



IDB Group Efforts in facilitating intra-OIC trade & trade cooperation

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Islamic Development Bank (IDB) Group

1975



Islamic Development Bank (IDB)

Foster the economic development and social progress of MCs and Muslim communities.

1981



ISLAMIC RESEARCH AND TRAINING INSTITUTE

Islamic Research & Training Institute (IRTI)

Undertake applied & basic research in Islamic Economics and Finance.

1994



Globally Secure

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

Provide Shariah-compatible export credit insurance, political risk insurance, technical assistance.

1999



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

Promote development of private sector development.

2008



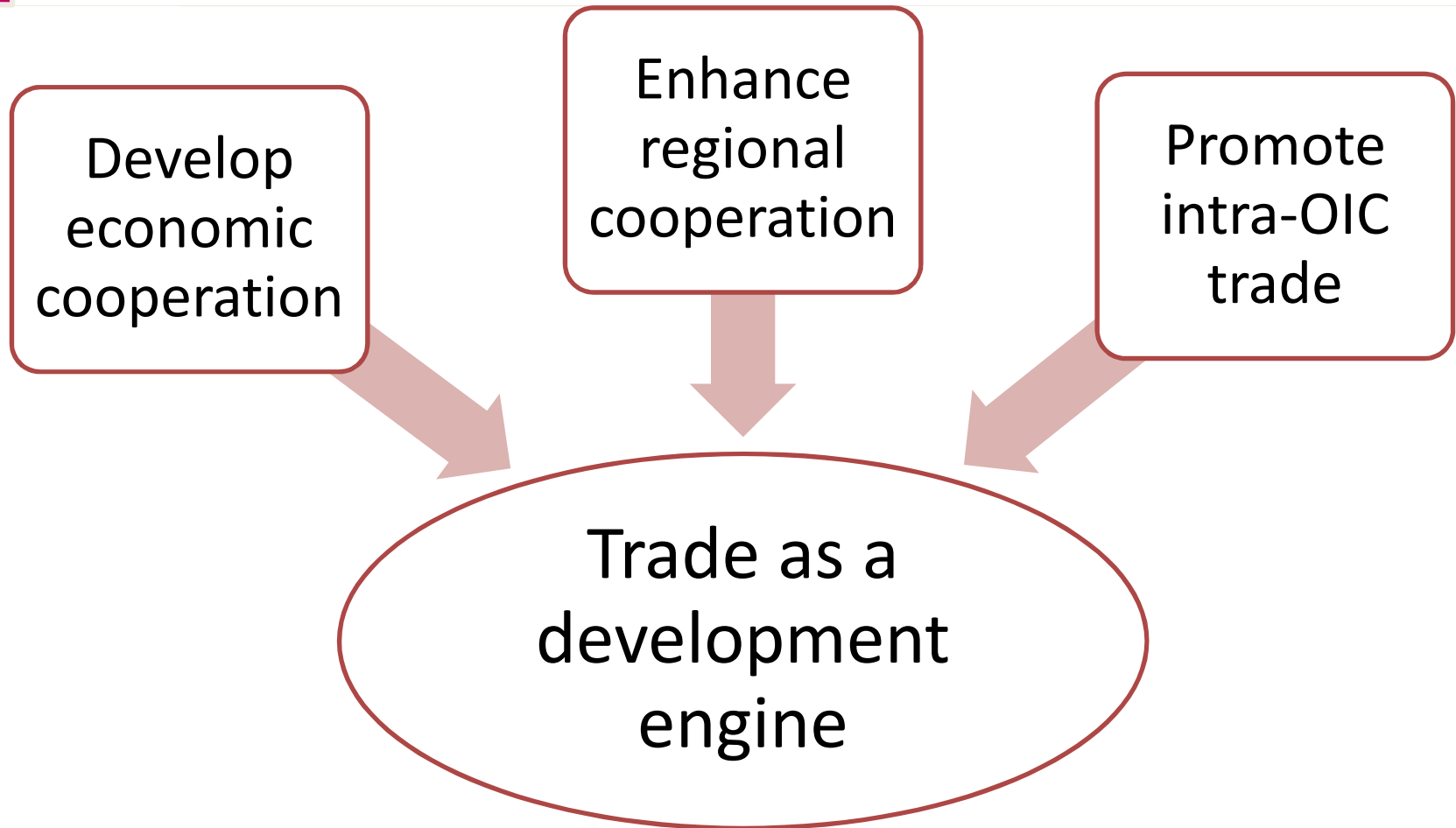
International Islamic Trade Financing Corporation (ITFC)

