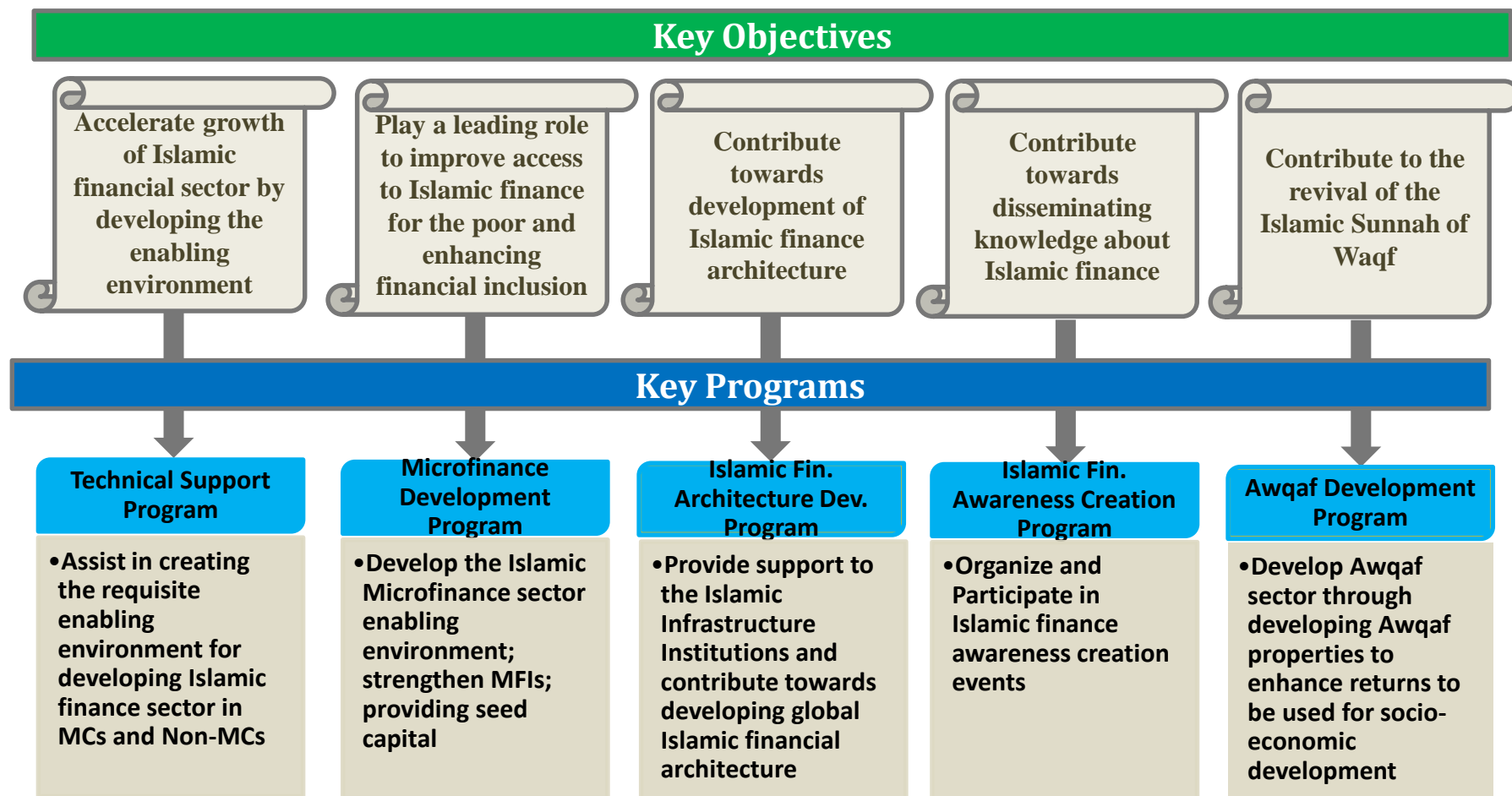




## **COMCEC 7<sup>th</sup> Meeting of Financial Cooperation Working Group: Role of IDB in developing Islamic Financial Architecture**

