

**UNCTAD**

**17th Africa OILGASMINE, Khartoum, 23-26 November 2015**

**Extractive Industries and Sustainable Job Creation**

**Islamic Development Bank's experience in the Financing  
Infrastructure in the extractive Industry in Africa**

By

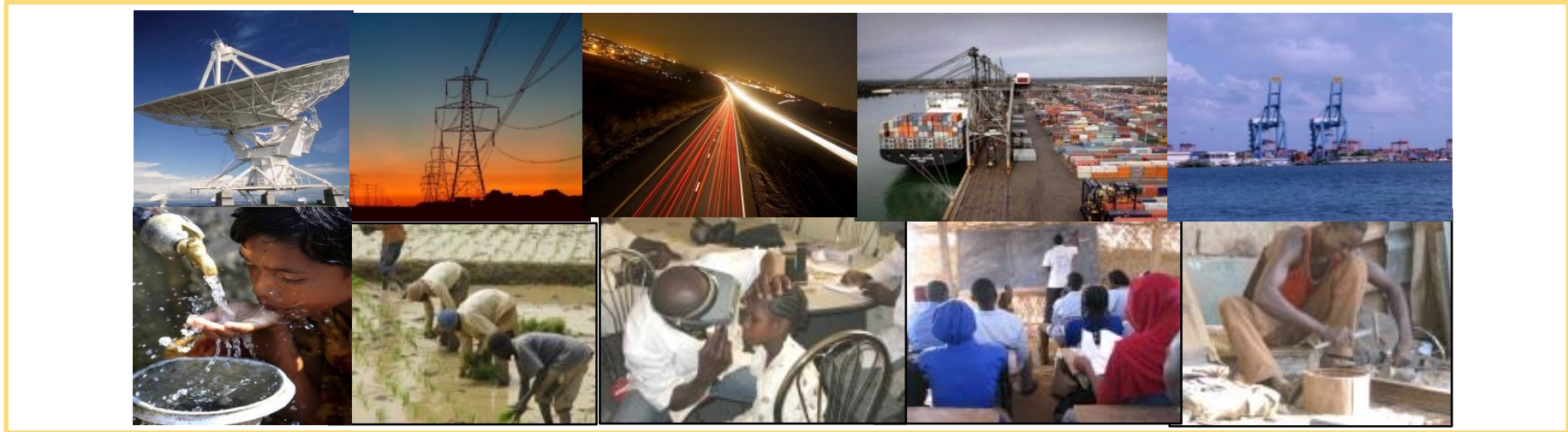
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The views expressed are those of the author and do not necessarily reflect  
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# The Islamic Development Bank Group

Together We Build A Better Future



## IsDB's experience in the Financing Infrastructure in the extractive Industry in Africa

**17th UNCTAD Africa Oil, Gas and Mines Trade  
and Finance Conference and Exhibition  
23 - 26 November 2015  
Khartoum, Sudan**

# Outline

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- **IsDB involvement in extractive industries in Africa**

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- **Takeaways from the Bank's experience**

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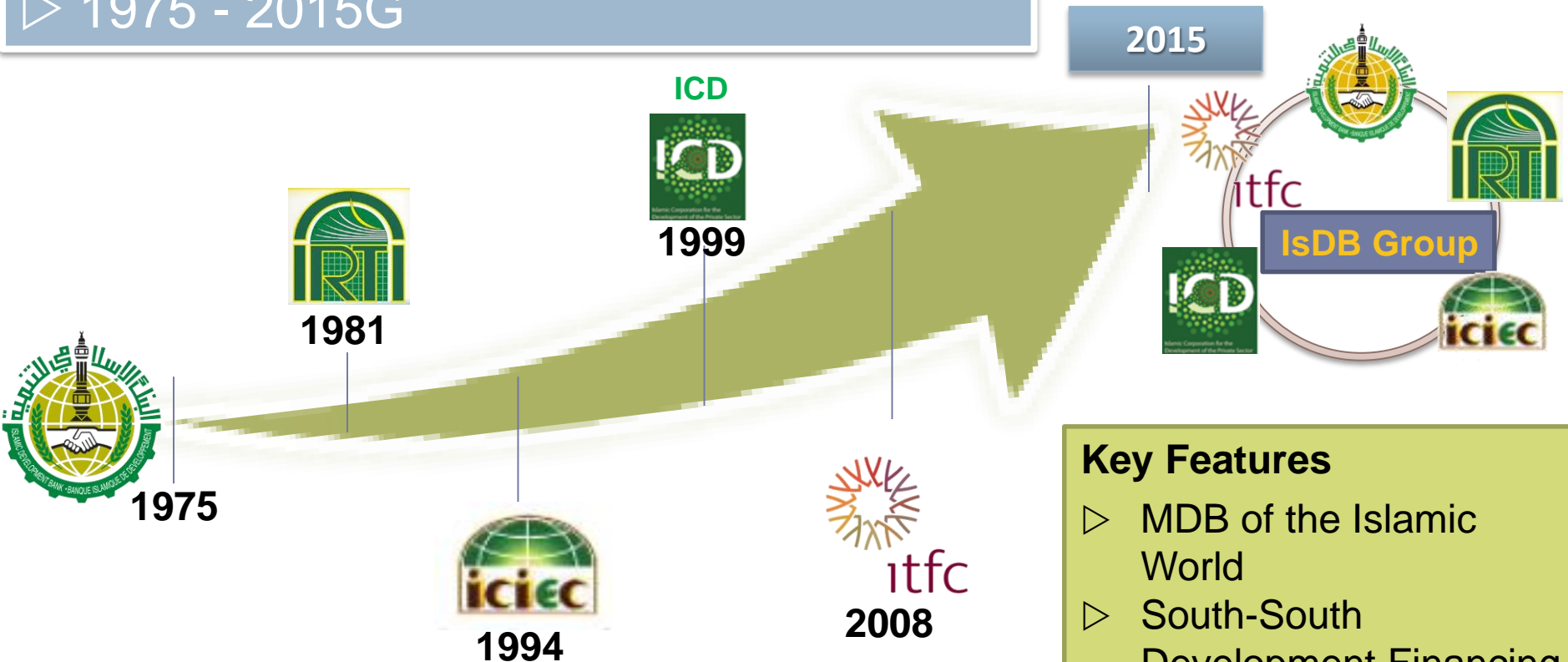
- **Role of Banks / Financial Institutions in financing the industry**