Promote and enhances intra-trade and trade cooperation through trade finance and promotion programs

Shari'ah Compliance

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Trade: a priority for IDB Group





Develop Key Economic Infrastructure to facilitate Trade



Enhance regional integration and economic cooperation



Foster trade promotion and cooperation



Extend competitive trade financing solutions



Mainstream trade as a driver of development



Build capacity in member countries



Develop trade in strategic commodities



Enhance trade transactions through export credit

*Trade is **the main area** of IDB Group development assistance*

- Since establishment, promotion of **trade as an engine of socioeconomic development** in Member Countries
- More than US\$ 40 billion group trade financing since inception (**≥ 50% of total financing**)
- **Approvals in excess of US\$ 13 billion** since the inception of dedicated trade finance entity (ITFC, Islamic Trade Finance Corporation) in 2008, i.e. more than US\$ 2.5 billion yearly
- **Over US\$ 12 billion development financing of trade-related infrastructure:** roads, ports, border posts, special economic zones, etc.
- **Over US\$ 17 billion business covered** through export credit and reinsurance of trade operations and private sector investments by ICIEC

Trade is the main area of IDB Group development assistance

*IDB group is a pioneer in **global trade solutions***

- First Multilateral Development Bank to have a dedicated Trade Finance institution: **the ITFC**
- Leader in the provision of Shari'ah compliant solutions to **facilitate, finance and insure trade**
- **AAA rating** by global agencies and several international awards to ITFC for innovative trade financing solutions

2009



2010



Trade is the main area of IDB Group development assistance

IDB group is a pioneer in global trade solutions

IDB Group priority is *to enhance intra-OIC trade*

- Intra-OIC trade finance accounts for **more than two thirds of total trade financing** since inception
- **Technical assistance programs to** foster trade and investment capacities in MCs and develop policy making capacities
- **Trade-related economic infrastructure as a priority** to enhance connectivity and integration of local and regional markets

TCP

ITAP

THIQAH

Trade is the main area of IDB Group development assistance

IDB group is a pioneer in global trade solutions

IDB Group priority is to enhance intra-OIC trade

Group synergies and joint programs for effective interventions

- To effectively coordinate its trade-related activities IDBG established **the Group Trade Related Issues Committee (GTRC)** in 1430H with five sub-teams: (i) Trade and Transport, (ii) Trade Competitiveness, (iii) Aid for Trade, (iv) Integrated Projects, and (v) Trade and Agriculture



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Landmark activities of IDBG in 2011-12 to promote trade cooperation in OIC

20-22 October 2011, IsDB-WB Capacity Building Program on Trade and Competitiveness

7-9 June 2011, OIC Workshop/EGM on Roles of Transport Corridors in Trade and Tourism

2010-2011, Study on OIC Transport Corridors (identification of priority transport corridors)

21-23 Nov. 2011, OIC Regional Workshop on Trade Facilitation

April 2012, Workshop On the impact of Economic Partnership Agreements on Regional Integration in Africa

June 2012, Seminar on the Proliferation of Regional and Multilateral Trade Agreements in the Arab Region

June 2012, Forum on Aid for Trade: Leading Towards Poverty Alleviation

September 2012, EGM on Harnessing intra-OIC trade potential through enhanced inter-regional cooperation

October 2012, Seminar on TF among Arab countries and their Integration into the MTS

November 2012, Workshop on the Global Supply Chains for Africa

2012-2013, Study on Road Transport facilitation and implementation of TIR in Arab States (with AULT and IRU)



-  Member Country Partnerships
-  Project financing
-  Reverse linkages
-  Regional Partnerships
-  Flagship programs



Member Country Partnership Strategies (MCPS)

- Mainstream trade issues in the Country of the IDB Group

Operating principles: **pro-activeness, inclusiveness** and **prioritization**

Key expected outcomes from the MCPS initiative include the following:

- (i) Ownership by the member countries of the mutually-agreed multi-year programs
- (ii) Alignment and harmonization of IDB Group's programs with other development partners;
- (iii) Focus on impact and results; and
- (iv) Leveraging of internal IDB Group synergies and focus on niche areas where the IDB Group entities have a comparative advantage



Project financing

Consider various alternatives from sovereign guaranteed loans to PPP or private sector financing for priority projects

- Identify **priority trade-related infrastructure projects** eligible for financing
*Ex: Construction of Beretek - Etrek - Turkmenistan / Iran Border Railway.
OCP Jorf Lasfar Port Expansion project in Morocco*
- Undertake **strategic technical assistance activities** at national or regional level with the help of IDB Group
Ex: TA Grant to ECO on Transit Transport Framework Agreement
- **Undertake feasibility studies** for priority infrastructure projects
*Ex: Reconstruction of Ujar-Zardab-Agjabadi Road in Azerbaijan (IDB)
Pre-Feasibility Study for the Abu Tartour Port project in Egypt (AFFI)*

