

The Islamic Development Bank Group

Together We Build a Better Future



Presentation to the G20 Development Working Group

Infrastructure Development in IsDB Member Countries

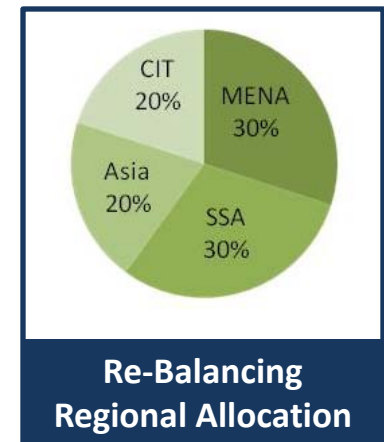
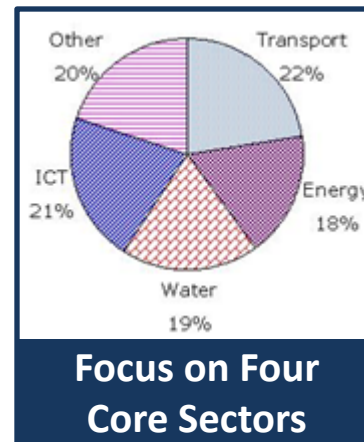
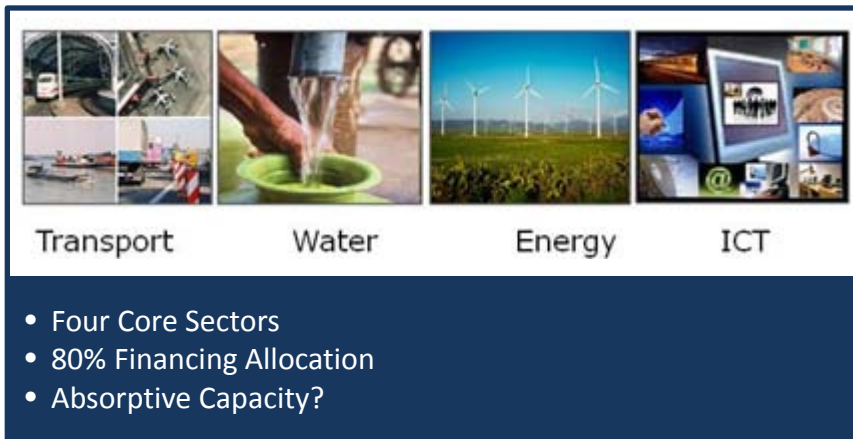
June 29, 2011

Cape Town, South Africa

IsDB Infrastructure: Future Strategic Direction



→ Sectoral Focus in Infrastructure



→ Scaling Up



Enablers

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

Constraints for INF Development



- **Internal**

- **Limited availability of concessional resources** (soft loans) for development of infrastructure projects in LICs
- **Inadequate Technical Assistance Grant resources** for preparation of regional projects
- **Relatively higher cost of resource mobilization**