# IsDB Group in Brief

# IsDB Group at a Glance

40+ Years in the Service of Development

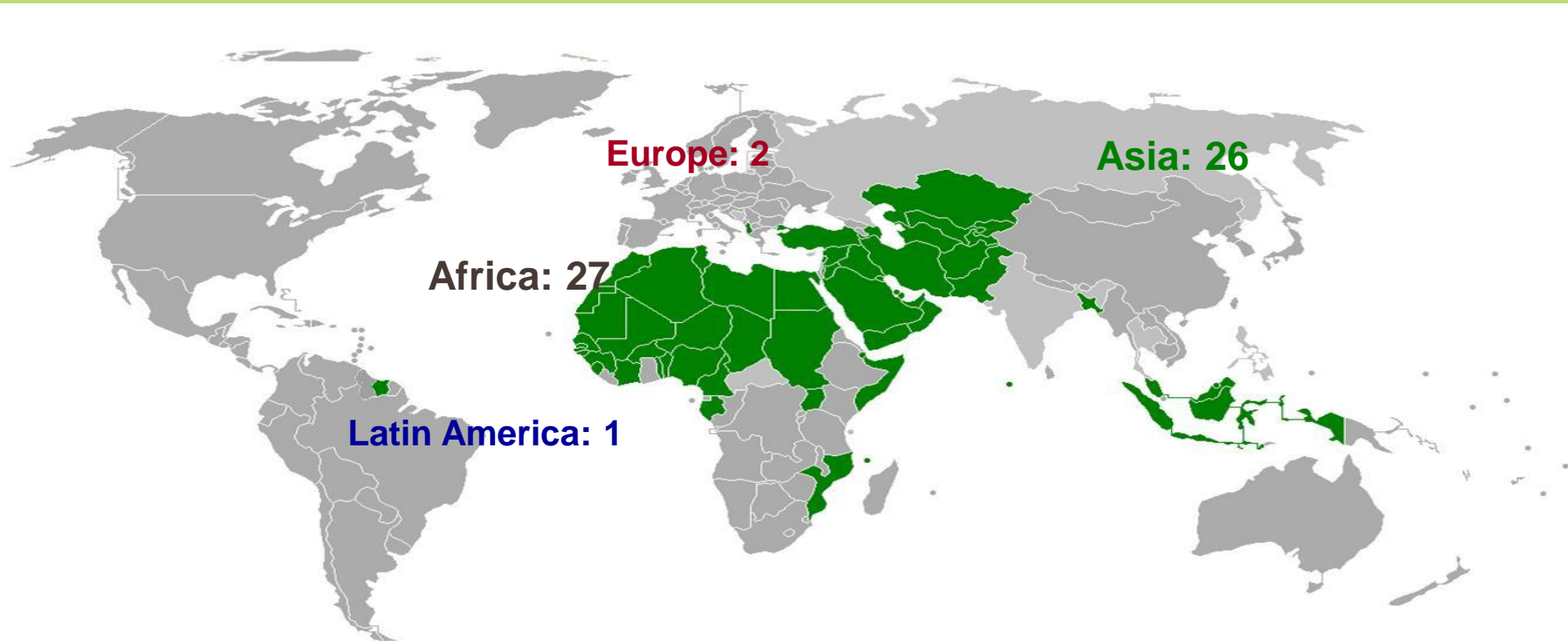
▷ 1975 - 2015G



## Key Features

- ▷ MDB of the Islamic World
- ▷ South-South Development Financing Institution
- ▷ Solidarity-based
- ▷ *Shariah*-compliance
- ▷ Pioneer in Trade Finance

# IsDB Membership



- A Unique Model of South-South Cooperation
- All Member Countries can benefit from IsDB Financing
- **MDB:** Membership 56 Countries spreading over 4 continents

# Our Clients

- ▷ Government
- ▷ Private Sector
- ