses	24	(109,293)	(110,146)
Depreciation		(5,234)	(7,686)
<b>Total operating expenses</b>		<b>(114,527)</b>	<b>(117,832)</b>
<b>Net income for the year</b>		<b>157,660</b>	<b>165,049</b>

The notes from 1 to 34 form an integral part of these financial statements.

## ANNEX 2

### ISLAMIC DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

FOR THE YEAR ENDED 30 DHUL HIJJAH 1436H

#### STATEMENT OF CHANGES IN MEMBERS' EQUITY

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	Notes	Reserves					Total Reserves	Net income	Total
		Paid-up capital	General reserve	Fair value reserve	Pension and medical obligation	Other reserves			
<b>Balance at 29 Dhul Hijjah 1434H, Previously reported</b>		4,799,791	1,987,975	390,634	(91,180)	(12,983)	<b>2,274,446</b>	170,413	<b>7,244,650</b>
Prior year adjustment	30	-	257,704	-	-	-	<b>257,704</b>	-	<b>257,704</b>
Reclassification No. 1	30	-	-	26,492	-	(26,492)	-	-	-
<b>Balance at 29 Dhul Hijjah 1434H, Restated</b>		<b>4,799,791</b>	<b>2,245,679</b>	<b>417,126</b>	<b>(91,180)</b>	<b>(39,475)</b>	<b>2,532,150</b>	<b>170,413</b>	<b>7,502,354</b>
Increase in paid-up capital		54,076	-	-	-	-	-	-	<b>54,076</b>
Fair value gains from investments	15	-	-	60,820	-	-	<b>60,820</b>	-	<b>60,820</b>
Increase in actuarial losses relating to retirement pension and medical plans	21	-	-	-	(1,736)	-	<b>(1,736)</b>	-	<b>(1,736)</b>
Contribution to the principal amount of ISFD	25	-	(64,879)	-	-	-	<b>(64,879)</b>	-	<b>(64,879)</b>
Share in associated reserve movement	16	-	-	-	-	19,409	<b>19,409</b>	-	<b>19,409</b>
Net income for 1435H		-	-	-	-	-	-	165,049	<b>165,049</b>
Transfer to general reserve		-	170,413	-	-	-	<b>170,413</b>	(170,413)	-
Allocation for grants	23	-	(14,022)	-	-	-	<b>(14,022)</b>	-	<b>(14,022)</b>
<b>Balance at 30 Dhul Hijjah 1435H</b>		<b>4,853,867</b>	<b>2,337,191</b>	<b>477,946</b>	<b>(92,916)</b>	<b>(20,066)</b>	<b>2,702,155</b>	<b>165,049</b>	<b>7,721,071</b>
Increase in paid-up capital		86,131	-	-	-	-	-	-	<b>86,131</b>
Fair value losses from investments	15	-	-	(48,463)	-	-	<b>(48,463)</b>	-	<b>(48,463)</b>
Decrease in actuarial losses relating to retirement pension and medical plans	21	-	-	-	5,534	-	<b>5,534</b>	-	<b>5,534</b>
Contribution to the principal amount of ISFD	25	-	(69,835)	-	-	-	<b>(69,835)</b>	-	<b>(69,835)</b>
Share in associated reserve movement	16	-	-	-	-	8,674	<b>8,674</b>	-	<b>8,674</b>
Net income for 1436H		-	-	-	-	-	-	157,660	<b>157,660</b>
Transfer to general reserve		-	165,049	-	-	-	<b>165,049</b>	(165,049)	-
Allocation for grants	23	-	(11,275)	-	-	-	<b>(11,275)</b>	-	<b>(11,275)</b>
<b>Balance at 30 Dhul Hijjah 1436H</b>		<b>4,939,998</b>	<b>2,421,130</b>	<b>429,483</b>	<b>(87,382)</b>	<b>(11,392)</b>	<b>2,751,839</b>	<b>157,660</b>	<b>7,849,497</b>

The notes from 1 to 34 form an integral part of these financial statements.

## ANNEX 2

### ISLAMIC DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

YEAR ENDED 30 DHUL HIJJAH 1436H

#### STATEMENT OF CASH FLOWS

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	Notes	1436H	1435H (Restated)
<b>Cash flows from operations</b>			
Net income for the year		<b>157,660</b>	<b>165,049</b>
Adjustments for non-cash items			
Depreciation of property and equipment		5,234	7,686
Share of income in associates	16	(16,095)	(13,409)
Provision for impairment of financial assets	14	18,867	12,946
Unrealised fair value losses / (gains) on Sukuk	6	1,421	(13,312)
Amortization of other income (Deferred grant)		(567)	(566)
Foreign exchange losses		32,292	14,444
Gain on disposal of equity investment		(20)	(332)
Loss on disposal of other investment		-	1,914
Changes in accrued income		8,000	(84,160)
Changes in accrued expenses		(16,768)	18,852
<b>Operating income before changes in operating assets and liabilities</b>		<b>190,024</b>	<b>109,112</b>
<b>Changes in operating assets and liabilities:</b>			
Istisna'a		(406,194)	(388,798)
Restricted Mudaraba		(292,536)	(225,576)
Instalment sales		(144,030)	(14,762)
Ijarah		(207,157)	(120,396)
Loans		(44,541)	(54,812)
Other assets		(25,811)	170,195
Other liabilities		54,629	(208,249)
<b>Net cash used in operating activities</b>		<b>(875,616)</b>	<b>(733,286)</b>
<b>Cash flows from investing activities</b>			
Commodity placements		90,798	831,743
Acquisition of Sukuk investments	6	(765,732)	(469,921)
Proceeds from disposal/redemption of sukuk investments	6	125,453	59,749
Murabaha		6,984	(16,370)
Acquisition of equity investments	15	(12,450)	(9,965)
Proceeds from disposal of equity investments		870	5,494
Acquisition of other investments		347	(10,891)
Proceeds from disposal of other investments		-	11,310
Dividend from associates	16	1,047	618
Additions to property and equipment		(16,550)	(3,363)
<b>Net cash used in / from investing activities</b>		<b>(569,233)</b>	<b>398,404</b>
<b>Cash flows from financing activities</b>			
Increase in paid-up capital		86,131	54,076
Technical assistance and scholarship grants		(11,275)	(14,349)
Contribution to the principal amount of ISFD		(69,835)	(64,552)
Proceeds from issuance of sukuk		1,127,280	2,947,747
Redemption of sukuk		(170,338)	(1,235,160)
Commodity purchase liabilities		(327,447)	(519,827)
<b>Net cash from financing activities</b>		<b>634,516</b>	<b>1,167,935</b>
Net change in cash and cash equivalents		(810,333)	833,053
Exchange difference on cash and cash equivalents		2,398	148
Cash and cash equivalents at 1 Muharram		1,043,659	210,458
<b>Cash and cash equivalents at 30 Dhul Hijjah</b>	<b>4</b>	<b>235,724</b>	<b>1,043,659</b>

The accompanying notes from 1 to 34 form an integral part of these financial statements

### ANNEX 3

**SPECIAL ACCOUNT RESOURCES WAQF FUND (WAQF FUND)  
FINANCIAL STATEMENTS AND INDEPENDENT JOINT AUDITORS' REPORT**  
YEAR ENDED 30 DHUL HIJAH 1436H (13 OCTOBER 2015)

## INDEPENDENT JOINT AUDITORS' REPORT

Your Excellencies the Chairman and Members of the Board of Governors  
Islamic Development Bank  
Jeddah  
Kingdom of Saudi Arabia

We have audited the accompanying statement of financial position of the Islamic Development Bank - Special Account Resources Waqf Fund (the "Fund") as of Dhul Hijjah 30, 1436H (October 13, 2015) and the related statements of activities, changes in net assets and cash flows for the year then ended and the attached notes from 1 to 27 which form an integral part of the financial statements.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and to operate in accordance with Islamic Shari'ah rules and principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at Dhul Hijjah 30, 1436H (October 13, 2015), and the results of its activities, changes in net assets and cash flows for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Shari'ah rules and principles as determined by the Shari'ah Committee of the Fund.

## PricewaterhouseCoopers



Ali. A. Alotaibi  
Certified Public Accountant  
Registration No. 379



**PricewaterhouseCoopers**  
P.O. Box 16415  
Jeddah 21464  
Kingdom of Saudi Arabia

## KPMG Al Fozan & Al Sadhan



Ebrahim Oboud Baeshen  
Certified Public Accountant  
Registration No. 382



**KPMG Al Fozan & Al Sadhan**  
P.O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia

Jumad- ul - Awwal 29, 1437H  
March 9, 2016  
Jeddah



### ANNEX 3

**ISLAMIC DEVELOPMENT BANK - SPECIAL ACCOUNT RESOURCES WAQF FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**30 DHUL HIJAH 1436H (13 OCTOBER 2015)**  
 (ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	Notes	1436H	1435H
<b>Assets</b>			
<b>Treasury assets</b>			
Cash and cash equivalents	4	45,551	39,611
Commodity placements	5	278,112	235,255
Syndicated Murabaha	6	5,589	1,035
Investments in Sukuk	7	135,356	133,146
<b>Investments assets</b>			
Equity capital	8	29,300	29,301
Associates	9	126,050	114,139
Funds	10	55,698	81,758
Syndicated Ijarah	11	12,589	19,435
<b>Loans</b>	12	164,276	184,387
<b>Other assets</b>			
Other assets		13,969	35,493
Fixed assets		23,634	24,780
<b>Total assets</b>		<b>890,124</b>	<b>898,340</b>
<b>Liabilities</b>			
Commodity purchase liabilities	13	80,576	85,241
Accruals and other liabilities	14	17,327	13,035
<b>Total liabilities</b>		<b>97,903</b>	<b>98,276</b>
<b>Net assets</b>		<b>792,221</b>	<b>800,064</b>
<b>Represented by:</b>			
Waqf Fund principal amount		773,908	769,357
Special assistance		(139,961)	(121,499)
Special account for Least Developed Member Countries (LDMC)		158,274	152,206
<b>Total Funds</b>		<b>792,221</b>	<b>800,064</b>

The notes from 1 through 27 form an integral part of these financial statements.

### ANNEX 3

**ISLAMIC DEVELOPMENT BANK - SPECIAL ACCOUNT RESOURCES WAQF FUND**  
**STATEMENT OF ACTIVITIES AND STATEMENT OF CHANGES IN NET ASSETS**  
**30 DHUL HIJAH 1436H (13 OCTOBER 2015)**  
 (ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	Notes	1436H				1435H
		Waqf Fund principal amount	Special assistance	Special account for LDMC	Total	
<b>Income from:</b>						
<b>Treasury assets</b>						
Commodity placements					2,439	2,966
Syndicated Murabaha					19	1,971
Investments in Sukuk	7				3,626	5,416
<b>Investment assets</b>						
Associates	9				7,012	305
Funds					(1,277)	5,980
Other					3,630	2,696
					15,449	19,334
Financing costs	13				(4)	(14)
Foreign exchange (loss)/gains					(1,683)	671
<b>Income before impairment charge</b>					<b>13,762</b>	<b>19,991</b>
Impairment charge					(2,695)	(32,389)
<b>Attributable net income/(loss)</b>					<b>11,067</b>	<b>(12,398)</b>
Allocation of attributable net income		3,216	3,563	4,288	-	-
Donations to Special Assistance			1,841		1,841	-
Islamic Technical Financial Assistance Grant from IsDB-OCR		-	129	-	129	19
Share of income transferred from IsDB-OCR		15	64	20	99	34
Contributions from IsDB-OCR for technical assistance grants and scholarship program	16	-	8,429	-	8,429	8,654
<b>Income/(loss) before grants and program expenses</b>		<b>3,231</b>	<b>14,026</b>	<b>4,308</b>	<b>21,565</b>	<b>(3,691)</b>
Grants for causes	15	-	(23,448)	-	(23,448)	(27,222)
Program expenses	15	-	(14,760)	-	(14,760)	(14,307)
<b>Net deficit for the year</b>		<b>3,231</b>	<b>(24,182)</b>	<b>4,308</b>	<b>(16,643)</b>	<b>(45,220)</b>
<b>Statement of change in net assets</b>						
Net assets/(liabilities) at 1 Muharram		769,357	(121,499)	152,206	800,064	825,571
Net deficit for the year		3,231	(24,182)	4,308	(16,643)	(45,220)
Fair value and other reserves		1,320	5,720	1,760	8,800	19,713
<b>Net assets/(liabilities) at end of Dhul Hijjah</b>		<b>773,908</b>	<b>(139,961)</b>	<b>158,274</b>	<b>792,221</b>	<b>800,064</b>

The notes from 1 through 27 form an integral part of these financial statements.

### ANNEX 3

#### ISLAMIC DEVELOPMENT BANK - SPECIAL ACCOUNT RESOURCES WAQF FUND STATEMENT OF CASH FLOWS

30 DHUL HIJAH 1436H (13 OCTOBER 2015)

(ALL AMOUNTS IN THOUSANDS OF ISLAMIC DINARS UNLESS OTHERWISE STATED)

	Note	1436H	1435H
<b>Cash flows from operations</b>			
Net deficit for the year		(16,643)	(45,220)
<b>Adjustments to reconcile net deficit to net cash used in operating activities</b>			
Depreciation		1,197	1,160
Provision for impairment		2,695	32,389
Share of income in associates, net	9	(7,012)	(305)
Realised gain on sale of other funds		607	
Investment fair value (gains)/losses	7	2,348	(2,626)
Foreign exchange loss		(165)	(7,527)
<b>Change in operating assets and liabilities</b>			
Syndicated Murabaha		(4,554)	14,113
Syndicated Ijarah		6,846	-
Loans		20,111	(3,065)
Other assets		21,735	50,982
Changes in accrued income		(960)	(3,157)
Accruals and other liabilities		4,292	(1,210)
<b>Net cash from operations</b>		<b>30,497</b>	<b>35,534</b>
<b>Cash flows from investing activities</b>			
Commodity placements		(42,866)	(131,178)
Acquisition of Investments in Sukuk	7	(72,179)	(85,872)
Redemption of investments in Sukuk	7	69,776	4,732
Additions to investments in equity capital	8	-	(16,686)
Acquisition of investments in associates	9	-	(12,486)
Disposal of investments in associates	9	-	3,231
Additions to investments in funds	10	(10,953)	(4,073)
Disposal of investments in funds	10	34,953	67,760
Dividends from associates	9	1,427	-
Additions to fixed assets		(50)	(228)
<b>Net cash utilized in investing activities</b>		<b>(19,892)</b>	<b>(174,400)</b>
<b>Cash flows from financing activities</b>			
Commodity purchase liabilities		(4,665)	85,241
<b>Cash utilized in financing activities</b>		<b>(4,665)</b>	<b>85,241</b>
<b>Net change in cash and cash equivalents</b>		<b>5,940</b>	<b>(53,625)</b>
Cash and cash equivalents at 1 Muharram		39,611	93,236
<b>Cash and cash equivalents at end of Dhul Hijjah</b>	<b>4</b>	<b>45,551</b>	<b>39,611</b>

The notes from 1 through 27 form an integral part of these financial statement

### ANNEX 4

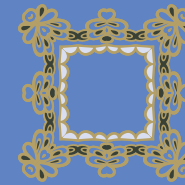
#### IDB BOARD OF EXECUTIVE DIRECTORS AND THEIR CONSTITUENCIES

Director	Constituency
Hon. Dr. Hamad Bin Suleiman Al Bazai	Saudi Arabia
Hon. Bader Abdullah Abuaziza	Libya
Hon. Dr. Hosein Ghazavi Khouasgani	Iran
Hon. Ali Hamdan Ahmed	United Arab Emirates
Hon. Mohammed Gambo Shuaibu	Nigeria
Hon. Bader Ahmed Al Qayed	Qatar
Hon. Zeinhom Zahran	Egypt
Hon. Wisam Jasem Al-Othman	Kuwait
Hon. Ibrahim Halil Canakci	Turkey
Hon. ISA Rachmatarwata (Indonesia)	Indonesia, Brunei Darussalam, Suriname and Malaysia
Hon. Zia-ur-Rahman Haleemi (Afghanistan)	Afghanistan, Pakistan, Bangladesh and Maldives
Hon. Mohamed Zemmouri (Algeria)	Tunisia, Algeria, Morocco and Mauritania
Hon. Dr. Mohamed Ahmed Hassan Al-Afandi (Yemen)	Bahrain, Sudan, Oman and Yemen
Hon. Mrs. Zourehatou Kassah –Traore (Togo)	Burkina Faso, Togo, Gambia, Senegal, Mali, and Niger
Hon. Dr. Hisham Alshaar (Lebanon)	Jordan, Syria, Iraq, Palestine, and Lebanon
Hon. Dr. Zul Kifl Salami (Benin)	Benin, Guinea, Guinea-Bissau, Sierra Leone, Cameroon and Côte d'Ivoire
Hon. Ulan Aiylichiev (Kyrgyz Republic)	Azerbaijan, Albania, Uzbekistan, Turkmenistan, Tajikistan, Kazakhstan and Kyrgyz Republic
Hon. Abdirahman Sharif (Somalia)	Uganda, Chad, Gabon, Djibouti, Comoros, Mozambique and Somalia

ANNEX 5

STATEMENT OF IDB SHARE CAPITAL SUBSCRIPTION & VOTING POWER OF THE IDB EXECUTIVE DIRECTORS

Country	No. of Shares	Consolidated Position of Subscribed Share Capital							Voting Power	
		Amount in Million ID			% of Total	Breakdown of Called-up Capital (ID)			No. of Votes	% Voting
		Called-up	Callable	Total		Paid-up	Overdue	Not Yet Due		
Saudi Arabia	1,189,680	2135.850	9760.950	11896.800	23.52	1,227.006	0.000	908.844	1,099,296	24.01
Libya	477,166	856.660	3915.000	4771.660	9.43	444.259	29.273	383.128	436,426	9.53
Iran	417,463	749.480	3425.150	4174.630	8.25	430.292	0.000	319.188	386,044	8.43
Nigeria	387,452	695.590	3178.930	3874.520	7.66	148.379	65.720	481.492	333,231	7.28
U.A.E.	379,949	682.120	3117.370	3799.490	7.51	364.630	0.000	317.490	348,700	7.62
Qatar	363,236	653.040	2979.320	3632.360	7.18	337.851	*	315.189	332,217	7.26
Egypt	357,965	641.910	2937.740	3579.650	7.08	346.000	0.000	295.910	328,874	7.18
Kuwait	350,000	880.900	2619.100	3500.000	6.92	525.140	0.000	355.760	314,924	6.88
Turkey	326,384	585.280	2678.560	3263.840	6.45	315.470	*	269.810	299,903	6.55
Algeria	128,559	230.530	1055.060	1285.590	2.54	123.664	0.596	106.270	118,372	2.59
Pakistan	128,559	230.540	1055.050	1285.590	2.54	124.433	0.000	106.107	118,448	2.59
Indonesia	113,795	204.160	933.790	1137.950	2.25	124.203	0.057	79.900	106,299	2.32
Malaysia	82,308	147.600	675.480	823.080	1.63	79.560	0.000	68.040	76,004	1.66
Bangladesh	50,996	91.440	418.520	509.960	1.01	49.274	0.016	42.150	47,279	1.03
Yemen	25,862	46.190	212.430	258.620	0.51	24.758	0.052	21.380	24,219	0.53
Morocco	25,669	46.030	210.660	256.690	0.51	24.816	*	21.214	24,048	0.53
Sudan	23,295	41.820	191.130	232.950	0.46	13.862	10.175	17.783	20,999	0.46
Jordan	21,976	39.450	180.310	219.760	0.43	22.729	0.000	16.721	20,804	0.45
Senegal	14,781	26.540	121.270	147.810	0.29	9.374	5.875	11.291	13,564	0.30
Oman	14,255	25.560	116.990	142.550	0.28	13.780	*	11.780	13,577	0.30
Brunei	12,836	23.020	105.340	128.360	0.25	12.410	0.000	10.610	12,275	0.27
Cameroon	12,836	23.020	105.340	128.360	0.25	12.029	0.381	10.610	12,237	0.27
Burkina Faso	9,017	23.020	67.150	90.170	0.18	12.424	0.000	10.596	8,457	0.18
Niger	9,017	23.020	67.150	90.170	0.18	7.273	5.137	10.610	7,942	0.17
Gabon	5,458	27.400	27.180	54.580	0.11	12.742	2.028	12.630	4,492	0.10
Kazakhstan	5,400	9.760	44.240	54.000	0.11	5.285	*	4.475	5,453	0.12
Azerbaijan	5,092	9.130	41.790	50.920	0.10	4.921	0.000	4.209	5,171	0.11
Mali	5,092	9.130	41.790	50.920	0.10	5.085	0.000	4.045	5,187	0.11
Iraq	4,824	24.210	24.030	48.240	0.10	13.051	*	11.159	4,208	0.09
Guinea	4,585	23.020	22.830	45.850	0.09	8.564	3.846	10.610	3,639	0.08
Mauritania	3,577	9.130	26.640	35.770	0.07	4.920	0.000	4.210	3,656	0.08
Bahrain	2,588	12.990	12.890	25.880	0.05	7.000	*	5.990	2,489	0.05
Kyrgyz Republic	2,584	4.630	21.210	25.840	0.05	2.500	*	2.130	2,871	0.06
Mozambique	2,584	4.630	21.210	25.840	0.05	2.526	*	2.104	2,874	0.06
Uganda	2,463	12.410	12.220	24.630	0.05	9.779	2.631	0.000	2,700	0.06
Benin	2,080	10.450	10.350	20.800	0.04	4.494	1.515	4.442	1,984	0.04
Palestine	1,955	9.850	9.700	19.550	0.04	5.106	4.744	0.000	1,981	0.04
Tunisia	1,955	9.850	9.700	19.550	0.04	9.779	0.070	0.001	2,448	0.05
Syria	1,849	9.280	9.210	18.490	0.04	5.003	*	4.277	1,921	0.04
Sierra Leone	1,816	4.640	13.520	18.160	0.04	2.142	0.000	2.498	2,066	0.05
Tajikistan	1,816	4.630	13.530	18.160	0.04	2.644	*	1.986	2,117	0.05
Uzbekistan	1,344	3.730	9.710	13.440	0.03	2.650	*	1.080	1,736	0.04
Comoros	1,302	3.570	9.450	13.020	0.03	0.560	1.940	1.070	1,501	0.03
Cote D'Ivoire	1,302	3.570	9.450	13.020	0.03	2.500	*	1.070	1,695	0.04
Afghanistan	993	5.000	4.930	9.930	0.02	4.069	0.129	0.802	1,400	0.03
Chad	977	4.920	4.850	9.770	0.02	4.667	0.253	0.000	1,452	0.03
Lebanon	977	4.920	4.850	9.770	0.02	4.920	*	0.000	1,477	0.03
Albania	923	4.630	4.600	9.230	0.02	2.499	0.001	2.130	1,210	0.03
Gambia	923	4.630	4.600	9.230	0.02	2.500	*	2.130	1,210	0.03
Maldives	923	4.630	4.600	9.230	0.02	2.501	*	2.129	1,210	0.03
Suriname	923	4.630	4.600	9.230	0.02	2.501	*	2.129	1,210	0.03
Djibouti	496	2.500	2.460	4.960	0.01	1.625	0.875	0.000	909	0.02
Guinea-Bissau	496	2.500	2.460	4.960	0.01	2.212	0.288	0.000	967	0.02
Somalia	496	2.500	2.460	4.960	0.01	2.500	*	0.000	996	0.02
Togo	496	2.500	2.460	4.960	0.01	2.500	*	0.000	996	0.02
Turkmenistan	465	2.500	2.460	4.960	0.01	2.500	*	0.000	996	0.02
Shortfall / (Overpayment), Net	*	*	*	*	0.00	0.137	0.000	(0.137)	*	*
<b>Sub-Total</b>	<b>4,991,841</b>	<b>9,354.64</b>	<b>40,563.77</b>	<b>49,918.41</b>	<b>98.69</b>	<b>4,940.00</b>	<b>135.60</b>	<b>4,279.04</b>	<b>4,578,363.08</b>	<b>100.00</b>
Available for Subscription	66,361	-	663.61	663.61	1.31		*		*	*
<b>Grand Total</b>	<b>5,058,202</b>	<b>9,354.64</b>	<b>41,227.38</b>	<b>50,582.02</b>	<b>100.00</b>	<b>4,940.00</b>	<b>135.60</b>	<b>4,279.04</b>	<b>4,578,363.08</b>	<b>100.00</b>



# ANNEXES 6a-9b

## INCORPORATING

- Annex 6a Approvals by Entities and Modes of Financing (ID million)
- Annex 6b Approvals by Entities and Modes of Financing (\$ million)
- Annex 7a IDB Group Net Approvals by Country and Entity (ID Million)
- Annex 7b IDB Group Net Approvals by Country and Entity (\$ Million)
- Annex 8 Cumulative IDB Group Operations by Major Mode of Financing
- Annex 9a Sectoral Distribution of OCR Net Approvals by Country 1436H
- Annex 9b Sectoral Distribution of Cumulative OCR Net Approvals by Country 1396H-1436H

## ANNEX 6A:

### APPROVALS BY ENTITIES AND MODES OF FINANCING (1396H-1436H)<sup>1</sup> (ISLAMIC DINAR - ID MILLION)

	1432H	1433H	1434H	1435H	1436H	1396H-1436H
<b>A. IDB OCR</b>						
Loan	249.3	244.4	260.5	227.6	228.0	5,215.0
Equity	44.0	203.5	50.1	60.3	70.1	1,032.4
Leasing	618.4	407.6	518.3	1,150.7	423.6	7,431.8
Instalment Sale	142.4	610.0	118.9	273.1	251.9	3,726.9
Combined Lines of Financing	50.0	0.0	0.0	32.5	0.0	458.0
Profit Sharing/Musharaka	62.0	33.3	0.0	0.0	0.0	223.8
Istisna'a	1,334.1	1,305.5	1,582.2	1,581.5	2,041.5	13,166.9
Mudaraba	0.0	0.0	292.8	0.0	412.3	705.1
Technical Assistance	25.4	13.7	11.9	18.1	6.9	302.0
<b>Sub-Total</b>	<b>2,525.6</b>	<b>2,817.9</b>	<b>2,834.7</b>	<b>3,343.9</b>	<b>3,434.4</b>	<b>32,261.7</b>

<b>B. ICD</b>						
Equity	78.3	91.7	130.4	48.7	114.2	819.9
Leasing	0.0	52.4	6.5	29.1	51.7	356.4
Instalment Sale	0.0	0.0	0.0	0.0	0.0	85.3
Istisna'a	3.2	0.0	0.0	13.5	0.0	18.6
Murabaha	86.7	59.7	146.2	119.8	306.5	920.8
<b>Sub-Total</b>	<b>168.3</b>	<b>203.8</b>	<b>283.2</b>	<b>211.0</b>	<b>472.5</b>	<b>2,200.9</b>

<b>C. ITFC</b>						
Murabaha	1,777.3	2,786.5	3,226.7	3,343.4	4,518.1	19,751.8

<b>D. Others</b>						
UIF	22.2	23.6	65.1	44.1	19.6	1,612.8
APIF	21.5	28.0	54.6	43.0	63.1	295.2
Special Assistance Operations	9.6	5.3	4.7	4.5	4.1	568.6
Pre-ITFC trade (EFS, IBP, ITFO)	0.0	0.0	0.0	0.0	0.0	21,809.3
Sub-Total	53.3	56.9	124.5	91.5	86.8	24,285.9
<b>Grand Total</b>	<b>4,524.5</b>	<b>5,865.1</b>	<b>6,469.2</b>	<b>6,989.9</b>	<b>8,511.7</b>	<b>78,500.3</b>

<b>Memo:</b>						
E. ICIEC Operation for the last five years and total since inception (ID million)						
	1432H	1433H	1434H	1435H	1436H	1417H-1436H
New Commitments	2,122.1	1,510.9	1,468.3	2,394.5	2,710.2	18,357.5
Business Insured	2,016.5	2,008.8	2,195.8	2,909.6	3,744.4	18,337.9

<b>OCR-IDB Resources and Finance (at year's end)</b>						
	1432H	1433H	1434H	1435H	1436H	
Total Assets	10,351.2	11,446.7	13,429.4	15,075.3	16,097.4	
Gross Income	375.9	467.8	498.1	540.6	575.7	
Net Income	109.0	130.2	170.4	165.0	157.7	
General Reserves	1,769.8	1,858.5	1,858.2	2,224.2	2,322.4	
Fair Value Reserves	377.1	433.8	416.2	477.9	429.5	
Subscribed Capital	17,782.6	17,782.6	17,803.8	49,865.7	49,918.4	
Approved Administrative budget*	88.80	98.38	105.10	107.5	107.5	
Actual Administrative budget*	81.30	88.94	96.98	103.2	107.1	

\* include Trust Funds (i.e. Al-Quds and Al-Aqsa Funds)

<sup>1</sup> Cut-off date for data reported in this table was 30 Dhul-Hijja 1436H (13 October 2015).

Source: IDB Data Resources and Statistics Division, ERPD

The conversion rates for the various years are as follows:

1432H IID = \$1.55621    1436H IID = \$1.41162  
 1433H IID = \$1.52623    1396H-1436H IID = \$1.44741  
 1434H IID = \$1.53128    (approximation only)  
 1435H IID = \$1.48509

## ANNEX 6B:

### APPROVALS BY ENTITIES AND MODES OF FINANCING (1396H-1436H)<sup>1</sup> (\$ MILLION)

	1432H	1433H	1434H	1435H	1436H	1396H-1436H
<b>A. IDB OCR</b>						
Loan	383.2	375.9	396.5	346.8	330.9	7,343.4
Equity	68.1	313.7	76.0	90.0	97.3	1,500.8
Leasing	982.7	621.2	783.2	1,770.0	610.3	10,999.3
Instalment Sale	220.7	927.1	182.0	416.1	357.4	5,385.4
Combined Lines of Financing	75.0	0.0	0.0	50.0	0.0	653.0
Profit Sharing/Musharaka	100.0	50.0	0.0	0.0	0.0	332.6
Istisna'a	2,078.1	2,007.1	2,388.8	2,415.5	2,902.9	19,770.5
Mudaraba	0.0	0.0	440.0	0.0	600.0	1,040.0
Technical Assistance	39.1	21.0	18.3	27.9	10.7	429.9
<b>Sub-Total</b>	<b>3,946.7</b>	<b>4,316.0</b>	<b>4,284.8</b>	<b>5,116.4</b>	<b>4,909.5</b>	<b>47,454.9</b>

<b>B. ICD</b>						
Equity	121.9	139.9	199.8	72.4	161.2	1,234.0
Leasing	0.0	80.0	10.0	43.2	73.0	527.5
Instalment Sale	0.0	0.0	0.0	0.0	0.0	125.2
Istisna'a	5.0	0.0	0.0	20.0	0.0	27.7
Murabaha	135.0	91.1	224.0	177.9	432.7	1,371.7
<b>Sub-Total</b>	<b>261.9</b>	<b>311.0</b>	<b>433.8</b>	<b>313.4</b>	<b>666.9</b>	<b>3,286.2</b>

<b>C. ITFC</b>						
Murabaha	2,788.4	4,286.4	4,901.0	5,136.4	6,396.8	29,832.0

<b>D. Others</b>						
UIF	34.5	36.1	99.7	65.5	27.8	2,314.9
APIF	33.5	42.8	83.7	63.8	89.1	441.6
Special Assistance Operations	15.1	8.1	7.2	6.9	5.8	743.4
Pre-ITFC trade (EFS, IBP, ITFO)	0.0	0.0	0.0	0.0	0.0	29,549.0
<b>Sub-Total</b>	<b>83.1</b>	<b>86.9</b>	<b>190.6</b>	<b>136.2</b>	<b>122.7</b>	<b>33,048.8</b>

<b>Grand Total</b>	7,080.1	9,000.2	9,810.2	10,702.4	12,095.9	113,622.0
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<b>Memo:</b>						
E. ICIEC Operation for the last five years and total since inception (\$ million)						
	1432H	1433H	1434H	1435H	1436H	1417H-1436H
New Commitments	3,310.5	2,311.7	2,248.4	3,556.0	3,825.8	27,602.0
Business Insured	3,145.8	3,073.5	3,362.5	4,321.0	5,285.6	27,469.7

<sup>1</sup> Cut-off date for data reported in this table was 30 Dhul-Hijja 1436H (13 October 2015).

Source: IDB Data Resources and Statistics Division, ERPD

**ANNEX 7A:**  
**IDB GROUP NET APPROVALS BY COUNTRY AND ENTITY (ID MILLION)**

Country	1436H <sup>1</sup> Approvals by Entity					Share in (1396H-1436H) approvals (%)
	OCR	ICD	ITFC	Others <sup>2</sup>	Total (1436H)	
Afghanistan	0.0	0.0	0.0	0.0	0.0	0.1
Albania	0.0	0.0	0.0	0.0	0.0	0.5
Algeria	0.0	7.1	0.0	0.0	7.1	2.5
Azerbaijan	0.0	7.1	21.8	0.0	28.9	1.2
Bahrain	0.1	35.4	0.0	0.0	35.5	1.7
Bangladesh	84.6	47.5	700.2	3.9	836.1	15.5
Benin	185.9	0.0	21.7	0.0	207.6	0.7
Brunei	0.0	2.8	0.0	0.0	2.8	0.1
Burkina Faso	95.7	0.0	109.8	0.0	205.5	1.3
Cameroon	199.4	31.9	66.1	0.0	297.4	1.0
Chad	122.6	19.9	0.0	0.0	142.5	0.8
Comoros	0.0	0.0	42.6	0.0	42.6	0.1
Côte d'Ivoire	179.5	0.0	31.3	0.0	210.8	0.8
Djibouti	18.7	0.0	85.0	0.0	103.7	0.4
Egypt	150.5	18.9	1,246.2	0.0	1,415.6	8.5
Gabon	87.4	0.0	0.0	0.0	87.4	0.5
Gambia	0.0	0.0	31.7	0.0	31.7	0.5
Guinea	93.9	0.0	0.0	0.0	93.9	0.6
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	91.7	0.0	91.7	3.2
Iran	0.0	0.0	0.0	0.0	0.0	5.1
Iraq	0.0	0.0	0.0	0.0	0.0	0.6
Jordan	0.0	12.0	106.7	9.9	128.6	2.3
Kazakhstan	47.9	17.7	85.8	0.0	151.4	1.1
Kuwait	0.0	0.0	0.0	0.0	0.0	1.3
Kyrgyz Republic	26.5	0.0	0.0	0.0	26.5	0.2
Lebanon	90.1	0.0	0.0	0.0	90.1	1.4
Libya	0.0	0.0	0.0	0.0	0.0	0.7
Malaysia	14.5	10.6	0.0	0.0	25.1	0.9
Maldives	0.0	0.0	0.0	2.6	2.6	0.3
Mali	17.8	0.0	16.8	0.0	34.6	0.8
Mauritania	0.0	1.1	61.5	7.6	70.2	1.1
Morocco	0.0	0.0	0.0	0.0	0.0	5.7
Mozambique	143.9	21.3	3.6	0.0	168.7	0.4
Niger	32.6	0.0	0.0	0.0	32.6	0.6
Nigeria	0.0	0.0	40.1	0.0	40.1	0.8
Oman	314.2	0.0	0.0	0.0	314.2	1.1
Pakistan	62.5	0.0	706.0	0.0	768.5	8.9
Palestine	1.2	0.0	0.0	0.0	1.2	0.2
Qatar	0.0	0.0	0.0	0.0	0.0	0.4
Saudi Arabia	65.0	19.6	8.5	19.5	112.6	4.1
Senegal	288.9	0.0	43.3	0.0	332.2	1.8
Sierra Leone	6.5	0.0	7.2	0.0	13.7	0.2
Somalia	0.8	0.0	0.0	0.0	0.8	0.1
Sudan	0.0	0.0	0.0	8.1	8.1	1.4
Suriname	26.3	0.0	19.6	0.0	45.9	0.2
Syria	0.0	0.0	0.0	0.4	0.4	1.0
Tajikistan	11.7	0.0	6.5	0.0	18.2	0.3
Togo	155.9	0.0	44.2	0.0	200.1	0.5
Tunisia	206.7	17.4	0.0	0.0	224.1	2.8
Turkey	413.9	56.7	905.8	0.0	1,376.3	7.9
Turkmenistan	0.0	0.0	0.0	0.0	0.0	0.4
U.A.E.	0.0	21.3	7.5	0.0	28.8	0.8
Uganda	198.2	28.3	0.0	0.0	226.5	0.8
Uzbekistan	39.3	0.0	0.0	0.0	39.3	1.5
Yemen	27.0	0.3	0.0	0.0	27.3	1.0
Non-Member Countries	21.6	0.0	7.1	34.7	63.3	0.6
Regional Projects	3.0	95.6	0.0	0.0	98.7	1.0
Special Programs	0.0	0.0	0.0	0.0	0.0	0.1
<b>Net Approvals</b>	<b>3,434.4</b>	<b>472.5</b>	<b>4,518.1</b>	<b>86.8</b>	<b>8,511.7</b>	<b>100</b>

<sup>1</sup> Cut-off date for data reported in this table was 30 Dhul-Hijja 1436H (13 October 2015).