**20 October 2016**

# Core Programs for development of Islamic Finance



# TA Activities in recent 2 years

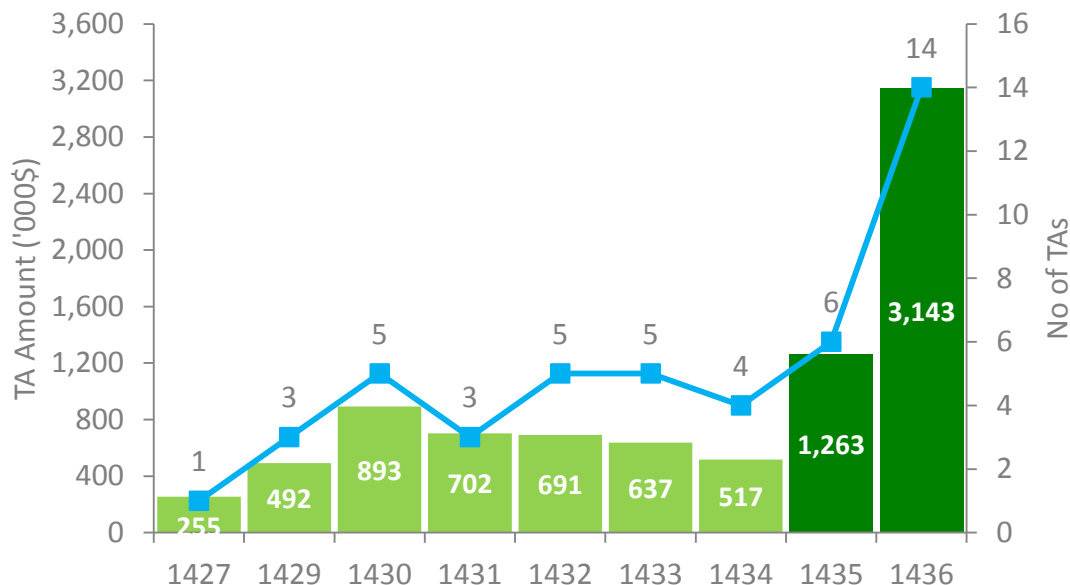


Country/ Institution	Project Name	Amount Approved (US\$)
Morocco	Development of Islamic Finance Enabling Environment	300,000
BCEAO	Assist BCEAO and CREPMF to amend the regulatory & supervisory framework for IFIs & Islamic capital market activities	300,000
Oman-II	To provide 2 experts to MoF to assist in issuing sovereign Sukuk	300,000
Azerbaijan	Development of legal framework for Islamic Finance	200,000
CIBAFI-III	To assist CIBAFI in organizing Certified Islamic Banker (CIB) training program in Mauritania & Yemen	50,000
IIFM	To assist IIFM in developing two documentation standards (i) Islamic Foreign Exchange Forward, (ii) Collateralized Liquidity Management Documentation.	112,500
<b>Sub-Total - 1435H</b>		<b>1,262,500</b>
IDB-WB WG	GIFR, Symposium on Islamic Finance, IFSAP & Risk Management Tool-Kit for Islamic banks	225,000
IFSB-IV	Regional Technical Assistance to (i) Formulate a new IFSB Standard - 'Guiding Principles on Disclosure Requirements for Islamic Capital Market Products' and (ii) Facilitate the implementation of the IFSB Standards in IFSB member countries.	250,000
IMF LOU	TA for Islamic finance in MCs and Non-MCs	375,000
Uganda II	Regulatory Framework (Additional TA)	65,000
Afghanistan II	Develop Regulatory and Supervisory framework	250,000
Tajik II	For develop regulatory and supervisory framework	250,000
AAOIFI	Restructure AAOIFI	270,000
Mozambique	Enhancing Capacity in Participative Banking	110,000
IIRA	Assisting IIRA to develop Sovereign rating of IDB MC	250,000
Gambia	Islamic Microfinance Guideline Development and Product Development	210,000
CIBAFI IV	Assist CIBAFI to implement part of its strategy	140,000
Guinea	TA for Awareness campaign on the importance of Waqf in Guinea-Conakry	273,000
APIF Fund	TA for feasibility	275,000
Balkan	Assess the needs and formulate action plan for restoration of expropriated Awqaf properties for five countries (Albania, Montenegro, Macedonia, Kosovo & Bosnia)	200,000
<b>Sub-Total - 1436H</b>		<b>3,143,000</b>
<b>TECHNICAL ASSISTANCE TOTAL</b>		<b>4,405,500</b>

# Technical Support Program

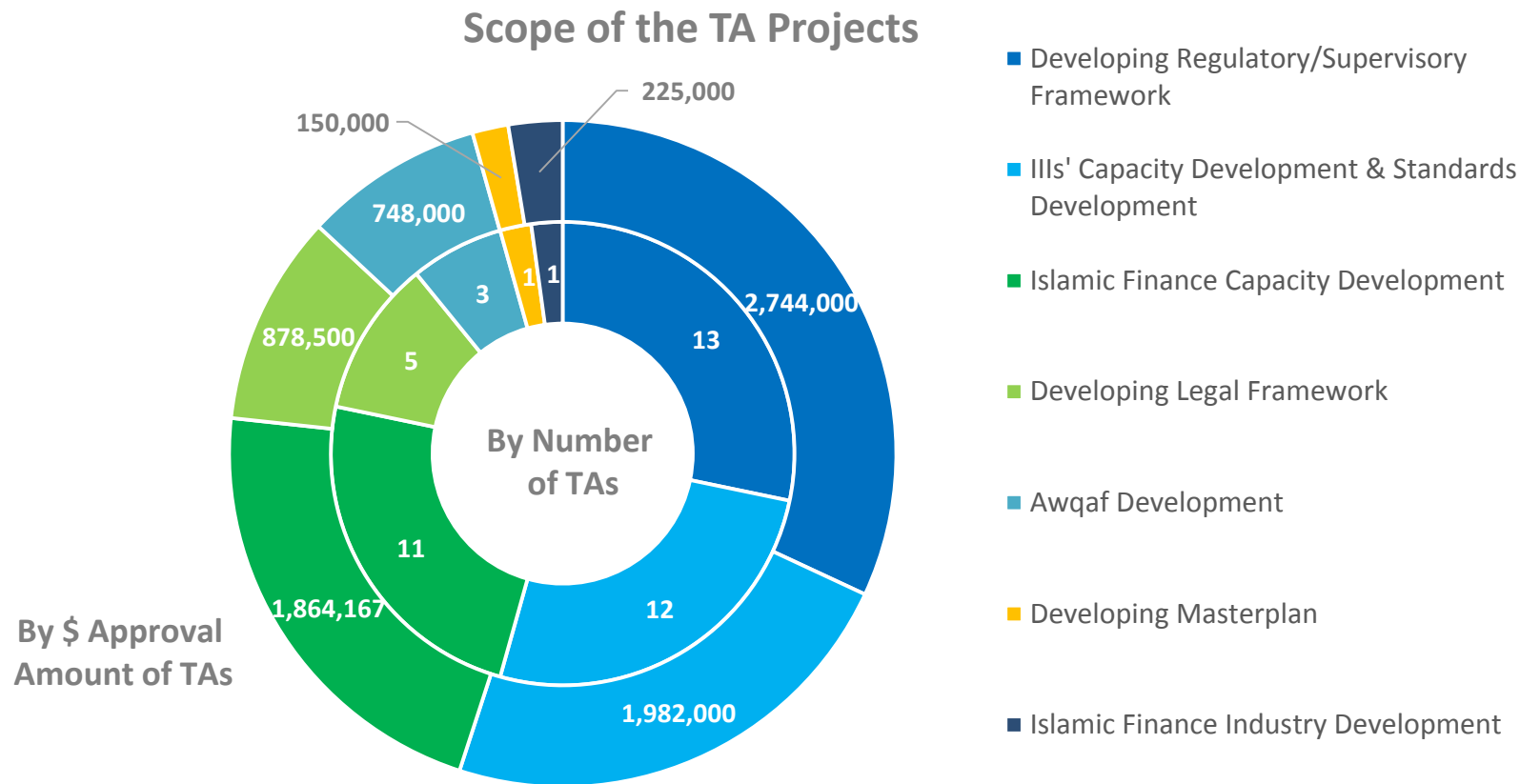


## Annual Approvals



- Since inception, **46 TAs** amounting to **US\$ 8.6m** approved:
  - From 1427-34H: 26 TAs - US\$ 4.2m
  - During 1435-36H: 20 TAs - US\$ 4.4m
- The Special allocation has helped in scaling up the TA operations and will benefit in enhancing IDB's impact for developing Islamic finance globally.

# Technical Support Program Summary

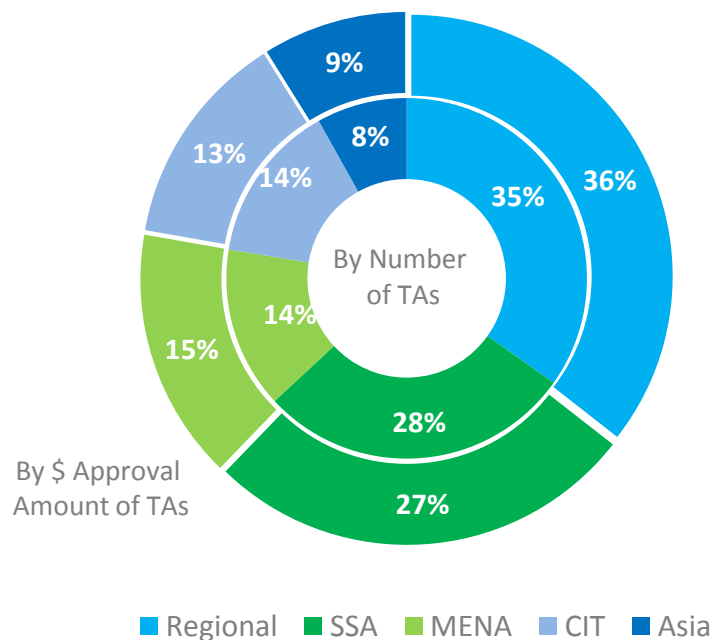


- The **scope of the TAs is well diversified** to enable MCs benefit in variety of ways
- The **TAs have helped in developing** legal, regulatory & supervisory frameworks in MCs, capacity building, assisting IIIs, and developing master plan, etc.