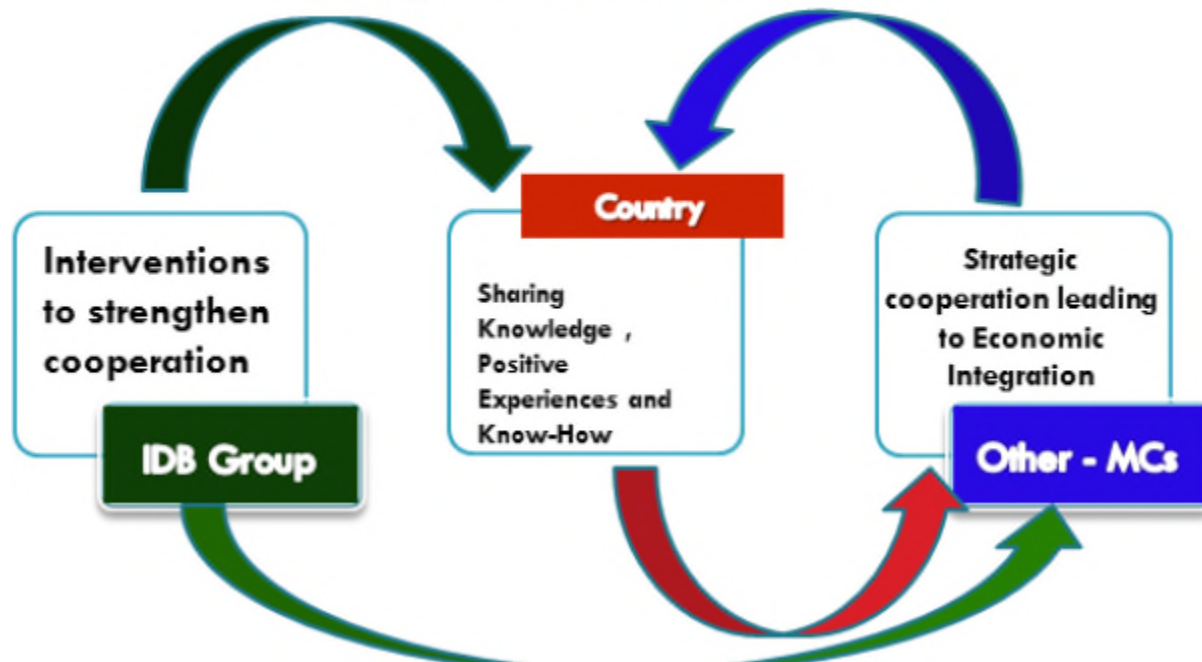


Reverse linkages

Identify expertise from other Member Countries and use RL as a mechanism for transfer of knowledge and experience

- Technical Cooperation Program among the IDB MCs since 1983
- Introduction of the RL Concept as a South-South cooperation tool in 2008

Figure-1: Reverse Linkages





Regional and International Partnerships

Leverage on IDB Group extended Network of Partners

- Creation of a dedicated Vice-Presidency in 2012 (Cooperation and Capacity Development) and inception of new regional cooperation frameworks
- Annual High Level Trade Forum of the ITFC and other regional events
- Focus on both intra-regional and inter-regional cooperation activities to leverage on IDBG presence over three continents





Flagship regional and global programs

Undertake strategic regional and global programs for the development of intra-OIC trade and trade cooperation

- Executive Program for enhancing intra-OIC trade
- Aid for Trade Initiative for Arab States
- Special Program for the Development of Africa
- Deauville Partnership
- Central Asia Regional Economic Cooperation

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Way forward

1. Ownership and Leadership. Customs Administrations and Trade Ministries take the lead, involve all stakeholders and ensure involvement of private sector in the design and implementation of **National Trade Development and Facilitation Strategies.**

2. Scale up. Achieve consensus and ownership for the **development of regional and OIC level single windows** as a mechanism of trade facilitation and integration in OIC regions.

3. Network. Build **networks of experts and develop partnerships** to promote cooperation between member countries

4. Global Knowledge. Establish **inter-agency forum with expert UN institutions and regional organizations** to support national and regional TTF initiatives

5. Replicate. Facilitate support and transfer of knowhow and best practices from best performing countries to other countries and scale up to regional initiatives

Thank you

Questions, Comments?

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Together We Build A Better Future

