



**PROGRESS REPORT ON THE
SPECIAL PROGRAMME FOR THE DEVELOPMENT OF AFRICA
(SPDA)**

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I. Back Ground

1. This is a brief progress report on the approvals made by the IDB Group for the twenty-two member countries¹ under the Special Program for the Development of Africa (SPDA). It is presented in two parts including this background which is followed by a report on the cumulative approvals made from the start of the program in 1429H to the end of the first two quarters of 1433H. It provides the highlights of the progress with respect to financing mode, sector and member country approvals
2. The IsDB Group earmarked US\$4.0 billion over the five-year period (1429H-1433H/2008-2012) to finance the SPDA, with an additional US\$8.0 billion to be leveraged from other development partners. The program is supported by all entities of the IsDB Group namely: the IsDB itself, the Islamic Solidarity Fund for Development (ISFD); the International Islamic Trade Finance Corporation (ITFC), the Islamic Corporation for the Development of the Private Sector (ICD) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). About 37 % of the total financing is from IsDB's ordinary resources, a further 27 % from ITFC for trade-related operations, and 3 % from the ICD. ICIEC, which has no specific target allocation, provides insurance cover to ITFC and ICD operations.

II. Cumulative approvals (1429H-Q2, 1433H)

3. **IDB group approvals have exceeded the programmed target with two more quarters to go to the end of the program.** Cumulatively, **total approvals** by the IDB Group from 1429H to the second quarter of 1433H amounted to US\$4.533 billion for 423 operations (for projects, trade and Waqf) (See Table 1). These approvals represent an "achievement rate" of 113 % of the earmarked allocations. The IsDB Group has therefore exceeded its approval target of US\$ 4 billion with two more quarters to the end of the program. Cumulatively, total **OCR project financing** for SPDA countries now stands at US\$ 3.236 billion. Of this, US\$ 1.15 billion was given on concessionary financing terms (representing 25% of total approvals) and the remaining US\$ 2.09 billion on ordinary financing terms. To date, **other project financing** amounts to US\$ 325.5 million which means that a total of US\$ 3.561 billion was approved for project financing since the start of the program which brings the share to 78.5% of all approvals. With regards to **trade financing**, the cumulative total is US\$ 966.2 million of which ITFC financed US\$ 925.7 for 49 operations (representing 20.4% of all approvals), while ICD financed an operation valued at US\$ 10 million which brings the total IDC-financing to US\$ 186.2 million (representing 4.1% of the total approvals) so far.

¹ Benin, Burkina Faso, Cameroun, Comoros, Cote d'Ivoire,

Even though there were no **Waqf approvals** in the first two quarters of 1433H, cumulative Waqf operations still stand at US 5.3 million for 13 operations.

Table 1 - Gross Approvals for SPDA (1429H-end 1433H (Quarter two))¹

	1429-1432H		1433 (Q1 and Q2)		Total		%
	No.	US \$M.	No.	US \$M.	No.	US \$M.	
(i) OCR Project Financing	277.0	2,774.0	45.0	462.3	322	3,236.3	71.39
Concessional financing (Loan & TA)	218.0	1,005.5	31.0	141.5	249	1,147.1	25.30
Ordinary Financing	59.0	1,768.4	14.0	320.8	73	2,089.2	46.09
(ii) Other IDB Group project financing	31.0	297.6	1.0	28.0	32	325.5	7.18
IBP	-	-	-	-	-	-	
UIF	1.0	5.0	-	-	1	5.0	
APIF	10.0	142.3	-	-	10	142.3	
ICD	19.0	148.3	1.0	28.0	20	176.2	3.89
Treasury Operations	1.0	2.0	-	-	1	2.0	
(iii) Trade financing	46.0	849.1	10.0	117.0	56	966.2	21.31
ITFO	-	-	-	-	-	-	
IBP	-	-	-	-	-	-	
UIF	4.0	21.5	2.0	9.0	6	30.5	
ICD	1.0	10.0	-	-	1	10.0	0.22
Treasury Operations	-	-	-	-	-	-	
ITFC	41.0	817.6	8.0	108.0	49	925.7	20.42
(iv) Waqf Fund financing	13.0	5.4	-	-	13	5.3	0.12
SAO	13.0	5.4	-	-	13	5.3	
TOTAL (i)-(iv)	367.0	3,926.0	56.0	607.3	423	4,533.3	100

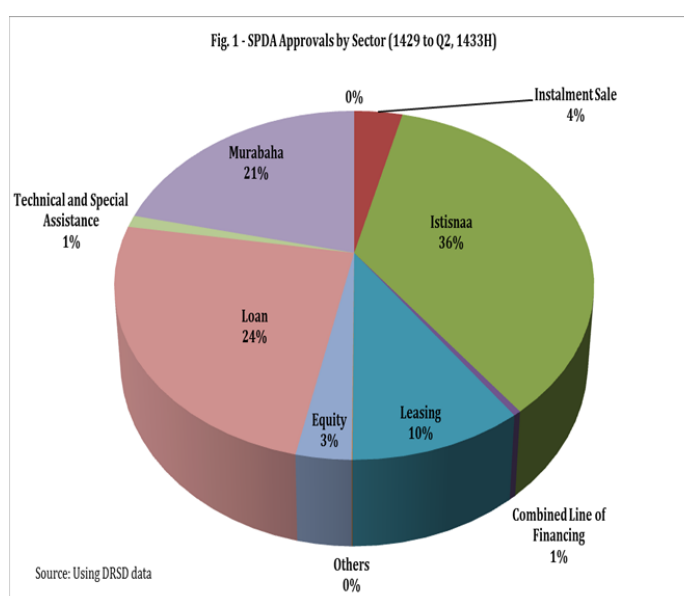
N.B: These data are for Sub-Saharan African Member Countries and not for LDMCs in Africa