# Technical Support Program Summary



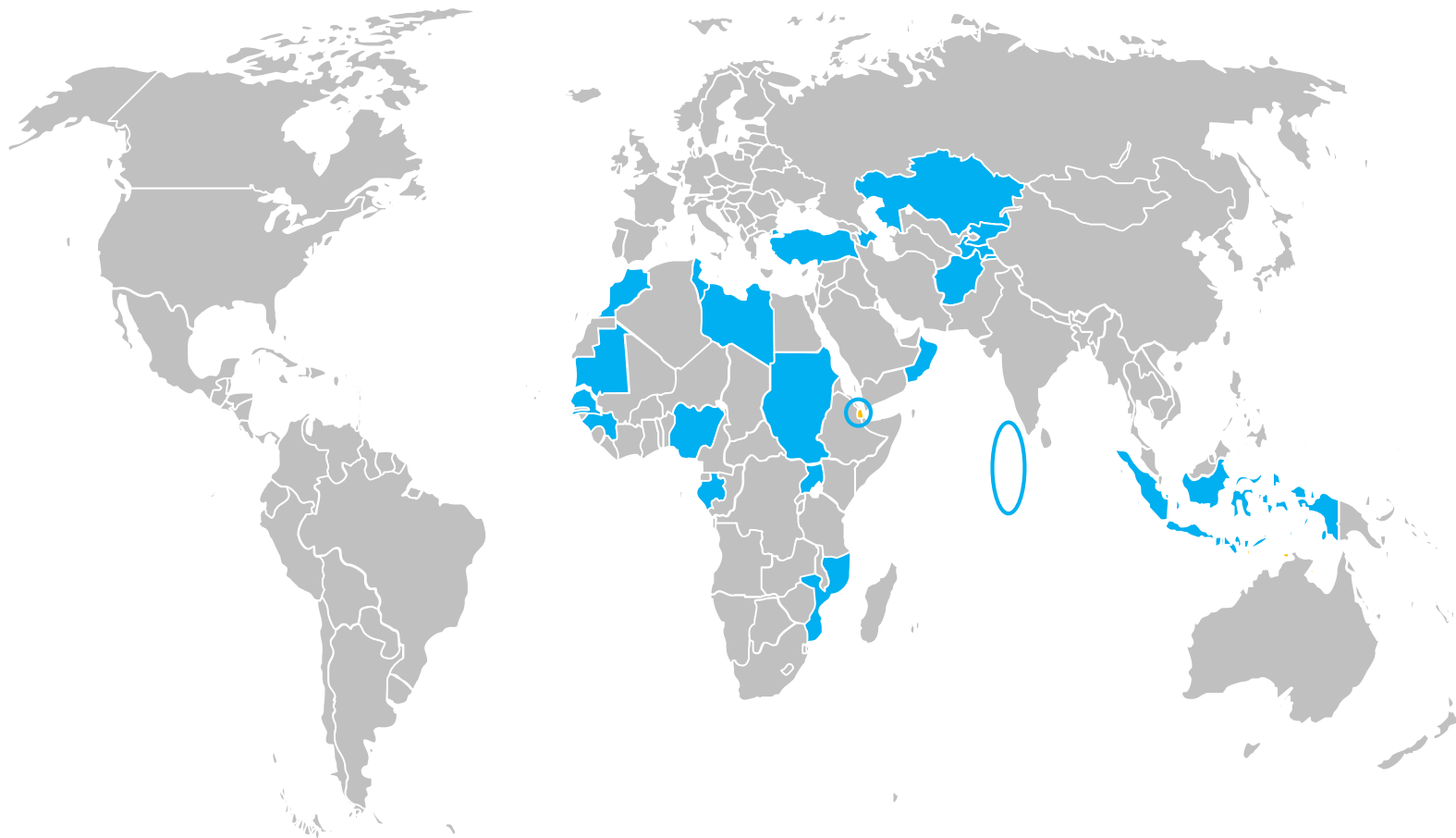
Regional Distribution



- The TA projects are **geographically diversified**: Regional, SSA, MENA, CIT, Asia.
- As such, the **Program has successfully targeted key emerging Islamic finance markets** across IDB MCs.



# Technical Support Geographic Spread



IDB-WB WG

GCC

IDB-IMF LOU

CIBAFI

IFSB

IICRA

IIFM

IIRA

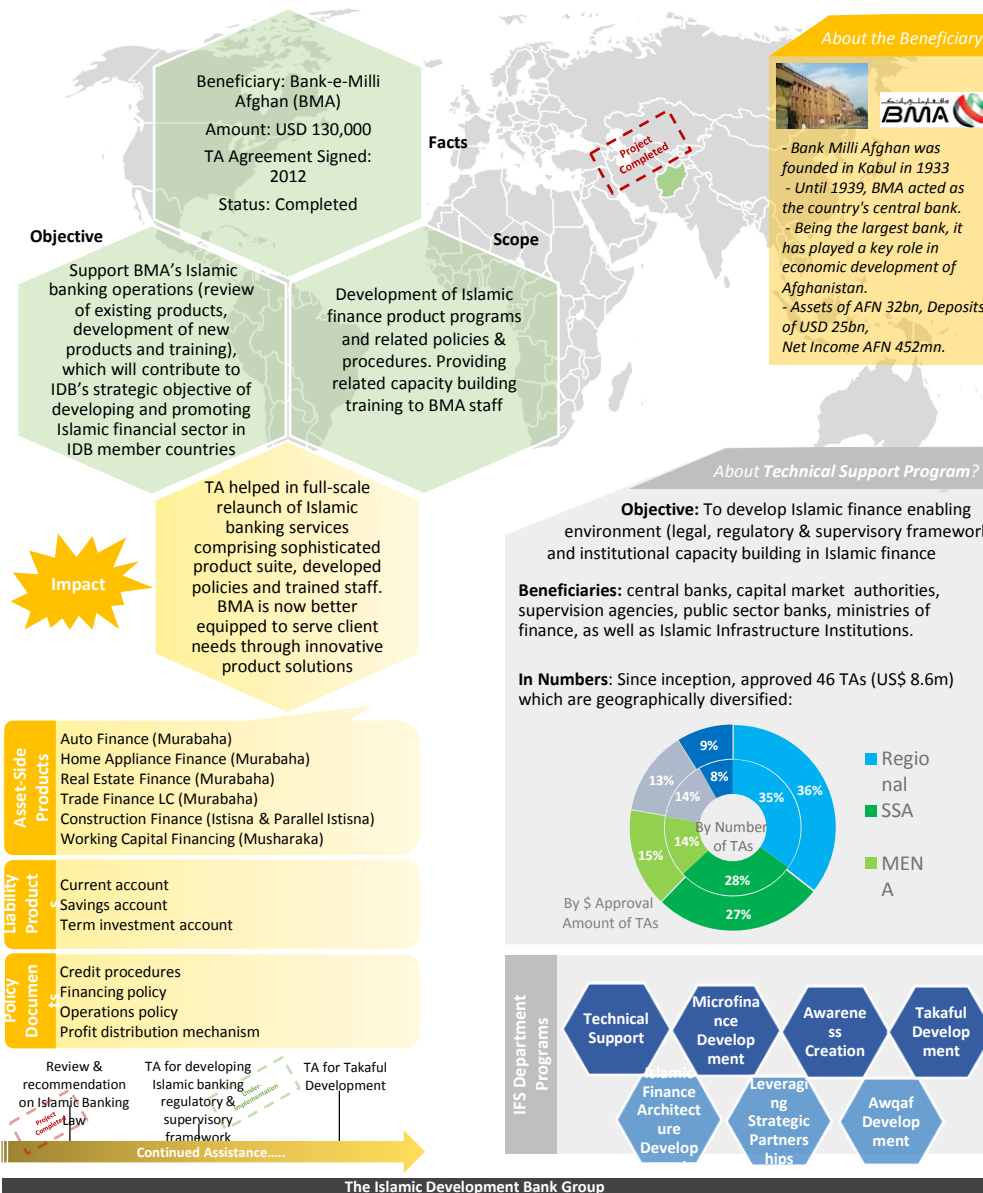
AAOIFI

TAs to Regional Bodies/IIIs/MDBs' WGs

# Islamic Finance Technical Assistance Grant for Bank-e-Milli Afghan to Build Capacity in Islamic Banking (Afghanistan)

Islamic Financial Services Department  
Financial Sector Development & Inclusion Division

February



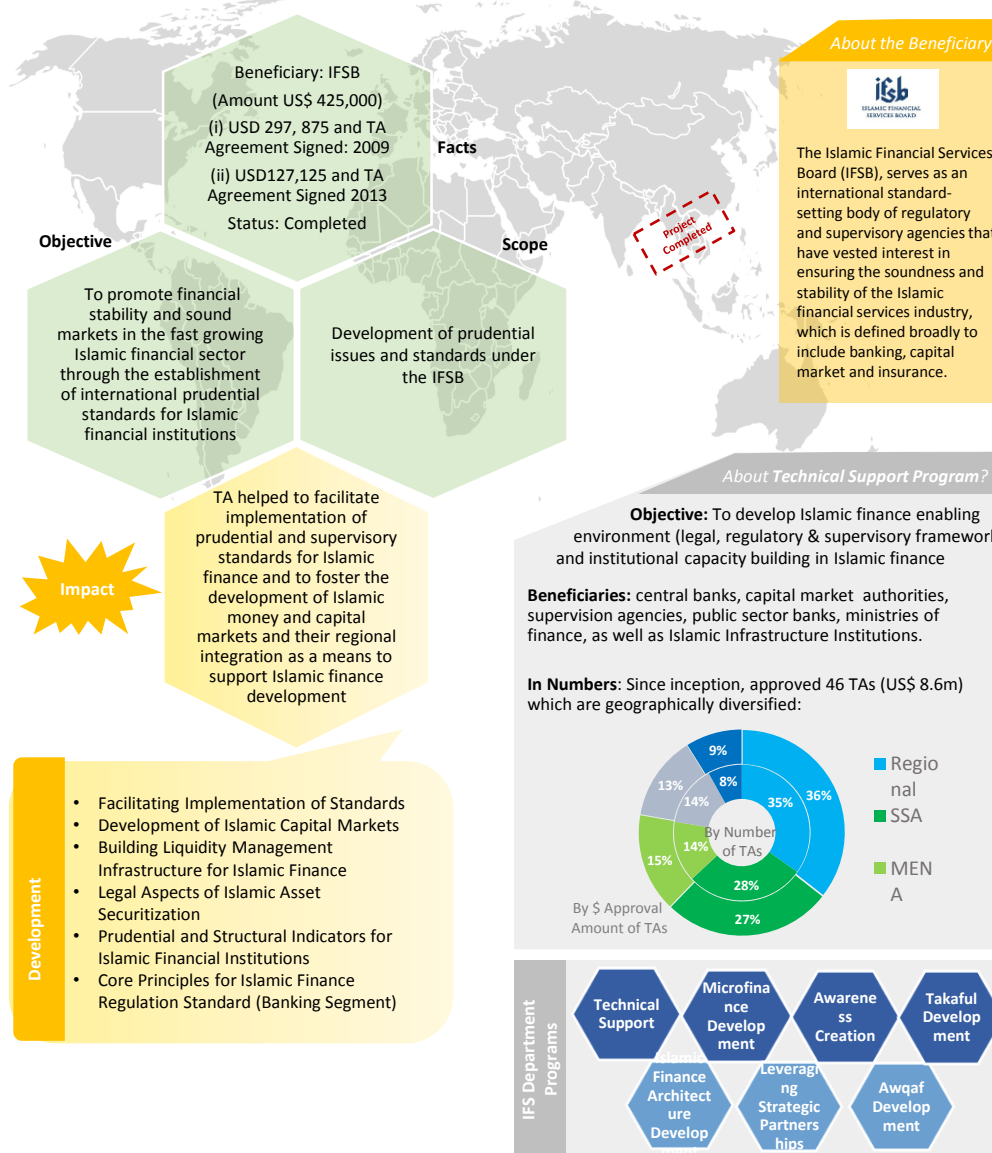
Together we build a better future



# Islamic Finance Technical Assistance Grant for Islamic Financial Services Board (IFSB) Malaysia

Islamic Financial Services Department  
Financial Sector Development & Inclusion Division

February



The Islamic Development Bank Group

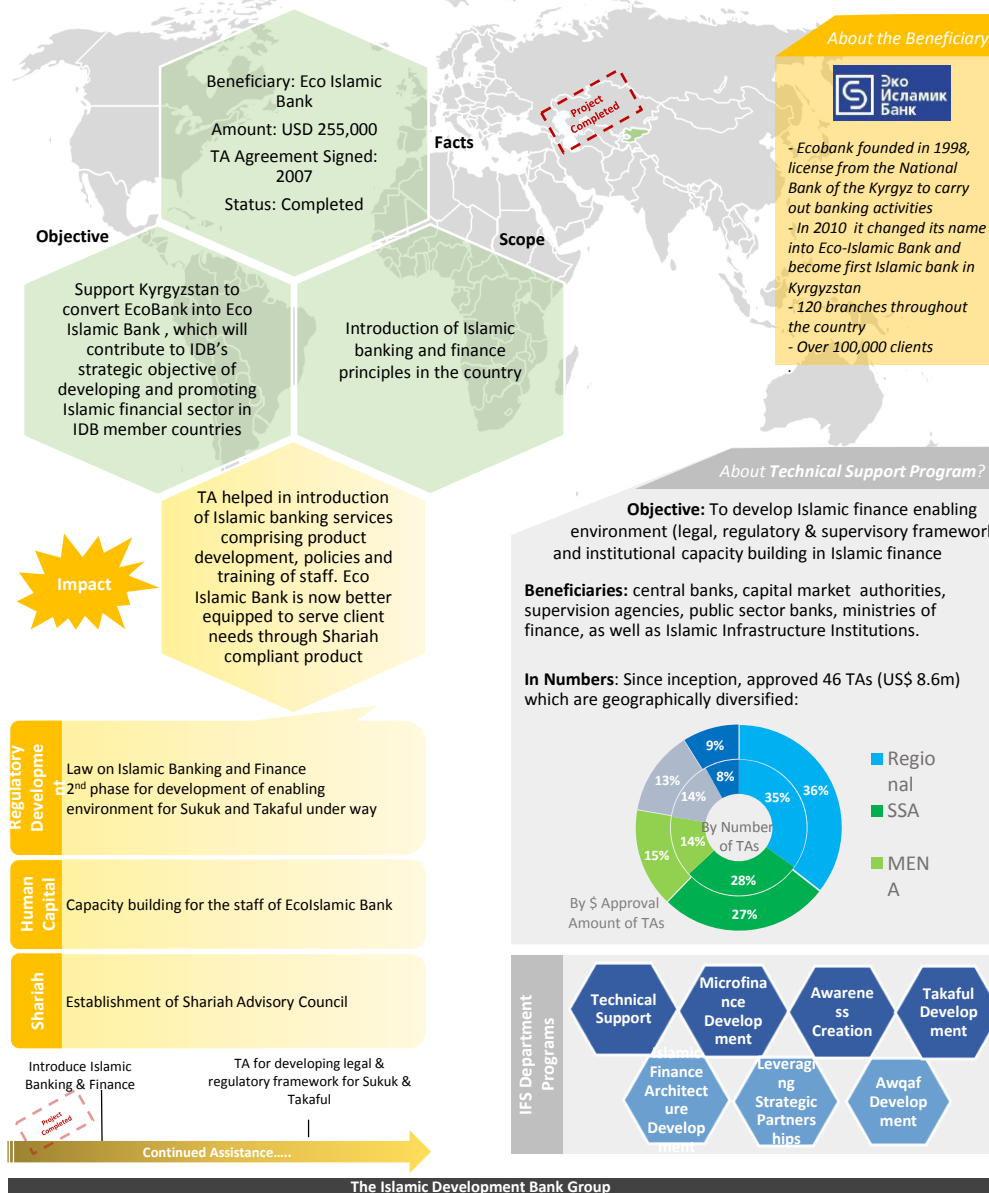


Together we build a better future

# Islamic Finance Technical Assistance Grant for introduce Islamic banking and finance principles in the Kyrgyzstan

Islamic Financial Services Department  
Financial Sector Development & Inclusion Division

February



The Islamic Development Bank Group

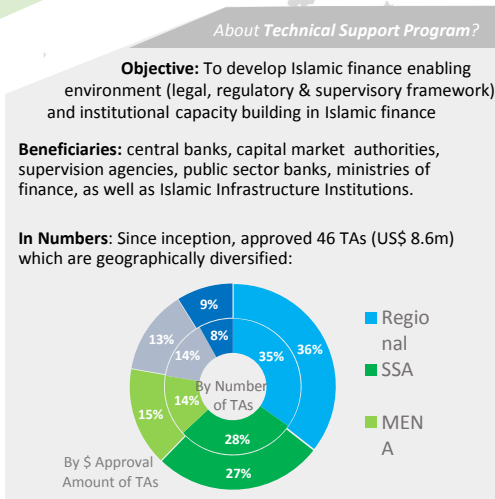
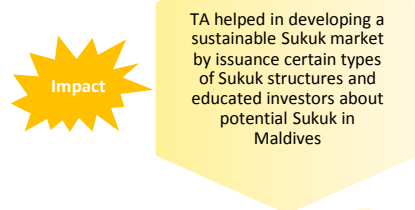
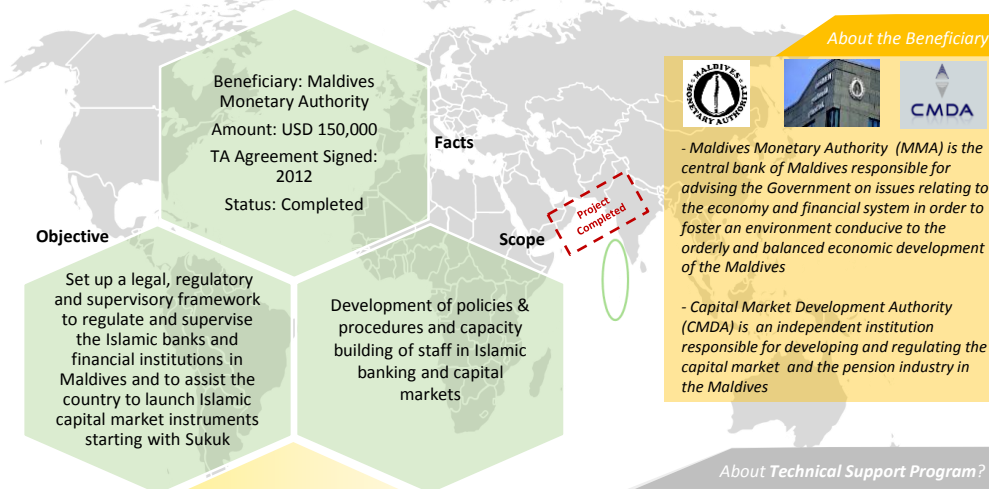


Together we build a better future

# Islamic Finance Technical Assistance Grant for Development of the Islamic Banking and Islamic Capital Market of Maldives

Islamic Financial Services Department  
Financial Sector Development & Inclusion Division

February



The Islamic Development Bank Group

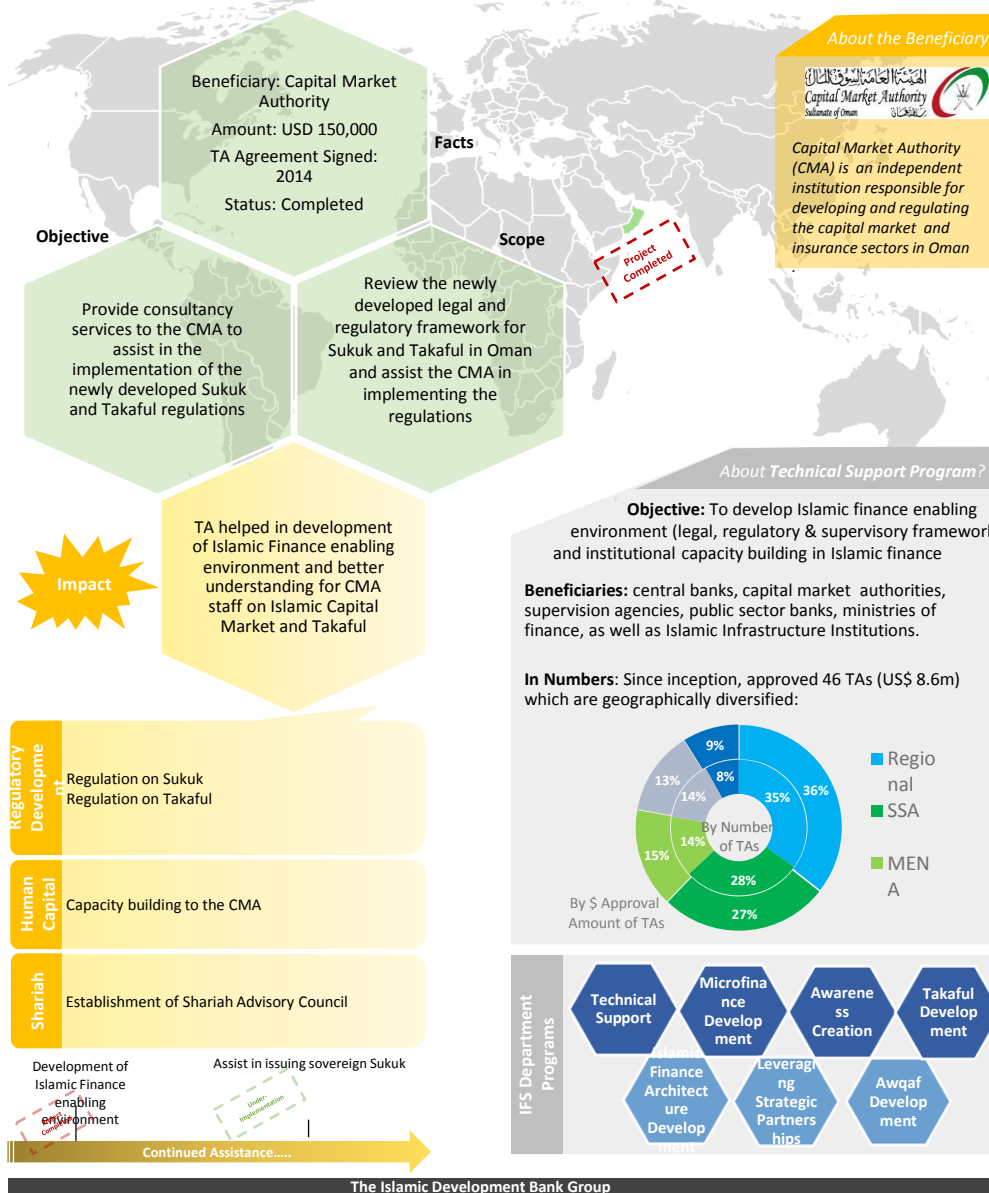


Together we build a better future

# Islamic Finance Technical Assistance Grant for Capital Market Authority for Developing Islamic Capital Market & Takaful in Sultanate of Oman

Islamic Financial Services Department  
Financial Sector Development & Inclusion Division

