

**SPECIAL SESSION ON UTILIZING ISLAMIC FINANCE IN FINANCING
INFRASTRUCTURE PROJECTS**

BriefNote	<p>Traditionally, infrastructure development was carried out and financed by government or specialized government bodies or agencies. Government encourages private sector involvement in infrastructure project financing in order to reduce budget deficit, debt and free up funds for utilization in other important social sectors.</p> <p>According to McKinsey's estimation, in order to sustain the projected global GDP growth between 2012 and 2030, USD 57 trillion is needed in infrastructure investment. Furthermore, in emerging markets, infrastructure investment needs have been estimated to be between USD 14.4 and USD 15.7 trillion for the period between 2008 and 2020.</p> <p>OECD estimates that approximately USD 71 trillion would be needed globally by 2030 for investments in road, rail, telecoms, electricity and water infrastructure. Emerging markets would require a total of USD 21 trillion for infrastructure investments in the next decade.</p> <p>Since most of the OIC Member Countries are at their development stage, there would be a need for huge amounts of funds for their infrastructural investments. In this process, Islamic finance or other asset-backed financial mechanisms may play a great role to fund long-term development projects.</p> <p>There are various Islamic financial instruments that can be used for financing the infrastructural projects. These are Murabahah (cost-plus or markup sale), Istisna (commissioned construction/manufacturing), Ijarah (leasing), Mudharabah (profit sharing), Musharakah (joint venture). These instruments can be used through obtaining direct financing from financier or issuing Islamic securities.</p> <p>One of the Islamic finance instruments used for infrastructure financing is "sukuk". USD 73.1 billion infrastructure sukuk has been issued by more than 10 different countries between 2002 and 2015. Malaysia (61%), Saudi Arabia (30%) and UAE (7%) are the top three countries issuing Infrastructure sukuk. A significant amount of infrastructural investments are provided for transportation projects. In this respect, Sukuk is widely used for financing airport, railway, and highway projects across the world.</p>
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Objective of the panel	<p>The main objective of this panel is to explore identification of the needs for infrastructure investments in the OIC Member Countries; the utilization of Islamic Finance instruments in infrastructure investments; and the challenges as well as the opportunities ahead of utilizing the Islamic finance for infrastructure.</p>
Issues and Topics	<p>Possible points of discussion include but not limited to the following questions:</p> <ul style="list-style-type: none"> • Why do countries prefer to use Islamic finance for infrastructure investment financing? • What types of Islamic finance instruments are frequently used for infrastructure investment financing? • What kinds of opportunities are offered by Islamic finance to investors while financing the infrastructure investments? • What sorts of transportation projects are funded by Islamic finance across the world? • What are the main challenges in utilizing the Islamic Finance for infrastructure investments?
Participation	<p>All delegations of the OIC Member States, the representatives of the OIC Institutions, various International Organizations attending the 32nd COMCEC Ministerial Session are invited to participate in the special session. Representatives from civil society, businessmen, academicians and other relevant stakeholders will also be invited to attend this Session.</p>
Venue & Date	<p>Istanbul Congress Center, İstanbul / Turkey, November 24th, 2016 For more information, please contact: Eren SÜMER, Expert, COMCEC Coordination Office, Necatibey cd. No:110 CANKAYA- ANKARA Ph: +90 312 294 57 07 E-mail: esumer@comcec.org</p>