¹Cut-off date for the data was 30 Jumada-II 1433H (21 May 2012)

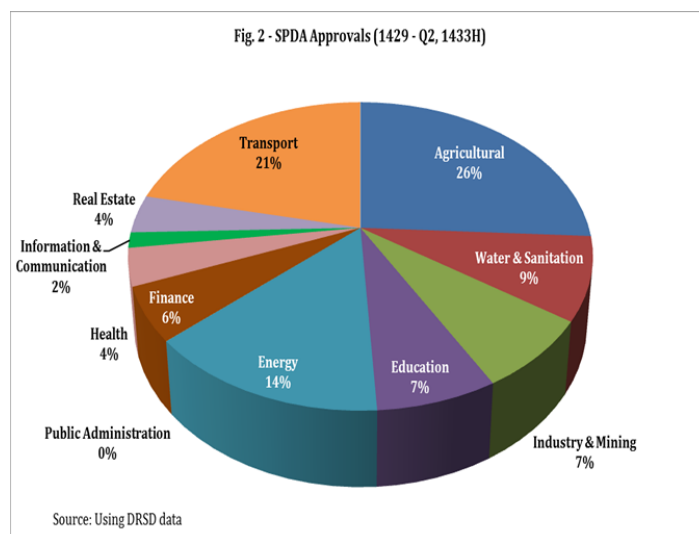
Source: Compiled by Data Resources and Statistics Department from all departments and entities in IDB Group

4. Cumulatively from 1429H, Istisna'a also remains the most dominant mode of

financing. A total of US\$ 1.63 billion (36%) has now been approved through this financing mode while US\$ 1.1 billion (24%) was financed through Loans, US\$ 966 million (21%) through Murabaha, US\$ 477 million (10%) through Leasing, US\$ 176 million (4%) through Installment sale, US 141 million (3%) through equity financing, US\$ 51.3 million on Technical Assistance and US\$ 20 million for Combined line of financing and Technical assistance each. (See Fig. 1).



5. Perhaps reflecting the acknowledgement of infrastructure deficits as one of the most binding constraints to economic development for many of these SPDA countries, Infrastructure remains the most popular sector. With respect to the sectors, cumulatively from 1429H, infrastructure (transport, energy and water and sanitation) also remain the most popular sector



for the SPDA member countries (See Fig. 2). Together they account for 44% of all approvals which amounted to US\$ 1.6 billion. Of this, US\$ 974 million (21%) was approved for transport, US\$ 649 million for energy (14%) and US\$ 393.8 million (9%) for water and sanitation. Agriculture follows with total approvals of US\$ 1.2 billion (26%), followed by Industry (US\$ 333 million), Education (US\$ 322 million), finance (US\$ 254 million) and health (US\$ 178 million). Together the human development sectors represent 20% of all approvals.

Table 3: Cumulative approvals by country (1429H- Q2, 1433H)

6. Sudan still remains the country with the most approvals since the start of the program followed by Mauritania. Since 1429H, Sudan has received US\$ 873 million (19%) for 48 operations, and Mauritania has received US\$ 596 million (13%) for 39 operations. Together they received almost one third (32%) of all approvals so far. (See Table 2). Nigeria and Senegal follow with about 9% each amounting to US\$ 423 million for 26 operations and US\$ 400 million also for 26 operations respectively. Guinea Bissau, Comoros, Somalia, Djibouti and Mozambique received the least so far reflecting in some cases their fragile state. In effect 50% of all approvals went to four

Country	US\$ M	%	Operations	
			No	Average size
Sudan	873.5	19	48	18.2
Mauritania	596.8	13	39	15.3
Nigeria	423.2	9	26	16.3
Senegal	400.1	9	26	15.4
Gambia	302.6	7	39	7.8
Burkina faso	278.9	6	25	11.2
Chad	261.9	6	17	15.4
Mali	224.9	5	24	9.4
Niger	218.4	5	33	6.6
Cameroun	150.9	3	12	12.6
Gabon	137.9	3	3	46.0
Cote D'Ivoire	134.4	3	12	11.2
Uganda	103.6	2	19	5.5
Sierra Leone	93.7	2	13	7.2
Benin	82.3	2	14	5.9
Guinea	71.1	2	15	4.7
Togo	69.1	2	8	8.6
Djibouti	54.3	1	13	4.2
Mozambique	40.3	1	10	4.0
Somalia	9.3	0	18	0.5
Comoros	3.6	0	11	0.3
Guinea Bissau	2.6	0	3	0.9
Total	4533.3	100	428	
Average size of operations			10.6	
Standard deviation			9.6	
Adjusted average			10.2	
Adjusted standard deviation			4.6	

Source: DRSD

member countries, and the bottom 10 member countries received 12% of all approvals.

7. **Operation size in SPDA countries tends to be relatively small.** The average size of each operation during this period is US\$ 10.6 million and the distribution has a standard deviation of US\$ 9.6 million, which illustrates the wide differences between the individual country averages, which range between US\$ 46 million in Gabon and US\$ 0.3 million for Comoros. If the fragile states of Somalia, Comoros and Guinea Bissau are removed along with Gabon which is an outlier, the resulting distribution has a mean of US\$ 10.2 million and a standard deviation of US\$ 4.6 million. These results show that the average size of an SPDA approval is about US\$ 10 million.

