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DOCUMENTS**

**World Bank Group – Islamic Development Bank Group**

# **Strategic Partnership Framework**

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# Strategic Partnership Framework

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## Objective

- I. In the spirit of the Paris Declaration on Aid Effectiveness and in demonstration of their shared values, the World Bank Group<sup>1</sup> (WBG) and the Islamic Development Bank Group<sup>2</sup> (IsDBG) have agreed to adopt a new Strategic Partnership Framework (Framework). This Framework aims to strengthen the cooperation between the WBG and the IsDBG towards the achievement of common development objectives in mutual member countries, outlining the basis for future collaboration between both institutions.

## Background

- II. The partnership between the WBG and IsDBG is based on a shared commitment to reducing poverty, boosting shared prosperity, fostering economic development, and promoting social progress across their common membership and beyond. To this end, this Framework follows decades of fruitful cooperation between the WBG and the IsDBG, which began in 1976 when IsDBG commenced its operations.
- III. Partnership between both institutions was further solidified in 2002 with the signing of a Memorandum of Understanding (MoU), which outlined the overall framework for cooperation between the two institutions.
- IV. Given their shared commitment to addressing common challenges, both institutions renewed the MoU in 2005 and prepared a joint work program of activities covering various countries and sectors. To date, this partnership has focused on both parallel-financing and technical assistance projects.
- V. Parallel-financing has focused primarily on the infrastructure sector, with 72 projects worth approximately USD 24 billion invested in common member countries in Africa, Asia and the Middle East and North Africa.

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<sup>1</sup> The World Bank Group (WBG) is comprised of the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA).

<sup>2</sup> The Islamic Development Bank Group (IsDBG) is comprised of the Islamic Development Bank (IsDB), the Islamic Research and Training Institute (IRTI), the Islamic Corporation for Insurance of Investments and Export Credits (ICIEC), the Islamic Corporation for the Development of the Private Sector (ICD), and the International Islamic Trade Finance Corporation (ITFC).

- VI.** Joint insurance cover between ICIEC and MIGA has focused on supporting private sector investment in infrastructure in Djibouti, Turkey and Côte d'Ivoire and Indonesia covering 5 projects worth USD 1.9 billion.
- VII.** Both institutions have also collaborated on a number of flagship programs focused on mutual priorities, including an MoU on knowledge sharing and capacity building in Islamic Finance, the Education for Employment initiative with the IFC, the Arab Financing Facility for Infrastructure Technical Assistance Facility, and most recently, the Education for Competitiveness initiative.
- VIII.** This Framework is the result of a “Deep Dive” exercise between both institutions that focused on further strengthening their strategic partnership on shared priorities. To this end, this Framework complements and brings together, as the case may be, current and prior arrangements between both institutions. It represents a renewed and more robust partnership aimed at deepening the cooperation between both institutions on common challenges. This “Deep Dive” exercise is also an important pillar for future collaboration with the Arab Coordination Group, of which the IsDBG is a member.

#### **Scope of Proposed Collaboration Activities**

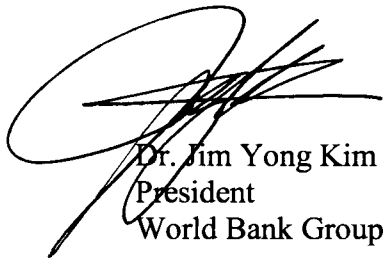
- IX.** The following represent areas in which both institutions recognize an opportunity to achieve strategic and transformative objectives through a more structured partnership framework over the next three years: (a) providing additional resources in priority sectors across common regions; (b) advancing flagship programs and initiatives that aim to address some of the most critical development challenges as recognized by both institutions; and (c) sharing knowledge and identifying specific ways in which both institutions can learn from one other, taking into account each institution’s competitive advantage and experience.
  - (i) The “Deep Dive” exercise between the WBG and IsDBG senior managerial and technical leadership identified specific areas in which projects and initiatives could benefit from common work, including parallel-financing arrangements. These areas – agriculture, education, energy, fragility, innovative and Islamic finance, trade – align with the strategies and priorities of both institutions, leverage the competitive advantage of each institution in an effective manner, achieve effective interventions, and yield measurable results. Annexes 1-8 provide further detail on the roadmaps for each of the aforementioned sectors. Annex 9 provides details of the roadmap for collaboration in the area of private sector development, including cooperation between ICIEC and MIGA.
  - (ii) This Framework also identifies flagship programs and initiatives, such as the Education for Competitiveness initiative, where WBG-IsDBG collaboration can achieve transformative results on shared priorities. These programs may cover one

or more projects, and may involve both financing and knowledge sharing or capacity building arrangements. As some flagship programs and initiatives may already be subject to prior cooperation arrangements and/or MoUs, the Framework does not aim to replace or supersede prior agreements, but rather to complement them and promote deeper cooperation.

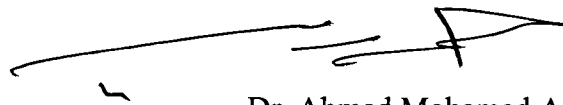
- (iii) This Framework identifies concrete opportunities in which both institutions can further share knowledge and develop a better understanding of each organization's operating structure and strategic priorities. This includes both joint analytical activities, workshops and seminars, operational missions, as well as the exchange of human resources through staff exchange and secondment arrangements. Furthermore, this Framework provides an opportunity to increase cooperation and knowledge sharing in corporate areas such as human resources, treasury, finance, and risk management.

### **Implementation, Monitoring and Reporting Arrangements**

- X. This Framework aims to foster a high-level of collaboration between the two institutions in the implementation and monitoring of the proposed parallel work program. This will include sharing information on a continuous basis, arranging meetings, or workshops as needed, undertaking joint missions, and conducting joint analytical work of specific issues. On an annual basis, the senior management of both institutions will jointly take stock of progress and discuss the way forward. This will be underpinned by a joint report outlining progress against agreed actions, which will be produced annually from the time of the signing of this Framework as well as a semi-annual review process at the technical level.



Dr. Jim Yong Kim  
President  
World Bank Group



Dr. Ahmad Mohamad Ali  
President  
Islamic Development Bank Group

## Annex 1: Agriculture Roadmap

### Key Strategic Engagements

- *Increase resilience in the Sahel to enhance food security.*
- *Increase productivity of smallholder farmers to improve agricultural output.*
- *Support climate-smart agriculture and management practices to improve livestock productivity, resilience and climate mitigation for smallholder livestock farmers.*

### Key Challenges to be Addressed

- How to better take advantage of the IsDBG and WBG comparative advantages in agriculture through exchange of information, closer collaboration and potential parallel financing of activities?
- How the IsDBG and WBG can collaborate to crowd-in the private sector along the agricultural value chain and increase private investment in agriculture?
- How to promote enhanced resilience in the Sahel, Horn of Africa and other fragile countries and regions through targeted agricultural interventions to improve productivity, expand climate smart agriculture, and enhance land and water use and management?
- How to expand investment in agriculture by leveraging Islamic finance and other financial mechanisms?

### Proposed Deliverables<sup>3</sup>

#### Lending Initiatives

- ***Building resilience to food insecurity in the Sahel.*** As food insecurity in the Sahel is a key shared priority, joint efforts have been identified to build resilience through collaboration on numerous initiatives, including support to the Regional Sahel Pastoralism Support Project, irrigation technology (including crowding-in the private sector), and participation in the Terrafrica Partnership on Sustainable Land and Water Management and Resilient Landscapes, led by the New Partnership for Africa's Development (NEPAD).
- ***Focusing on increased productivity of smallholder farmers in Africa.*** In order to strengthen collaboration on this area, information exchanges and joint investments have been identified in the Smallholder Agricultural Productivity Enhancement Program (SAPEP), the West African Agricultural Productivity Program (WAPP) and a public-private partnership initiative in Nigeria.

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<sup>3</sup> Subject to approval procedures of the WBG and IsDBG

- ***Focusing on climate smart and sustainable agriculture in Africa.*** The aim will be to improve livestock productivity, resilience and climate mitigation for pastoralists and smallholder livestock farmers in Cameroon.
- ***Supporting integrated approaches for enhancing agricultural management and productivity in Central Asia.*** Joint investment efforts have been identified in Kyrgyzstan and Uzbekistan including initiatives on enhancing pasture and livestock management practices and productivity, and integrating approaches for increased dairy productivity.

#### **Non-Lending Initiatives**

- ***Collaborating on Sector Policies.*** Providing peer review support for Agricultural Sector Policies.
- ***Sharing Knowledge on Lessons Learned.*** Both institutions will explore the development of a joint paper on lessons learned from the SAPEP and WAAPP initiatives.
- ***Focusing on Community-Driven Development.*** A joint seminar on community-driven development will be organized during the IsDBG Annual Meeting in Indonesia in June 2016.

## Annex 2: Education Roadmap

### Key Strategic Engagements

- ***Focus on the design and implementation of the joint flagship program on education, the Education for Competitiveness (E4C) Initiative.*** The central aims of E4C are to:
  - a. Enhance the quality of education for lifelong learning through curriculum and teaching reform, and improved service delivery through enhanced accountability;
  - b. Address the relevance of education to labor market demand by promoting education for employment; and
  - c. Promote education for transformation by linking any education sector strategy with broad national economic and social goals, thereby ensuring that the education sector is aligned with the demands of inclusive and cohesive societies in a globalized economy.
- ***Support capacity development in education and skills, and respond to the educational needs and priorities of Islamic communities in Africa.***

### Key Challenges to be Addressed

- How to encourage country demand and ownership of education initiatives?
- How to expand access to, and quality of, education for the poor, particularly in fragile and conflict affected countries?
- How to harness technology to increase access to education?
- How to respond to the needs of Islamic communities for education in a way that complements traditional religious instruction with employment-related knowledge and skills?
- How to increase access to financing for education through innovative measures such as educational buy-down approaches?

### Proposed Deliverables<sup>4</sup>

#### Lending Initiatives

- ***Strengthening tertiary education and vocational training in Africa.*** Joint efforts have been identified to support capacity development in education and skills in Africa through initiatives that seek to strengthen tertiary education and regional technical and vocational

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<sup>4</sup> Subject to approval procedures of the WBG and IsDBG



training, as well as develop ICT-based education platforms to help reach fragile and conflict affected populations, especially young women.

- ***Responding to the educational needs of Islamic communities in Nigeria.*** Given the comparative advantage of each institution, and as a response to the education needs and priorities to Islamic communities, it has been agreed to exchange views and collaborate on initiatives that aim to introduce bilingual education, expand curricula and include employment-focused training in Islamic schools in Northern Nigeria.
- ***Expanding quality Early Childhood Education (ECE) in the Middle East and North Africa (MENA) region through the E4C initiative.*** Initial collaboration on ECE will include: (i) establishing ECE regional and national targets within the Sustainable Development Goals (SDG); and (ii) supporting countries to develop a costed action plan to achieve targets within a specific timeframe. Thereafter, proposals from countries will be solicited to support the implementation of action plans, and a regional ICT platform for ECE knowledge exchange, building on existing networks, will also be developed.
- ***Supporting literacy and numeracy programs in MENA.*** In order to improve the acquisition of basic literacy and numeracy in early primary years a number of joint initiatives have been agreed upon: (i) setting regionally-agreed targets for early grade student achievement in literacy and numeracy; (ii) including the regional targets into national programs; and (iii) developing and financing country-specific action plans, which would include curriculum reform in the early grades of primary education, intensive teacher professional development, and high quality teaching and learning materials with effective use of ICT.
- ***Reforming school curricula through skill development programs.*** As part of the E4C initiative, joint efforts have been identified to develop and implement relevant learning programs focusing on PRACTICE skills (Problem-Solving, Resilience, Achievement Motivation, Control, Teamwork, Initiative, Confidence and Ethics) into school curricula across the MENA region. Specific activities to be financed could include twinning arrangements among primary and secondary schools across the region, and scholarships and exchange programs for school leaders, teachers and curriculum developers.

### **Non-Lending Initiatives**

- ***Providing a regional online career platform to support students.*** Promoting education as a path towards sustainable employment is a critical part of the E4C initiative. To this end, a regional online career platform will be developed to assist students in making educational, training and occupational choices, as well as finding internships. Such a platform will help students take better-informed and more decisive first steps into the labor market. The intervention will include a competitive grant financing scheme, open to partnerships among all potential providers (public, private and NGO), to develop, implement, and oversee an effective career guidance services platform.

- ***Conducting joint studies.*** A particular joint diagnostic study has been identified focusing on export-oriented tertiary education in Sudan.
- ***Supporting capacity development.*** Initiatives and events focused on building capacity on education reforms have been identified in various African countries and institutions.
- ***Supporting South-South exchanges.*** Collaboration on this important agenda seeks to build on the IsDBG's reverse linkage program for Africa.
- ***Increasing financing for education.*** The WBG and IsDBG will pilot buy-down approaches aimed at increasing access to large amounts of financing for education.
- ***Introduce a culture of transparency and accountability into the education sector in MENA.*** This includes helping MENA countries develop, pilot and implement context-specific programs, based on tailored service delivery indicator instruments.

## Annex 3: Energy Roadmap

### Key Strategic Engagements

- *Promote gas and electricity regional interconnectivity to sustain economic growth, provide enhanced trade opportunities, and increase access to power.*
- *Promote energy efficiency through the rehabilitation of aging electricity infrastructure to enhance supply and security.*
- *Expand the adoption and use of renewable energy to reduce reliance on fossil fuels in order to meet energy demand in a sustainable manner.<sup>5</sup>*

### Key Challenges to be Addressed

- How can the partnership between the IsDBG and WBG play a transformational role in promoting policy reforms and credit enhancements to pave the way for the sustainable flow of private capital?
- How can the most effective opportunities to support clients, including in fragile states be identified?
- How to secure concessional financing to support critical short-term public investments to maintain energy supply security?