- **External**

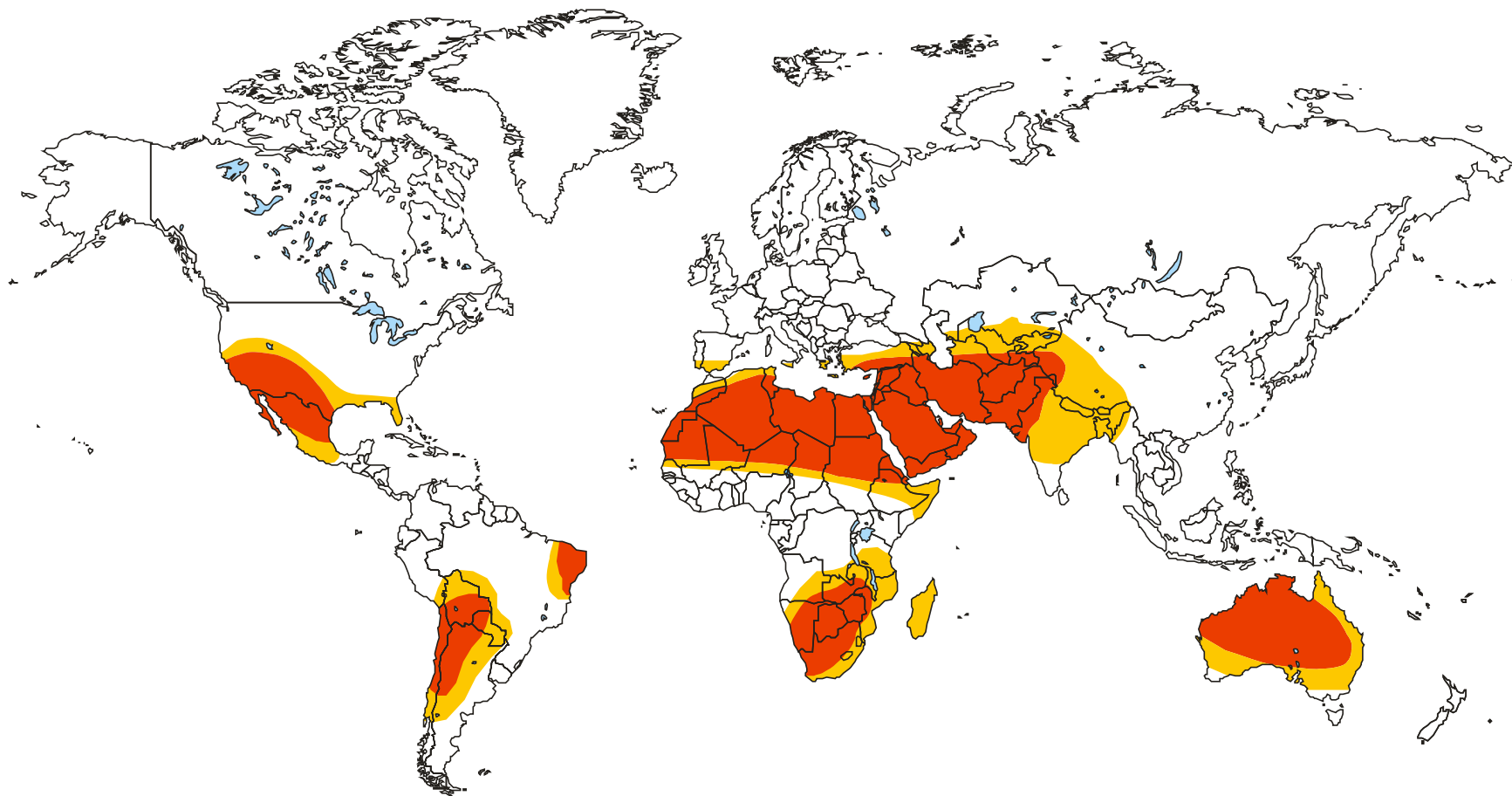
- **Lack of availability of bankable infrastructure projects** (especially under PPP structures)
- **Governance Related Issues**

Mobilization of Resources



- MENA INF Investment Need over next ten years is US\$ 75-100 billion/year
- Explore Possibilities for Building Strategic Partnerships with Sovereign Wealth Fund in MENA Region
- Actively Seek Co-Financing Opportunities
 - Arab Coordination Group
 - Abu Dhabi Fund for Development
 - Arab Fund for Economic and Social Development
 - Arab Bank for Economic Development in Africa
 - Arab Gulf Programme for United Nations Development
 - **Islamic Development Bank**
 - Kuwait Fund for Arab Economic Development
 - OPEC Fund for International Development
 - Saudi Fund for Development

Partnership for MENA Solar Scale-up Initiative for Export to EU (US\$ 5.6 billion)



- Favorable for Concentrated Solar Power (CSP)
- Worth considering for CSP



Regional Infrastructure Financing Facilities

- IsDB-ADB Islamic Infrastructure Financing Facility
 - Multi-Country Fund for common MCs
- IsDB-WB Arab Financing Facility for Infrastructure
 - Focus on MENA Region
 - Includes provision for Technical Assistance for Project Preparation
- Target INF Sectors
 - Power
 - Telecom
 - Transportation
 - Social Infrastructure
- **Expected Development Impact:**
 - The Regional Facilities will help increase foreign resource flow in the MCs and promote Islamic finance



THANK YOU