<sup>2</sup> Comprised of APIF, EFS, IBP, ITFO, SAO, and UIF

Source: IDB Data Resources and Statistics Division, ERPD

**ANNEX 7B:**  
**IDB GROUP NET APPROVALS BY COUNTRY AND ENTITY (\$ MILLION)**

Country	1436H <sup>1</sup> Approvals by Entity					Share in (1396H-1436H) approvals (%)
	OCR	ICD	ITFC	Others <sup>2</sup>	Total (1436H)	
Afghanistan	0.0	0.0	0.0	0.0	0.0	0.1
Albania	0.0	0.0	0.0	0.0	0.0	0.5
Algeria	0.0	10.0	0.0	0.0	10.0	2.2
Azerbaijan	0.0	10.0	30.0	0.0	40.0	1.2
Bahrain	0.1	50.0	0.0	0.0	50.1	1.8
Bangladesh	117.6	67.0	1,000.0	5.5	1,190.1	15.9
Benin	271.7	0.0	30.0	0.0	301.7	0.7
Brunei	0.0	4.0	0.0	0.0	4.0	0.0
Burkina Faso	138.0	0.0	153.5	0.0	291.5	1.3
Cameroon	265.7	45.0	91.3	0.0	402.0	1.0
Chad	173.5	28.2	0.0	0.0	201.7	0.8
Comoros	0.0	0.0	60.0	0.0	60.0	0.1
Côte d'Ivoire	264.8	0.0	44.0	0.0	308.8	0.9
Djibouti	26.5	0.0	120.0	0.0	146.5	0.4
Egypt	220.0	26.7	1,760.0	0.0	2,006.7	8.7
Gabon	122.7	0.0	0.0	0.0	122.7	0.5
Gambia	0.0	0.0	45.0	0.0	45.0	0.5
Guinea	134.4	0.0	0.0	0.0	134.4	0.5
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	129.0	0.0	129.0	3.3
Iran	0.0	0.0	0.0	0.0	0.0	5.2
Iraq	0.0	0.0	0.0	0.0	0.0	0.5
Jordan	0.0	17.0	150.0	14.0	181.0	2.2
Kazakhstan	70.0	25.0	125.0	0.0	220.0	1.2
Kuwait	0.0	0.0	0.0	0.0	0.0	1.3
Kyrgyz Republic	37.8	0.0	0.0	0.0	37.8	0.2
Lebanon	130.5	0.0	0.0	0.0	130.5	1.4
Libya	0.0	0.0	0.0	0.0	0.0	0.6
Malaysia	20.0	15.0	0.0	0.0	35.0	0.9
Maldives	0.0	0.0	0.0	3.7	3.7	0.3
Mali	25.3	0.0	24.0	0.0	49.3	0.8
Mauritania	0.0	1.5	85.0	10.7	97.2	1.1
Morocco	0.0	0.0	0.0	0.0	0.0	5.7
Mozambique	200.0	30.0	5.0	0.0	235.0	0.4
Niger	47.3	0.0	0.0	0.0	47.3	0.6
Nigeria	0.0	0.0	55.0	0.0	55.0	0.9
Oman	450.0	0.0	0.0	0.0	450.0	1.0
Pakistan	90.0	0.0	1,000.0	0.0	1,090.0	8.6
Palestine	2.0	0.0	0.0	0.0	2.0	0.2
Qatar	0.0	0.0	0.0	0.0	0.0	0.4
Saudi Arabia	100.0	27.7	12.0	27.6	167.3	4.1
Senegal	409.6	0.0	60.0	0.0	469.6	1.8
Sierra Leone	10.0	0.0	10.0	0.0	20.0	0.2
Somalia	1.3	0.0	0.0	0.0	1.3	0.1
Sudan	0.0	0.0	0.0	11.5	11.5	1.4
Suriname	37.0	0.0	30.0	0.0	67.0	0.2
Syria	0.0	0.0	0.0	0.6	0.6	1.0
Tajikistan	17.5	0.0	10.0	0.0	27.5	0.3
Togo	218.6	0.0	62.0	0.0	280.6	0.5
Tunisia	295.0	24.5	0.0	0.0	319.5	2.8
Turkey	600.0	80.0	1,285.0	0.0	1,965.0	7.7
Turkmenistan	0.0	0.0	0.0	0.0	0.0	0.4
U.A.E.	0.0	30.0	11.0	0.0	41.0	0.8
Uganda	281.0	40.0	0.0	0.0	321.0	0.8
Uzbekistan	57.5	0.0	0.0	0.0	57.5	1.5
Yemen	39.5	0.4	0.0	0.0	39.9	0.9
Non-Member Countries	30.0	0.0	10.0	49.0	89.0	0.6
Regional Projects	4.7	135.0	0.0	0.0	139.7	1.0
Special Programs	0.0	0.0	0.0	0.0	0.0	0.1
<b>Net Approvals</b>	<b>4,909.5</b>	<b>666.9</b>	<b>6,396.8</b>	<b>122.7</b>	<b>12,095.9</b>	<b>100</b>

<sup>1</sup> Cut-off date for data reported in this table was 30 Dhul-Hijja 1436H (13 October 2015).

<sup>2</sup> Comprised of APIF, EFS, IBP, ITFO, SAO, and UIF

Source: IDB Data Resources and Statistics Division, ERPD

## ANNEX 8:

CUMULATIVE IDB GROUP OPERATIONS BY MAJOR MODE OF FINANCING<sup>1</sup> (1396H-1436H)(1 JANUARY 1976 - 13 OCTOBER 2015)

Country	Project Financing			Technical Assistance Operations			Trade Financing			Special Assistance Operations			Grand Total <sup>2</sup>		
	No.	ID m.	\$ m.	No.	ID m.	\$ m.	No.	ID m.	\$ m.	No.	ID m.	\$ m.	No.	ID m.	\$ m.
Afghanistan	5	44.4	66.7	9	8.0	11.2	0	0.0	0.0	21	11.4	15.8	35	63.8	93.7
Albania	26	359.5	549.2	5	0.8	1.1	1	3.3	5.0	3	1.0	1.4	35	364.6	556.7
Algeria	42	452.8	602.1	11	3.0	4.0	188	1,490.0	1,887.7	7	4.5	5.6	248	1,950.3	2,499.4
Azerbaijan	36	809.6	1,229.6	15	2.6	3.8	16	102.1	152.0	4	1.5	2.0	71	915.8	1,387.4
Bahrain	64	1,101.9	1,626.5	11	1.8	2.7	22	259.7	368.5	0	0.0	0.0	97	1,363.4	1,997.6
Bangladesh	95	1,296.7	1,935.3	9	3.4	5.2	236	10,839.8	16,074.7	12	28.8	35.7	352	12,168.6	18,050.8
Benin	53	498.8	730.3	25	5.5	6.9	7	67.3	95.0	1	1.3	1.4	86	572.9	833.6
Brunei	5	39.3	50.2	3	0.4	0.6	0	0.0	0.0	0	0.0	0.0	8	39.7	50.8
Burkina Faso	81	596.8	870.3	41	11.1	14.5	13	381.6	568.0	9	8.3	8.8	144	997.8	1,461.6
Cameroon	51	608.1	867.4	15	3.3	4.2	6	143.9	207.3	3	1.3	1.7	75	756.6	1,080.7
Chad	56	559.6	834.9	31	5.0	6.9	2	22.1	31.3	10	9.9	10.8	99	596.5	883.9
Comoros	4	8.3	9.9	14	3.7	5.3	7	61.5	87.5	3	0.9	1.1	28	74.4	103.8
Côte d'Ivoire	35	546.9	815.3	4	1.2	1.8	5	98.2	147.7	5	1.0	1.2	49	647.3	966.0
Djibouti	35	177.6	267.3	18	3.0	4.2	6	112.2	162.0	10	1.7	2.3	69	294.4	435.8
Egypt	67	2,148.5	3,217.4	18	3.6	5.2	145	4,537.9	6,636.9	4	1.1	1.5	234	6,691.2	9,861.0
Gabon	21	414.6	607.0	4	1.7	2.2	0	0.0	0.0	0	0.0	0.0	25	416.2	609.2
Gambia	46	198.2	287.8	22	3.6	4.9	37	219.0	329.5	4	1.7	1.8	109	422.4	624.1
Guinea	67	385.3	538.8	36	8.5	11.3	6	37.9	48.8	6	6.1	7.8	115	437.9	606.6
Guinea-Bissau	2	1.7	1.9	8	1.6	2.1	2	11.6	15.0	3	1.1	1.3	15	16.0	20.2
Indonesia	103	1,427.2	2,116.5	13	2.2	3.3	60	1,095.5	1,587.3	4	2.9	4.4	180	2,527.8	3,711.6
Iran	76	2,254.7	3,345.9	16	4.3	6.6	173	1,728.7	2,504.8	7	10.0	13.3	272	3,997.7	5,870.6
Iraq	5	170.9	246.4	6	0.4	0.6	35	264.9	301.3	13	4.2	5.7	59	440.3	553.9
Jordan	63	655.5	918.8	28	5.0	6.9	74	1,145.2	1,522.8	1	0.2	0.3	166	1,806.0	2,448.8
Kazakhstan	23	377.5	576.7	11	1.8	2.6	20	486.8	738.0	6	1.4	1.9	60	867.4	1,319.2
Kuwait	15	162.8	232.5	15	1.6	2.3	49	864.4	1,283.5	4	6.5	7.5	83	1,035.3	1,525.8
Kyrgyz Republic	29	166.5	246.8	20	4.1	6.1	2	13.2	20.0	7	1.7	2.4	58	185.4	275.2
Lebanon	62	942.3	1,354.6	10	1.2	1.7	11	157.9	221.5	21	7.0	9.8	104	1,108.5	1,587.6
Libya	18	313.3	427.0	8	2.7	3.8	10	230.0	299.8	3	3.2	4.3	39	549.2	734.8
Malaysia	37	519.9	719.8	7	0.9	1.4	42	211.8	296.7	5	8.8	11.5	91	741.5	1,029.3
Maldives	27	110.3	161.3	13	1.9	2.6	9	109.3	169.0	3	0.6	0.8	52	222.1	333.7
Mali	75	450.2	652.1	33	10.8	14.6	11	150.9	225.4	12	14.9	16.5	131	626.8	908.6
Mauritania	73	532.0	789.1	46	17.5	24.1	19	294.7	434.7	7	9.7	11.1	145	854.0	1,259.0
Morocco	69	1,821.4	2,699.9	24	4.3	6.1	123	2,611.4	3,762.3	4	1.2	1.5	220	4,438.3	6,469.8
Mozambique	26	269.2	382.7	11	1.8	2.8	5	47.8	70.0	5	1.8	2.2	47	320.6	457.7
Niger	57	307.8	443.7	49	16.1	22.4	22	135.3	178.4	18	10.2	12.2	146	469.5	656.7
Nigeria	15	273.5	420.2	7	1.1	1.7	20	360.0	548.0	30	5.9	7.9	72	640.5	977.7
Oman	37	836.8	1,160.2	10	2.3	3.1	1	1.4	2.0	2	0.4	0.5	50	840.9	1,165.8
Pakistan	87	1,814.0	2,717.4	11	1.8	2.7	248	5,129.1	7,096.0	11	8.5	11.7	357	6,953.4	9,827.7
Palestine	23	72.1	102.9	19	12.0	18.9	1	0.7	1.0	43	41.4	53.5	86	126.2	176.4
Qatar	19	295.9	448.8	1	0.1	0.1	1	1.0	1.5	0	0.0	0.0	21	296.9	450.4
Saudi Arabia	85	1,208.3	1,809.7	28	3.0	4.2	164	1,971.1	2,889.7	4	0.3	0.4	281	3,182.6	4,704.1
Senegal	91	1,101.0	1,613.7	37	9.2	12.0	27	255.6	362.6	7	12.9	14.2	162	1,378.6	2,002.5
Sierra Leone	33	170.8	250.1	29	5.7	7.5	3	13.6	20.0	4	2.8	3.6	69	192.9	281.2
Somalia	4	8.1	11.1	14	5.1	7.6	4	36.1	46.2	48	11.5	16.2	70	60.7	81.1
Sudan	99	801.4	1,175.7	28	4.3	6.2	31	277.4	392.4	20	19.4	23.5	178	1,102.5	1,597.7
Suriname	14	97.6	144.8	5	0.4	0.6	2	26.9	40.0	2	0.1	0.2	23	125.0	185.6
Syria	37	673.8	970.9	12	3.7	5.6	25	108.2	129.5	10	1.0	1.5	84	786.8	1,107.5
Tajikistan	37	197.1	288.0	19	3.6	5.2	6	40.9	63.0	9	1.1	1.5	71	242.7	357.8
Togo	30	283.6	402.0	6	1.5	2.2	5	74.8	108.0	2	1.4	1.7	43	361.3	513.9
Tunisia	64	1,202.4	1,744.9	21	7.6	11.3	161	1,009.4	1,412.9	4	3.3	4.2	250	2,222.7	3,173.3
Turkey	99	2,044.6	2,962.7	12	4.2	5.6	339	4,167.5	5,796.5	6	17.3	20.7	456	6,233.5	8,785.5
Turkmenistan	10	298.0	465.4	4	0.8	1.1	0	0.0	0.0	1	0.2	0.3	15	299.0	466.8
U.A.E.	29	276.7	400.4	10	0.8	1.0	30	332.3	471.2	0	0.0	0.0	69	609.8	872.6
Uganda	29	597.6	887.7	21	3.9	5.2	6	39.7	53.9	9	3.4	4.5	65	644.4	951.2
Uzbekistan	38	1,019.8	1,551.8	5	0.8	1.1	14	124.2	191.6	8	1.4	1.9	65	1,146.1	1,746.4
Yemen	66	418.3	602.1	39	10.0	13.6	42	355.2	425.3	10	8.4	10.6	157	791.9	1,051.7
Regional Projects	34	606.9	914.7	376	68.4	102.2	2	45.4	66.1	70	45.3	62.9	482	766.0	1,145.9
Special Programs <sup>3</sup>	4	62.5	85.0	0	0.0	0.0	1	14.8	20.0	0	0.0	0.0	5	77.3	105.0
Non-Member Countries	25	134.5	198.4	3	3.5	5.2	9	83.3	128.9	992	217.0	296.5	1,029	438.3	629.0
<b>Net Approvals</b>	<b>2,558</b>	<b>35,225.1</b>	<b>51,750.0</b>	<b>1,326</b>	<b>302.0</b>	<b>429.9</b>	<b>2,506</b>	<b>42,404.6</b>	<b>60,698.8</b>	<b>1,517</b>	<b>568.6</b>	<b>743.4</b>	<b>7,907</b>	<b>78,500.3</b>	<b>113,622.0</b>
<b>Gross Approvals</b>	<b>2,996</b>	<b>39,232.8</b>	<b>57,361.4</b>	<b>1,424</b>	<b>326.4</b>	<b>463.9</b>	<b>3,073</b>	<b>46,735.6</b>	<b>66,823.8</b>	<b>1,562</b>	<b>576.1</b>	<b>753.8</b>	<b>9,055</b>	<b>86,871.0</b>	<b>125,403.0</b>

<sup>1</sup> Cut-off date for data reported in this table was 30 Dhul-Hijja 1436H (13 October 2015).

<sup>2</sup> Figures are net of cancellation (unless otherwise specified) and include APlF, IBP, ICD and UIF.

<sup>3</sup> These are old equity and miscellaneous activities of IBP from 1410H up to 1420H.

Source: IDB Data Resources and Statistics Division, ERPD

## ANNEX 9A:

## SECTORAL DISTRIBUTION OF OCR NET APPROVALS BY COUNTRY 1436H (\$ MILLION)

Country	Infrastructure				Agriculture and Rural Development			Human Development			Total <sup>1</sup>
	Energy & Information & Communications Technology	Public-Private Partnership	Transport	Urban Development and Services	Agriculture and Food Security	Integrated Rural Development	Water Resources and Environment	Education	Health	Other	
Afghanistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Albania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Algeria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bahrain	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Bangladesh	0.0	0.0	0.0	109.3	0.0	0.0	0.0	8.3	0.0	0.0	117.6
Benin	0.0	0.0	46.9	0.0	20.0	40.0	0.0	164.8	0.0	0.0	271.7
Brunei	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	0.0	0.0	50.6	53.9	19.3	0.0	0.0	14.2	0.0	0.0	138.0
Cameroon	0.0	0.0	177.0	0.0	30.5	0.3	30.1	0.0	27.8	0.0	265.7
Chad	0.0	0.0	151.2	0.0	22.3	0.0	0.0	0.0	0.0	0.0	173.5
Comoros	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Côte d'Ivoire	0.0	0.0	153.4	0.0	27.0	0.0	0.0	84.4	0.0	0.0	264.8
Djibouti	16.5	0.0	0.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	26.5
Egypt	220.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	220.0
Gabon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	122.7	0.0	122.7
Gambia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Guinea	134.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	134.4
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iran	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iraq	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jordan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kazakhstan	0.0	70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	70.0
Kuwait	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kyrgyz Republic	12.5	0.0	12.0	0.0	0.0	0.0	13.3	0.0	0.0	0.0	37.8