### Proposed Deliverables<sup>6</sup>

#### Lending Initiatives

- *Increasing access to power and supporting regional integration.* In support of this critical agenda across various regions, both institutions will exchange information and conduct joint investments focused on supporting power pools, developing cross-regional, regional and in-country transmission and distribution infrastructure, and developing strategies to leverage increased private sector investment.
- *Supporting the development of renewable energy resources.* Joint efforts have been identified to exploit indigenous renewable energy resources through wind, hydro and geothermal power, small off-grid and large grid connected solar facilities, and waste-to-energy generation across all regions.

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<sup>5</sup> Renewable energy includes hydropower, small off-grid and large grid-connected solar generation facilities as well as waste-to-energy generation.

<sup>6</sup> Subject to approval procedures of the WBG and IsDBG

- ***Supporting energy efficiency initiatives.*** Energy management practices can be supported through the implementation of energy efficiency initiatives in industries, service provision such as heating, and households, as well as rehabilitation of aging infrastructure.

#### **Non-Lending Initiatives**

- ***Establishing a high-level MENA Regional Energy Trade Platform.*** This joint initiative aims to build alliances and establish a shared vision for integration, establish cost-benefit basis, define complementarities between national and regional objectives, leverage existing infrastructure, and establish shared actions plans to promote energy trade.
- ***Supporting South-South Exchanges.*** In order to share knowledge and learn from the experiences of other countries, south-south exchanges will be crucial, and can build on the IsDBG's reverse linkage program.
- ***Developing the Energy Sector in Fragile and Conflict Affected Countries.*** In particular this agenda aims to build on the IFC-ICD Strategic Approach to Power Sector Development in Fragile and Conflict Affected Countries.
- ***Enhancing the role of credit and political risk insurance to support the energy sector in common member countries.*** MIGA and ICIEC will continue to coordinate their work in order to support scaled-up investment in the energy sector.

## Annex 4: Fragility Roadmap

### Key Strategic Engagements

- *Support common member countries in fragile and conflict-affected countries through policy reviews as well as capacity development in undertaking needs assessments and management of recovery and reconstruction resources.*
- *Support knowledge exchange to fertilize cross-organizational learning on how to work effectively in fragile and conflict-affected countries.*

### Key Challenges to be Addressed

- How to better take advantage of the respective comparative advantages of the IsDBG and the WBG in fragile states?
- Is there potential for collaboration in peer review, joint research or joint analytical work, focused on how to drive the development agenda forward in situations challenged by fragility, conflict and violence?
- What are potential areas for additional training and knowledge exchange on how to implement programs in fragile states?

### Proposed Deliverables<sup>7</sup>

#### Lending Initiatives

- *Strengthening Resilience Efforts in Africa.* The focus will be to support initiatives aimed at enhancing resilience in Mali, Northeast Nigeria, the Lake Chad Basin, the Sahel, and the Horn of Africa, through development interventions, information sharing, and building on synergies.
- *Supporting Vulnerable Populations.* Support for women and youth employment and skills development programs will be critical in selected fragile and post-conflict countries across regions to achieve sustainable livelihoods.

#### Non-Lending Initiatives

- *Collaborating on Sector Policies.* The WBG may provide a peer review of the IsDBG's Policy for Supporting Member Countries in Fragile and Conflict Affected Countries.

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<sup>7</sup> Subject to approval procedures of the WBG and IsDBG

- ***Collaborating on the preparation of a Damage Needs Assessment for Yemen*** to support post-conflict reconstruction.
- ***Promoting Knowledge Sharing Initiatives.*** The WBG and IsDBG will collaborate on a training on managing operations in fragile situations, taking place in November 2015. Furthermore, the IsDBG will have a session to showcase their innovative work at the 2016 Fragility, Conflict and Violence Forum, taking place in March 2016.
- ***Supporting South-South Exchanges.*** In order to share knowledge and learn from the experiences of other countries, south-south exchanges will be crucial, and can build on the IsDBG's reverse linkage program.
- ***Providing Parallel Financing to Support Pakistan Develop a Comprehensive Strategy.*** This will cover the period 2015-2020, and will highlight Pakistan's own priorities relevant to addressing fragility and enhancing state-citizen trust in its crisis affected areas.
- ***Supporting Vulnerable Populations through Parallel Financing.*** The aim of providing parallel financing will be to empower poor women and youth, improve their livelihoods, and widen their opportunities for independence in fragile, conflict affected countries, and host communities.
- ***Promoting Technical Assistance Initiatives.*** Joint technical assistance activities will aim to develop capacity, generate knowledge, and apply this capacity and knowledge to implement reforms and investments in fragile and conflict-affected countries, in particular through the Program for Disaster Resilience in member states of the Organization of Islamic Countries.

## Annex 5: Islamic Financing

### Key Strategic Engagements

- *Build an enabling environment for Islamic finance in common member countries through joint analytical technical assistance and advisory services.*
- *Support financial inclusion initiatives in common member and non-member countries<sup>8</sup> through joint analytical and operational support for the Micro, Small and Medium-sized Enterprise (MSME) sector and Islamic social finance.*

### Key Challenges to be Addressed

- Which countries will be included in the technical assistance on Islamic finance?
- Joint preparation of a concept note which will specify among others: (i) the nature of collaboration i.e. joint analytical assessment; (ii) resources i.e. financial and human resources; (iii) the period for each agreed project; (iv) the agreed-to deliverables; and (v) the mode and procedures of collaboration, decision-making, and prioritization process.

### Proposed Deliverables<sup>9</sup>

#### Non-Lending Initiatives

- *Developing and implementing an Islamic Finance Strategy and Master Plan.* This would represent a legal, regulatory and supervisory framework for Islamic banking and capital markets, or *takaful*, and a domestic *sukuk* market.
- *Undertaking joint analytical work to support financial inclusion.* This will include developing and implementing frameworks and products for Islamic MSMEs and Islamic social finance, as well as coordinating and collaborating with the UN Humanitarian Action to develop a strategy for leveraging Islamic social finance and social safety net mechanisms
- *Collaborating with the IFC to scale-up on Islamic Finance.* Potential collaboration will be explored on IFC's plan to increase its activity in Islamic finance. IFC is also working with the IsDBG to support Islamic finance across regions, including in Asia (particularly in Indonesia and Bangladesh) and Africa (particularly in West Africa).

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<sup>8</sup> An example of non-member countries would be Philippines which is a WBG member country but non-member of IsDBG.

<sup>9</sup> Subject to approval procedures of the WBG and IsDBG

## Annex 6: MENA New Financing Mechanisms Roadmap

### Key Strategic Engagements

- *In support countries affected by conflict and instability, and in preparation of the International Stakeholders' Roundtable Meeting for the Middle East and North Africa, the WBG and IsDBG have partnered to mobilize the international community through two distinct financing mechanisms that aim to: (a) support the recovery and reconstruction of MENA countries; and (b) strengthen the capacity of countries and communities hosting refugees and IDPs to absorb the shocks on their economic and social fabric.*

### Key Challenges to be Addressed

- What strategies should be adopted to secure donor support for the MENA financing initiative?
- What governance mechanisms should be adopted for the MENA financing initiative?
- What risk-mitigation measures will be put in place to hedge against loan re-payment defaults?

### Proposed Deliverables<sup>10</sup>

#### Non-Lending Initiatives

- *Providing additional financing to support the recovery and reconstruction needs of MENA countries.* The WBG and the IsDBG propose to use donor guarantees to provide additional financing to countries affected by conflict and instability:
  - Donors can provide guarantees on MDB loans or guarantee operations, thus opening up space in the balance sheet of MDBs. The amounts guaranteed by the donors would not count towards the lending envelope of the borrower, releasing capacity for MDBs to continue lending under their usual terms; and
  - Guarantees can be used to back the issuance of a special type of bond that would provide additional financing at a rate more advantageous than what the countries would be offered by commercial lenders and capital markets.
  - In addition, the IsDBG and the WBG are collaborating on the design of a *Sukuk* (Islamic bond) structure for MENA countries that could be credit enhanced by guarantees from supporting countries. *Sukuk* will be structured to securitize assets and/or cash flows of the underlying projects in member countries and will provide credit enhancement through guarantees by supporting countries. *Sukuk* could be placed to both conventional and Islamic investors (see Annex on Islamic Finance above).

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<sup>10</sup> Subject to approval procedures of the WBG and IsDBG



## Annex 7: Trade Facilitation and Transport Corridors' Development Roadmap

### Key Strategic Engagements

- *Improve transport corridors to eliminate bottlenecks and improve border connectivity.*
- *Modernize border crossings and harmonize custom regulations and related procedures to improve trade facilitation and reduce border crossings delays.*
- *Foster economic growth and investment along the transport corridors to improve national, regional and sub-regional connectivity.*
- *Develop network connectivity and accessibility for regional integration to improve access to economic opportunities and basic services.*
- *Promote institutional capacity improvements for service delivery to provide, maintain, operate and regulate the transport network and ICT infrastructure and services efficiently.*

### Key Challenges to be Addressed

- How to secure adequate funds for project preparation, planning and technical studies? Should the IsDBG's 'triple win' strategy for financing and other innovative financing models be adopted to secure the necessary financial resources?
- How to ensure the engagement of all stakeholders, and develop a unified approach for early realization of results and high impact interventions, particularly for cross-border initiatives?
- How to design and implement investment projects in fluid, politically turbulent and high security environments?

### Proposed Deliverables<sup>11</sup>

#### Lending Initiatives

- *Investing in transport corridor development and trade facilitation to spur local economic development.* This would represent a joint effort across several regions aimed at supporting trade facilitation and economic development in corridors among border countries. Particular attention will also be paid to promoting sound road safety policies and implementing them in transport corridors. Efforts to develop railway corridors would be focused in MENA and South Asia.

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<sup>11</sup> Subject to approval procedures of the WBG and IsDBG

- ***Supporting the development of the aviation sector in MENA.*** This agenda will critically aim to crowd-in the private sector in various initiatives.

#### **Non-Lending Initiatives**

- ***Focusing on the Modernization and Harmonization of Customs Regulations and Procedures to Facilitate Trade across Regions.*** This also includes upgrading of border systems where applicable.
- ***Promoting Knowledge Sharing*** among both institutions to benefit from each institutions' experience, i.e. moving from corridor development to development corridors in ECA.
- ***Developing Joint Studies.*** It will be important to support the development of designs and safeguards studies, regulatory convergence indicators, and master and business plans as needed.
- ***Building Consensus on How to Address Key Trade and Transport Challenges.*** This will include jointly organized conferences aimed at building consensus around the importance of trade facilitation, and harmonization of customs procedures and regulations, among other key challenges.

## Annex 8: Water Sector Roadmap

### Key Strategic Engagements

- *Promote water infrastructure and reform investments to develop water management practices, enhance service delivery, and promote efficient and sustainable water use of water including in irrigation, drainage, and water supply and sanitation.*
- *Support capacity building and knowledge on water policy and technologies to improve service delivery, achieve water security and ensure sustainable management and use of water resources.*

### Key Challenges to be Addressed

- How can the comparative advantages of the WBG and IsDBG be maximized in non-lending activities?
- Are there opportunities for investments that would help stabilize communities and protect water resources in conflict-affected or migrant areas?
- Do any of the identified investments lend themselves to private sector participation?

### Proposed Deliverables<sup>12</sup>

#### Lending Initiatives

- *Focusing on Modernizing Irrigation, Water Supply and Sanitation Systems.* Joint investment efforts have been identified to modernize the irrigation and water supply and sanitation systems of countries in MENA and ECA.

#### Non-Lending Initiatives

- *Promoting Knowledge Sharing.* Joint Seminars could be an important way of addressing critical shared priorities, i.e. trans-boundary water resource management in Central Asia
- *Supporting South-South Exchanges.* In order to share knowledge and learn from the experiences of other countries, south-south exchanges will be crucial, and can build on the IsDBG's reverse linkage program.
- *Undertaking a rapid regional water security assessment for MENA.* The assessment will likely involve other partner institutions including regional centers of excellence in water management. The report will help substantiate and prioritize cooperative actions later on.
- *Building Capacity of Countries to Address Challenges Related to Water Management and Water Security.* In particular, there has been discussion on supporting the governments of Morocco and Tunisia organize investment conferences.

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<sup>12</sup> Subject to approval procedures of the WBG and IsDBG

## Annex 9: Private Sector Development Roadmap

### Key Strategic Engagements

- *Strengthening business development and outreach to private sector investors targeting member countries, especially in MENA.*
- *Strengthening cooperation on underwriting of transaction in fragile and conflict-affected countries through sharing of insurance capacity via reinsurance schemes, especially in MENA.*
- *Sharing knowledge and assisting ICIEC in establishing development indicators measurements.*

### Key Challenges to be Addressed

- To include more systematically ICIEC as reinsurers on project(s) being underwritten by MIGA in ICIEC member countries.
- To use ICIEC/MIGA resources at the country level to increase the understanding of investments insurance and its use to facilitate increased FDI into member countries.
- To increase engagement in key sectors, such as power and infrastructure.
- Greater focus on outreach in key fragile and conflict-affected countries (e.g. Iraq, Lebanon, and Egypt) where guarantees would be of greater value to private sector investors through a more effective cooperation with ICIEC's regional representatives.
- How can new guarantee products, such as Sukuk, can be more effectively leveraged.