February



The Islamic Development Bank Group



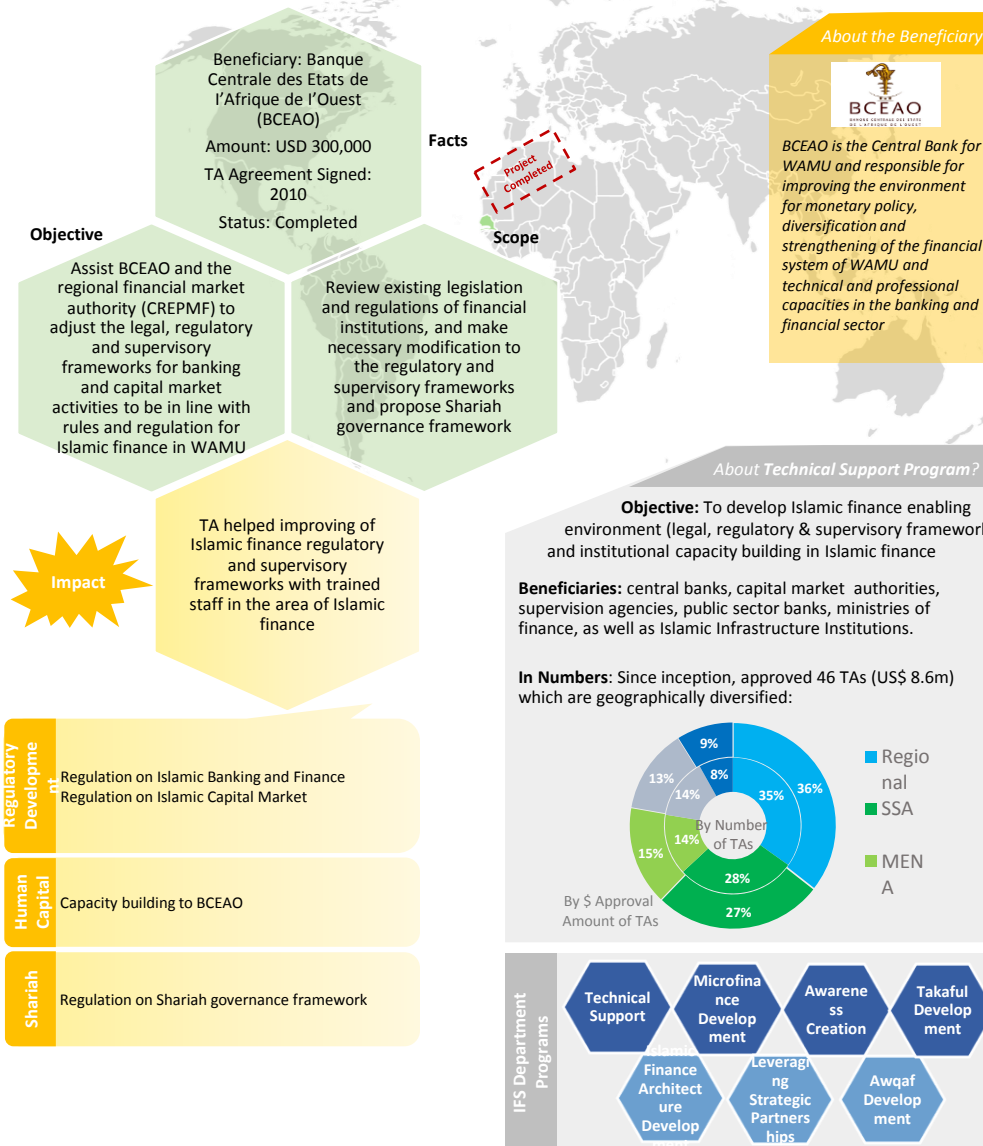
Together we build a better future

# Islamic Finance Technical Assistance Grant for BCEAO to Develop Regulatory and Supervisory Framework for Islamic Banking in West African Monetary Union (WAMU)



Islamic Financial Services Department  
Financial Sector Development & Inclusion Division

February



The Islamic Development Bank Group



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# Islamic Finance Architecture Development Program – Program Overview



**Definition – Islamic Infrastructure Institutions (IIIs):** The IIIs are the essential element of the Islamic finance architecture which provide key support to Islamic finance by way of providing policy guidance, prudential regulations, accounting/auditing guidance & standards, standardized product documentation, advocacy etc. IIIs include the following:

1. Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI)
2. General Council of Islamic Banks & Financial Institutions (CIBAFI)
3. International Islamic Center for Reconciliation & Arbitration (IICRA)
4. International Islamic Financial Market (IIFM)
5. Islamic Financial Services Board (IFSB)
6. Islamic International Rating Agency (IIRA)

**Objective:** To develop Islamic finance architecture by way of establishing and partnering with IIIs, contributing to their development & efforts and facilitating key events.

IDB has provided strategic guidance to IIIs, hosted several annual meetings of IIIs, provided TAs to IIIs, provided technical input to various policy documents/standards, organized/ participated in other events/activities,





# Islamic Finance Architecture Development Program – Program Overview



Providing Strategic Direction	<ul style="list-style-type: none"> <li>- IDB is founding members of all the IIIs and is represented in the governing board of all the institutions.</li> <li>- IDB provides strategic guidance and support to these institutions at the <b>annual meetings</b> of the IIIs</li> </ul>
Technical Support	<ul style="list-style-type: none"> <li>- Providing technical guidance through participation in <b>technical committees, other project specific working groups, workshops, seminars, forums, conferences</b> etc. organized by IIIs</li> <li>- Provided <b>12 TAs (c. US\$ 1.9m)</b> to AAOIFI, CIBAFI, IICRA, IFSB, IIFM &amp; IIRA</li> </ul>
Strengthening IIIs & Exploring Synergy	<ul style="list-style-type: none"> <li>- <b>Study on further strengthening the impact of IIIs</b> which will also propose strategic direction in light of evolving needs of the industry and explore opportunities for synergy amongst IIIs</li> </ul>
Hosting Annual Events & High Profile Events of IIIs	<ul style="list-style-type: none"> <li>- IDB provides support to IIIs by way of <b>hosting the annual meetings of IIIs</b> and other high-profile events in IDB HQ Jeddah: <ul style="list-style-type: none"> <li>➤ <b>9<sup>th</sup> Meeting of the IFSB Council - 2006</b></li> <li>➤ <b>17<sup>th</sup> Meeting of the IFSB Council – 2010</b></li> <li>➤ <b>21<sup>st</sup> Meeting of the IFSB Council – 2012</b></li> <li>➤ <b>25<sup>th</sup> IIFM's Board of Directors Meeting – 2011</b></li> <li>➤ <b>2<sup>nd</sup> Meeting of the Governing Board of IILM – 2010</b></li> <li>➤ <b>2<sup>nd</sup> Meeting of the Islamic Financial Stability Forum – 2012</b></li> <li>➤ <b>27<sup>th</sup> Meeting of the IFSB Council - 2015</b></li> <li>➤ <b>12<sup>th</sup> Meeting of the Islamic Financial Stability Forum - 2015</b></li> </ul> </li> </ul>
Policy Documents	<ul style="list-style-type: none"> <li>- IFSD together with IRTI has actively participated in developing landmark policy documents: <ul style="list-style-type: none"> <li>➤ <b>Islamic Financial Services Industry Development: Ten-Year Framework &amp; Strategies – 2007</b></li> <li>➤ <b>Islamic Financial Stability Report - 2010</b></li> <li>➤ <b>Ten-Year Framework &amp; Strategies A MID-TERM REVIEW - 2014</b></li> </ul> </li> </ul>