**ANNEX 9B:**  
**SECTORAL DISTRIBUTION OF CUMULATIVE OCR NET APPROVALS BY COUNTRY (1396H-1436H) (\$ MILLION)**

Country	Infrastructure				Agriculture and Rural Development			Human Development			Total <sup>1</sup>
	Energy & Information & Communications Technology	Public-Private Partnership	Transport	Urban Development and Services	Agriculture and Food Security	Integrated Rural Development	Water Resources and Environment	Education	Health	Other	
Afghanistan	16.5	0.0	40.2	0.0	0.8	0.0	10.0	9.5	0.5	0.5	77.9
Albania	0.0	0.0	404.4	43.3	0.0	54.1	5.5	0.0	17.4	23.4	548.1
Algeria	126.6	31.3	33.1	146.9	7.7	0.4	64.4	0.1	0.0	45.5	455.8
Azerbaijan	497.2	0.0	270.8	200.1	0.0	76.0	104.2	0.0	19.3	2.1	1,169.6
Bahrain	535.5	0.0	144.7	460.9	1.3	0.1	0.2	0.3	0.0	318.9	1,461.9
Bangladesh	917.9	60.0	279.5	119.5	71.2	133.4	33.5	92.7	27.3	44.6	1,779.5
Benin	189.8	0.0	119.7	5.1	49.1	56.6	41.5	228.9	33.5	12.8	737.2
Brunei	0.0	0.0	0.0	6.2	0.0	0.0	0.0	0.3	0.0	0.3	6.8
Burkina Faso	17.3	0.0	397.4	86.8	148.0	39.3	77.9	77.3	28.5	12.4	884.8
Cameroon	51.8	0.0	479.0	13.1	102.3	40.8	41.6	62.7	68.4	11.9	871.6
Chad	40.4	0.0	539.3	7.9	119.2	14.9	0.3	74.5	32.6	12.6	841.8
Comoros	0.0	0.0	8.0	0.0	2.1	0.0	1.0	0.1	2.1	1.9	15.2
Côte d'Ivoire	0.0	0.0	494.1	83.2	60.0	39.0	20.7	102.2	16.8	1.0	817.0
Djibouti	35.8	65.0	14.9	0.0	12.6	11.0	0.7	26.8	25.3	1.9	194.0
Egypt	1,952.8	0.0	482.6	50.9	0.0	70.4	159.1	34.1	50.1	108.2	2,908.1
Gabon	60.0	0.0	342.6	61.0	0.0	0.0	0.0	18.3	127.2	0.0	609.2
Gambia	76.6	0.0	53.1	0.9	57.9	17.8	19.3	33.1	22.4	2.4	283.4
Guinea	212.5	1.5	47.8	34.0	13.0	67.6	19.8	52.9	61.0	29.0	539.0
Guinea-Bissau	0.0	0.0	1.9	0.0	0.8	0.4	0.0	0.3	0.3	0.4	4.0
Indonesia	32.3	0.0	197.3	100.0	57.8	492.4	40.1	863.0	143.4	142.1	2,068.3
Iran	673.4	387.9	110.4	915.8	56.3	0.0	706.4	54.9	136.2	93.1	3,134.3
Iraq	0.0	0.0	217.0	0.0	0.0	0.0	0.0	0.2	23.9	5.8	246.9
Jordan	150.4	233.0	70.6	8.1	0.7	10.9	5.4	67.5	116.3	158.8	821.8
Kazakhstan	14.9	260.0	216.4	0.0	0.6	10.2	9.5	0.4	11.5	9.4	532.8
Kuwait	0.0	0.0	0.0	33.5	0.6	0.0	0.3	0.0	0.0	54.4	88.7
Kyrgyz Republic	74.2	0.0	112.1	0.0	1.1	19.0	13.3	0.0	5.0	11.4	236.0
Lebanon	39.5	0.0	232.1	264.4	0.0	0.0	319.3	241.8	142.2	0.7	1,240.0
Libya	123.9	0.0	58.3	0.0	0.0	50.3	22.5	0.0	0.0	113.1	368.1
Malaysia	0.0	167.0	8.4	0.0	6.5	0.0	0.0	198.2	79.9	74.3	534.3
Maldives	0.0	0.0	58.1	17.6	0.3	26.4	0.0	7.5	16.6	0.3	126.7
Mali	117.3	0.0	106.2	94.2	132.8	85.4	81.2	25.7	19.1	4.8	666.6
Mauritania	215.6	135.5	112.6	52.4	35.0	2.6	120.7	60.0	23.3	14.5	772.1
Morocco	1,242.1	221.1	559.7	125.5	80.2	25.4	359.6	20.8	0.4	51.9	2,686.8
Mozambique	237.4	0.0	30.7	0.0	21.3	9.1	33.6	40.1	13.0	0.1	385.5
Niger	50.8	0.0	130.4	9.7	79.1	10.2	75.1	57.0	20.0	19.0	451.1
Nigeria	0.0	50.0	0.0	146.0	30.0	32.4	0.0	85.1	43.2	7.2	393.9
Oman	252.5	0.0	597.4	64.2	0.0	0.0	185.5	23.6	10.5	14.6	1,148.3
Pakistan	824.2	327.3	395.5	4.9	0.4	367.4	19.1	98.2	289.0	68.0	2,393.9
Palestine	1.4	0.0	0.0	0.0	0.0	0.0	0.0	12.1	2.8	101.5	117.8
Qatar	0.0	235.0	0.0	67.6	0.0	0.0	0.0	0.0	0.0	39.3	341.9
Saudi Arabia	0.0	990.0	0.0	0.5	0.8	0.5	0.0	0.4	8.7	100.9	1,101.8
Senegal	383.2	235.4	310.5	321.8	58.8	43.4	73.7	64.6	70.0	40.7	1,602.1
Sierra Leone	35.3	0.0	39.5	14.7	90.6	34.8	4.5	15.1	22.6	0.5	257.6
Somalia	0.5	1.0	0.0	3.0	7.3	0.0	0.0	0.4	0.3	6.3	18.8
Sudan	151.6	0.0	60.3	83.0	138.2	43.6	412.8	76.0	43.6	39.8	1,048.9
Suriname	9.4	0.0	16.5	0.2	6.2	0.0	0.0	46.6	66.3	0.1	145.4
Syria	667.6	0.0	0.0	158.0	19.7	0.0	7.0	0.0	33.1	28.8	914.2
Tajikistan	70.2	0.0	71.6	11.3	1.4	11.3	51.0	47.5	18.4	2.0	284.7
Togo	57.3	0.0	212.8	9.0	0.7	19.8	34.9	51.4	18.0	0.3	404.2
Tunisia	964.5	155.3	9.0	124.9	50.4	100.5	114.2	88.3	30.2	61.1	1,698.4
Turkey	565.9	761.3	637.7	67.0	8.3	8.2	0.0	225.8	280.5	258.8	2,813.4
Turkmenistan	15.4	0.0	414.5	0.0	0.0	0.0	0.3	5.3	25.8	0.3	461.5
U.A.E.	0.0	100.0	60.1	48.3	0.0	0.0	0.0	0.2	0.0	66.0	274.7
Uganda	235.7	10.0	448.4	5.6	54.1	38.4	0.5	47.1	30.9	9.6	880.1
Uzbekistan	433.1	165.0	348.0	92.9	0.0	100.0	232.6	79.2	78.3	0.8	1,529.8
Yemen	80.3	0.0	73.2	52.9	51.2	100.3	0.0	88.1	5.3	8.7	459.9

<sup>1</sup> Cut-off date for data reported in this table was 30 Dhul-Hijja 1436H (13 October 2015).  
Source: IDB Data Resources and Statistics Division, ERPD

**NOTES**



## PERMISSIONS

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By the year 1440H, the Islamic Development Bank 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.

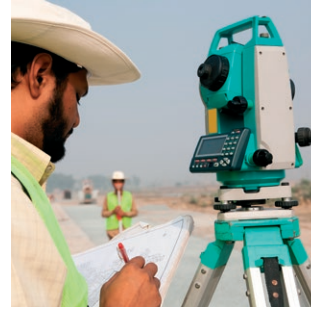
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ISLAMIC DEVELOPMENT BANK  
8111 KING KHALED ST  
AL NUZLAH YAMANIA  
UNIT 1 JEDDAH 22332-2444  
KINGDOM OF SAUDI ARABIA

Tel: (+966-12) 6361400

Fax: (+966-12) 6366871

Email: [idbarchives@isdb.org](mailto:idbarchives@isdb.org)

Website: [www.isdb.org](http://www.isdb.org)