### Proposed Deliverables<sup>13</sup>

- *Jointly Deliver Transactions.* The initial focus will be on bringing to fruition two transactions MIGA is underwriting in Iraq and Nigeria in the Power Sector for joint execution.
- *Focusing on Sukuk Financing.* Going forward the aim will be to undertake direct consultations on how both institutions can support *Sukuk* financing.
- *Undertaking a review of opportunities and support to common fragile and conflict-affected member countries.*
- *Increasing awareness of ICIEC and MIGA products to ICD and IFC regional staff.*

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<sup>13</sup> Subject to approval procedures of the WBG and IsDBG

## Appendix 1: Joint Work Program by Region<sup>14</sup>

### Joint Work Program for the Africa Region

Initiative	Action	Tentative Timeline (FY)	Total Financing (\$m)	IsDBG Financing (\$m)	WBG Financing (\$m)	Other Financing (\$m)
<b>ENERGY</b>						
West Africa Power Pool	Finalize arrangements for collaboration in WAPP countries and activities. Consultations with WAPP and countries. Include in 2015-2016 action plan.	2018	TBD			
Cote d'Ivoire power transmission and distribution	WB consider ISDB proposal for collaboration and possible financing. WB share information on Cote d'Ivoire project.	2017				
Country and regional projects to be determined	WB and ISDB share information on project pipelines and analytical work.	2015				
	Consultations on specific countries and initiatives, including involvement of private sector.	2015-16				
	IFC and ICD consultations on collaboration in Cameroon and Nigeria.	2015-16				
Cameroon hydro transmission	Consultations on possible collaboration, including financing.	2016	550	150	400	
Country and regional projects to be determined	ISDB and WB share information on project pipelines and analytical work.	2015				
	Consultations on specific countries and initiatives, including involvement of private sector.	2015				

<sup>14</sup> The implementation of this joint work program is tentative and contingent upon the agreement of member countries to seek financing in parallel from both institutions

<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>IsDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Knowledge exchange	Share project pipelines and analytical work. WB share spatial planning studies.	Ongoing	TBD			
Joint studies	Explore options for joint IFC-ICD strategic approach to power sector development in fragile and conflict affected countries.					
Organization and participation in events	Seminars and other events to be determined – capacity development of African countries and institutions a key component of cooperation.					
Peer review	WB and ISDB to peer review documents as requested.					
South-South cooperation	Use of ISDB reverse linkage program for S-S exchanges.					
<b>TRADE AND TRANSPORT</b>						
Abidjan-Lagos surface transport corridor	Finalize arrangements for collaboration on both investment and facilitation aspects of selected sections of corridor. Consultations with relevant governments. Inclusion in action plan for 2015-2016.	2015	TBD			
Possible collaboration on the development of additional surface transport corridors in West, Central and Eastern Africa.	WB consider IsDB proposals for collaboration on selected transport corridors in Mali and Uganda.	2015				
	WB review IsDB proposal for collaboration in design of Trans-Sahara Regional Trade transport Facilitation Program.	2016				
	WB provide IsDB information on intra/inter regional transport and corridor projects, including in Senegal, Mali, Cameroon and Ivory Coast, with emphasis on trade/transport facilitation and investments.	2015				
	Consultations on possible collaboration, including involvement of private sector through IFC-ICD.					
Trade Logistics in West Africa	WB provide information on TA project focused on improving transit procedures and border crossing along Tema-Ouagadougou, Abidjan-Ouagadougou, and Cotonou-Niamey corridors.	2015	TBD			

<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>IsDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Trade facilitation and Trade for Cote d'Ivoire and Burkina Faso	WB provide information on Regional DPO and accompanying transport, trade and customs operations.					
Specific activities to be determined	Share information on existing and planned initiatives on trade, transport and transit facilitation. Consultations on collaborative border crossing and trade facilitation initiatives in selected countries. Include agreed initiatives in 2015-2016 action plan.					
Knowledge exchange	Share project pipelines and analytical work.	Ongoing	TBD			
Joint studies	Explore option of joint study on road safety.					
Organization and participation in events	Seminars and other events to be determined -- capacity development of African countries and institutions a key component of cooperation.					
Peer review	WB and IsDB to peer review documents as requested.					
South-South cooperation	Use of IsDB reverse linkage program for S-S exchanges.					
<b>AGRICULTURE AND FOOD SECURITY</b>						
Building Resilience to Food Insecurity in Sahel	ISDB provide information on projects. WB consider financial collaboration/alignment of activities.	2015				
Regional Sahel pastoralism Support Project	WB provide information on projects. ISDB consider financial collaboration/alignment of activities.	2016	368	120	248	
Sahel Regional Irrigation Technology Project	WB provide information on project. ISDB consider collaboration.	2016-17				
Drylands Agriculture	Share information and lessons learned.	2016				

<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>ISDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Land and water use and management	Share information/consider collaboration, including ISDB participation in NEPAD-led Terrafrica partnership on Sustainable Land and Water Management and Resilient Landscapes.	2015				
Private sector involvement in irrigation	IFC-ICD consultations on Sahel irrigation initiative, involving the private sector.	2015-16				
Smallholder Agricultural Productivity Enhancement Program, (SAPEP)	Exchange information on programs, identify and build on synergies – explore possibilities of convening joint annual regional project review consultations/meetings.	2015 Ongoing	TBD			
West African Agricultural Productivity Program (WAAPP)	Exchange information on proposed programs to improve agricultural productivity in the Northern regions of Nigeria.	2016				
Nigeria agriculture sector	WBG (IFC) share information on PPP initiative in Nigeria. ISDBG (IDB and ICD) explore possibility of participating in program.	2016/2017				
Cameroon National Livestock Development Project	Exchange information on proposed program to improve livestock productivity, resilience and climate mitigation for pastoralists and smallholder livestock farmers in Cameroon. Potential for collaboration on veterinary and animal health issues.	2016/2017	220	70	150	
Additional collaboration to be determined	Share information on climate smart agriculture. Consider collaboration, including financing.	2016				
Knowledge exchange	Share project pipelines and analytical work. WB share analytical work on gender and agriculture.	Ongoing				
Joint studies	Explore option of joint paper on lessons learned from SAPEP & WAAPP.					
Organization and participation in events	Joint seminar on CDD during ISDB Annual Meeting in Indonesia, June 2016.					
Peer review	Explore possibilities of convening joint annual regional project review consultations/meetings. WB peer review ISDB Agricultural Sector Policy document and recommend consultants as necessary.					



<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>ISDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
<b>EDUCATION</b>						
Sudan Tertiary Education TA	WB provide information on project and diagnostic. ISDB provide information on support to tertiary education in Sudan. ISDB consider contributing to financing additional diagnostic studies for export-oriented tertiary education in Sudan.	2015	TBD			
TVET	Share information on support to TVET. WB provide concept note for proposed regional TVET project. ISDB consider collaboration and support.					
ACE project	WB provide information on ACE project and options for ISDB support.					
ICT for education in fragile and conflict affected states	WB share information on use of ICT to reach students in Somalia. ISDB consider collaboration in analysis and operation. Share information and discuss development of digital platform to help reach fragile/conflict affected populations, especially young women.					
Bilingual education and modernization of Madrassas	Consider collaboration to design and implement program in northern Nigeria and other sub-Saharan African Countries.					
Expansion of curricula and inclusion of employment-focused training in Islamic schools	WB share information on initiatives to incorporate national curricula into Islamic schools. ISDB consider collaboration. ISDB share information on bi-lingual education programs.	2015	TBD			
Knowledge exchange Joint studies	Share project information and analytical work. Consider joint diagnostic studies for export-oriented tertiary education in Sudan.	2015 ongoing	TBD			
Joint missions Organization and participation in events	ISDB join WB mission to Sudan October 2015. Seminars and other events to be determined -- capacity development of African countries and institutions a key component of cooperation.					
Peer review	WB and ISDB to peer review documents as requested.					
South-South cooperation	Use of ISDB reverse linkage program for S-S exchanges.					

<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>ISDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Innovative financing mechanisms for education	Piloting buy-down approaches to increase access to large amounts of financing for education.					
<b>FRAGILITY, RESILIENCE AND DISPLACEMENT</b>						
Support to development aspects of Mali peace process	Share information on proposed initiatives.. Explore options for collaboration.	2015	TBD			
Potential collaboration on development initiatives in Lake Chad Basin countries	WB share information on proposed regional initiative. Identify options for collaboration.					
Continue ISDB collaboration in WBG Regional Initiatives for the Sahel and Horn of Africa	WB and ISDB continue to share information on regional initiatives and projects. Identify and build on synergies. WB share information on support to AU Great Green Wall Initiative and work on sustainable land and water management and resilient landscapes in Sahel and HoA.					
Potential activities to be determined	Share information on ISDB and WBG activities to support youth employment.  Stocktaking of ongoing and planned programs.  Consultations on potential joint activities in selected countries.	2015 ongoing	TBD			
Knowledge exchange	Share information on projects, analytical work and knowledge products. Training on Managing Operations in FCS (Nov 16-18, 2015).	2015 Ongoing				
Joint studies	Explore options of joint studies.	2016				
Joint missions	Undertake joint missions.					

<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>IsDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Organization and participation in events	ISDB participate and organize event in WBG 2016 Fragility, Conflict and Violence Forum (March 1-3, 2016). Other workshops and knowledge events to be determined.	2016				
Peer review	WB peer review ISDB Group Policy for Supporting Member Countries in Fragile and Post-Conflict Situations.					
South-South cooperation	Use ISDB reverse linkage program for S-S cooperation and knowledge exchange.					

## Joint Work Program for the East Asia and Pacific Region

Initiative	Action	Tentative Timeline (FY)	Total Financing (\$m)	IsDBG Financing (\$m)	WBG Financing (\$m)	Other Financing (\$m)
<b>ENERGY</b>						
Enhancing Accessibility	Supporting development of distribution infrastructure using the World Bank's "Program for Results" model. Suitable areas for IsDB financing can be identified to complement the on-going efforts by the World Bank. The IsDB's support will leverage the lessons learned by the World Bank to enhance the efficiency and effectiveness of IsDB's financing. Thus, significant opportunities for cooperation exist in the sphere of knowledge sharing under the umbrella of the Deep Dive initiative.	TBD	TBD	TBD	TBD	
Renewable Energy	There also exist potential for cooperation to support the development of indigenous renewable energy power plants such as geothermal. It is recognized that geothermal power is one of the best options to diversify Indonesia's energy mix. It is a base load generation technology not subject to the intermittency and variability of most other renewable electricity sources. Indonesia holds approximately 40% of the world's geothermal reserves, equivalent to about 27,000 MW of electrical power. The Government is still formulating a suitable model for sustainable operations of the geothermal plants.	TBD	TBD	TBD	TBD	
<b>AGRICULTURE</b>						
Policy Review	Agricultural Policy Assessment Review Study in Indonesia	TBD				

## Joint Work Program for the Europe and Central Asia Region

Initiative	Action	Tentative Timeline (FY)	Total Financing (\$m)	IsDBG Financing (\$m)	WBG Financing (\$m)	Other Financing (\$m)
<b>ENERGY</b>						
Tajikistan Nurek HPP Rehabilitation Project	Considered for parallel financing	2017	30	15	15	
Kyrgyz Republic District Heating Improvement	Considered for parallel financing	2017	25	10	15	
Uzbekistan Industry Energy Efficiency Enhancement	Considered for parallel financing	2017	150	50	100	
Turkey Renewable Energy/ Energy Efficiency Lines of credit	Considered for parallel financing	2017	400	100	300	
Azerbaijan Modernization of Power Distribution	Considered for parallel financing	2017	400	100	300	
<b>AGRICULTURE</b>						
Kyrgyz Rep. Integrated Dairy Productivity Improvement Project	Consider for parallel financing	2016	15	10	5	
Kyrgyz Rep. Pasture and Livestock Management Improvement Project	Consider for parallel financing	2016	25	10	15	
Uzbekistan Livestock Sector Development Project	Consider for parallel financing	2017	205	55	150	
Preparation of IsDB Agricultural Sector Policy	WB to provide input into the preparation of IsDB Agriculture Sector Policy (peer reviewing and sharing experience)	TBD				
<b>WATER</b>						
Kazakhstan Third Irrigation and Drainage Improvement Project	Considered for parallel financing	2017	550	200	350	

<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>IsDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Uzbekistan Ferghana Valley Water Resources Management - Phase II	Considered for parallel financing	2017	425	225	200	
Kyrgyz Rep. Third Rural Water Supply and Sanitation Project	Considered for parallel financing	2017	23	10	13	
Kazakhstan Climate Program (10Y+)	Considered for parallel financing	2018	TBD	TBD	TBD	
Joint Seminars on common areas of interest	Such as the seminar on trans-boundary Water Resource Management in Central Asia	2016				
South-South Exchange	Use ISDB reverse linkage program for S-S cooperation and knowledge exchange.	TBD				
<b>TRADE FACILITATION AND TRANSPORT</b>						
Uzbekistan Roads/Highways	Regional road development project in 4 regions	TBD	450	250	200	
Albania roads/Highways	Performance based maintenance contracts	TBD	200	80	80	40
Tajikistan Railways	Tajikistan-Afghanistan-Turkmenistan Railway Project	TBD	20	20		
Kazakhstan/ Kyrgyz Republic Trade Facilitation	Modernization of Kazakhstan/ Kyrgyz Republic crossing point and Harmonization of Customs Regulations and Procedures	TBD	TBD	TBD	TBD	TBD

## Joint Work Program for the Middle East and North Africa Region

Initiative	Action	Tentative Timeline (FY)	Total Financing (\$m)	IsDBG Financing (\$m)	WBG Financing (\$m)	Other Financing (\$m)
<b>EDUCATION FOR COMPETITIVENESS</b>						
Strengthening School Readiness	Expand Early Childhood Education in the MENA Region	2017/18	TBD	TBD	TBD	TBD
Literacy in the Early Years	Develop and implement regional literacy programs to help primary students successfully acquire basic Arabic.	06/2017				
Information for Accountability	Develop and implement mechanisms for improved school level performance and accountability.	09/2017				
Career Guidance	Develop a regionally-based, yet nationally-specific online career guidance platform.	09/2016	TBD	TBD	TBD	TBD
Internship Matching	Develop a regionally based, yet nationally-specific online internship matching platform	09/2016				
21 <sup>st</sup> Century Skills and Values	Develop and implement programs focusing on socio-emotional and life-skills programs	09/2017	TBD	TBD	TBD	TBD
<b>SUSTAINABLE ENERGY SECTOR DEVELOPMENT <sup>15</sup></b>						
Renewable Energy and Energy Efficiency	Consider parallel financing for:					
	• Morocco Noor Solar Power- Midlet (including with ICD)	2017	2,300	300	300	
	• Morocco Noor Solar Power- Tata (including with ICD)	2018	2,300	300	300	
	• Morocco Energy Efficiency	2016			TBD	

<sup>15</sup> There are potential regional energy integration projects that are not included in this collaboration as they are not envisaged to materialize in 2016-18. These include for electricity: Egypt-Sudan-Ethiopia Electricity Interconnector, Saudi-Egypt-Jordan corridor, expanding GCC electricity interconnector, Iraq-Turkey Interconnection; and for gas: Iraq-Jordan Gas Trade via the Basra-Aqaba Gas Pipeline, Egypt as a Regional Gas Hub, EU-Med Gas Platform. The planned MENA-RETP is expected to establish the basis for energy trade investment promotion beyond the period of this collaboration.

<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>IsDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Renewable Energy and Energy Efficiency cont..	• Egypt Clean Energy Fund	2017	700	TBD <sup>16</sup>	250	
	• Egypt Solar project (ICD and IFC)	2016/17		TBD	TBD	
	• Iraq Emergency Electricity Action Plan	2017/18	350-750	TBD	TBD	
	• Iraq-Kurdistan IPP Greenfield	2015	800	75	600 <sup>17</sup>	125
	• Palestinian Territories Renewable Energy (PV) for NGEST <sup>18</sup>	2016	10	8	2	
	• Jordan Renewable Energy project (IsDB, ICD and IFC)	2016/17		TBD	TBD	
Energy Trade and Integration	Considered for parallel financing for:					
	• Iraq High Voltage Transmission Line	2018	500	200	300	
	• Palestinian Electricity Sector Performance Improvement Project <sup>19</sup>	2016	12	10	2	
	• Tunisia-Italy Electricity Interconnector (including with ICD)	2018	800	200	200	
	• Transmission linkages for Gaza's power network with Egypt	2016	TBD	TBD	TBD	
	WB to lead and IsDB to support the creation of a MENA Regional Energy Trade Platform (MENA-RETP) that will implement:	2016-2018				
	• An annual regional energy forum; and					
	• High level dialogue to: (i) build alliances and establish shared vision; (ii) establish basis of costs and benefits; (iii) define complementarities between national and regional objectives; (iv) leverage existing infrastructure; and (v) establish shared actions plans to promote energy trade.					

<sup>16</sup> Due to headroom issues in Egypt, IsDB will mark this operation as potential collaboration pending confirmation.

<sup>17</sup> IFC (\$200 million) and MIGA (\$400 million) subject to securing syndication capacity

<sup>18</sup> Tentative, pending technical discussion

<sup>19</sup> The details of this project will be further discussed between the World Bank and IsDB.



Initiative	Action	Tentative Timeline (FY)	Total Financing (\$m)	IsDBG Financing (\$m)	WBG Financing (\$m)	Other Financing (\$m)
<b>WATER SECURITY <sup>20</sup></b>						
Water Infrastructure and Reform Investments	Consider parallel financing for:					
	• Egypt Sustainable Rural Sanitation in Egypt (P4R)	2016	650	100	550	
	• <i>Iraq Decentralized Water Services Program</i>	2017/18	600	300	300	
	• Gaza Sustainable Water Supply Program/Additional Works (Desalination plant and network upgrades) <sup>21</sup>	2018	TBD	200	TBD	
Capacity Building and Knowledge on Water Policy and Technologies	Strategic non-lending engagements:	2016	TBD	TBD	TBD	
	• Regional Water Security Assessment (Analytics/Report)					
	• <i>ONEE Conference (Morocco)</i>	2017	TBD	TBD	TBD	
	• SONEDE Conference (Tunisia)	2017	TBD	TBD	TBD	
<b>TRADE FACILITATION AND TRANSPORT INTEGRATION</b>						
Trade facilitation and transport integration	Iraq/Turkey Upgrading of Dohuk-Ibrahim El-Khalil Border road (60 km); Modernizing Ibrahim El-Khalil crossing point; Harmonizing customs regulations and procedures; and developing local economic initiatives to spur private investments along corridor	Sept 2016	200	80	90 (58.5 on-going)	30
	Kuwait/Iraq Upgrading of Um Qasr to Safwan - Kuwaiti section (19 km); Modernizing crossing point; Harmonizing Customs Regulations and Procedures; developing local economic initiatives, trade facilitation, design studies for future investments	June 2016	50 10	25 5	25 5	
Trade facilitation and transport integration	Iraq Upgrading of Maysan-Nasiriya corridor (72 km); Local development initiatives, trade facilitation, design studies for future investments.	Sept 2016	60 (20)	30 (10)	30 (10)	

<sup>20</sup> Activities in italics to be confirmed given Country lending head-room/Bank programming.

<sup>21</sup> Tentative, pending technical discussion

<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>IsDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Trade facilitation and transport integration cont.	Basra-Baghdad reforming and improving safety & performance of railway co.	Dec 2016	200	100	100	
	Iraq Road and Railway Corridors Designs and Safeguards Studies	Jun-Dec 2016	10		10	
	Iraq (Kerbala) Construction of an economic corridor (religious tourism) between Expressway No. 1 (18 km). Complete design update and ESIA	Dec 2016	TBD	TBD	TBD	
	Iraq upgrading of the Dohuk - Erbil road Section (65 km) - Roviya-Gopal (20 km and \$77m) and Gopal-Erbil (45 km and \$146m)	Sept 2016	223	TBD	TBD	TBD
	Jordan/Iraq (Baghdad-West Corridor) upgrading of border road (250 km)	2015/16	350	TBD	TBD	TBD
	Iran/Iraq (Baghdad-East Corridor) upgrading of Baghdad and Mehran (Iran border) road section (180 km)	Sept 2016	500	TBD	TBD	TBD
	Tunisia/Algeria Upgrading of Boussalem-Eastern Algerian border (80 km); Upgrading of border crossing and harmonization initiative; local development initiative in western Tunisia along the border and corridor.	TBD	TBD	TBD	TBD	TBD
	TA for upgrading of border systems, i.e. transparency and information sharing; harmonization of procedures; etc. (Algeria, Morocco, Tunisia)	TBD	TBD	TBD	TBD	
	Seek additional funding to support Tunisian custom in the same areas (data exchange, etc.) as an on-going Morocco TA					3.5 (MENA TF)
	Mashreq (Iraq, Jordan, Turkey and Kuwait) Integration Transport Corridors and Trade Facilitation	Jan 2016	TBD	TBD	TBD	TBD
	Modernizing Sudan-Egypt border crossing points at Arkeen/Qustol/Wadi Halfa and Harmonization of Customs Regulations and Procedures	TBD	20	20		
MENA Reforming Customs and Harmonizing Regulations; Jointly developing regulatory convergence indicators	Jun 2016	1	0.5	0.5		

Initiative	Action	Tentative Timeline (FY)	Total Financing (\$m)	IsDBG Financing (\$m)	WBG Financing (\$m)	Other Financing (\$m)
<b>ISLAMIC FINANCE AND PROPOSED NEW FINANCING MECHANISMS</b>						
Innovative Financing Mechanisms	Support the recovery and reconstruction of MENA countries through a proposed donor-guaranteed bond-issuance mechanism, as well as through a <i>Sukuk</i> structure	TBD				
	Strengthen the capacity of countries and communities hosting refugees and IDPs to absorb the shocks on their economic and social fabric through the provision of grant funds to buy-down lending rates	TBD				
Building the enabling environment on Islamic finance	Joint Analytical Technical Assistance to:	Dec. 2016				
	<ul style="list-style-type: none"> <li>Develop and implement Islamic Finance Strategy and master Plan for member countries (at least 2 countries one of which from MENA)</li> </ul>	Dec. 2016				
	<ul style="list-style-type: none"> <li>Develop a legal, regulatory and supervisory framework Islamic banking or capital market or insurance (at least 2 countries one of which from MENA)</li> <li>Develop Domestic <i>Sukuk</i> Market to provide liquidity and short-term investment for Islamic financial institution (targeting at least 1 emerging MENA country)</li> </ul>	July 2017				
Financial Inclusion	Joint Analytical for Islamic MSME and Islamic social finance to:	Dec. 2016				
	Develop framework, products, and enabling environment for micro-and small medium enterprises (MSMEs).	July 2017				
	Develop and implement framework and products for Islamic social finance. Collaborate with stakeholders including UN on developing and implementing interventions for social safety nets and humanitarian action through Islamic social finance.	June 2016				
Partnerships for Scaling Up Islamic Finance (for MSMEs)	IFC is also working with IsDBG teams to support Islamic finance.	2017-2018				

<b>Initiative</b>	<b>Action</b>	<b>Tentative Timeline (FY)</b>	<b>Total Financing (\$m)</b>	<b>ISDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
<b>FRAGILITY</b>						
ISDB Group Policy for Fragile and Post-Conflict Situations	The WB may peer review and provide input towards the ISDB Policy for Supporting Member Countries in Fragile and Conflict Affected Countries.	Early January 2016				
Yemen Damage Needs Assessment	Finalize the Yemen DNA and prepare for implementation of Phase-II	2015				
Training	Training on Managing Operations in Fragile Situations - WB Organize training in Jeddah for ISDB Staff	Nov 16-18, 2015				
	Fragility, Conflict and Violence Forum 2016 – Team from ISDB will organize a session to showcase innovative work	March 1-3, 2016				
	Knowledge Exchange on Youth Employment/Women’s Empowerment	Spring 2016				

### Joint Work Program for the South Asia Region

Initiative	Action	Timeline	Total Financing (\$m)	IsDBG Financing (\$m)	WBG Financing (\$m)	Other Financing (\$m)
<b>ENERGY</b>						
Bangladesh Transmission and Distribution Project	Considered for parallel financing	2018	700	100	600	
Maldives Collaboration under SREP	Considered for parallel financing	TBD	TBD	15	TBD	
Bangladesh Grid Connected Solar under SREP	Considered for parallel financing	2018 for IDB	TBD	TBD	TBD	
Pakistan Dasu or Tarbela V	Considered for parallel financing	Longer term	TBD	TBD	TBD	
<b>TRADE FACILITATION AND TRANSPORT</b>						
Afghanistan Roads/Highway	National Road Links to Trans Hindukush Road Connectivity project		80	40	40	
Afghanistan Roads/Highway	Secondary Roads and Urban Road links to Kabul Ring		100	50	50	
Afghanistan Roads/Highway	O&M to improve selected roads		50	25	25	
Pakistan Roads/Highway	Upgrading and expansion of Peshawar-Torkham Highway (50km)		150	75	75	
Afghanistan Trade Facilitation	Preparation of the National Program for "Transport and regional integration"		3	1.5	1.5	
Afghanistan Railway	Development of a business plan for railway network		3	1.5	1.5	
<b>FRAGILITY</b>						
Khyber Pakhtunkhwa, FATA and Balochistan Multi Donor Trust Fund	Parallel Financing supporting the Government of Pakistan's strategy for the period 2015-20 for addressing fragility and enhancing state-citizen trust in the crisis affected areas.	2016				

<b>Initiative</b>	<b>Action</b>	<b>Timeline</b>	<b>Total Financing (\$m)</b>	<b>IsDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Youth Employment Support- Countries to be determined jointly in South Asia, with a particular focus on Afghanistan	Parallel Financing to Support youth Employment.	2016				
Women and Youth Enterprise Program - Countries to be determined jointly in South Asia, with a particular focus on Afghanistan	Joint program to economically empower poor women and youth, improve their livelihoods, and widen their opportunities for economic independence focusing on female headed households and young women in fragile, conflict affected countries, and host communities	2016				
Program for Disaster Resilience in Member States of OIC, with a particular focus on Afghanistan	Support TA activities aimed at developing capacity, generating knowledge, and applying this capacity and knowledge to implement reforms and investments.	2016				
<b>ISLAMIC FINANCE</b>						
Building the enabling environment on Islamic finance Joint Analytical Technical Assistance	Develop and implement Islamic Finance Strategy and master Plan for member countries (targeting at least 2 countries)	Dec. 2016				
	Develop a legal, regulatory and supervisory framework Islamic banking or capital market or insurance (targeting at least 2 countries)	Dec. 2016				
Financial Inclusion Joint Analytical for Islamic MSME and Islamic social finance	Develop framework, products, and enabling environment for micro-and small medium enterprises (MSMEs).	Dec. 2016				
	Develop and implement framework and products for Islamic social finance.	July 2017				
	Collaborate with stakeholders including UN on developing and implementing interventions for social safety nets and humanitarian action through Islamic social finance.	June 2016				

<b>Initiative</b>	<b>Action</b>	<b>Timeline</b>	<b>Total Financing (\$m)</b>	<b>IsDBG Financing (\$m)</b>	<b>WBG Financing (\$m)</b>	<b>Other Financing (\$m)</b>
Partnerships for Scaling Up Islamic Finance (for MSME access to finance and financial inclusion)	IFC's Board has approved US\$ 60 million financing for Bank Muamalat of Indonesia in which IsDB is a 33% shareholder. IFC's financing is to support financing for SMEs. IFC is in discussions with IsDB regarding this project and is seeking IsDb's support for an equity stake in the bank.	June 2016				
	IFC is also working with IsDB teams to support Islamic finance in other countries. These include South Asia (particularly Bangladesh)	2017-2018				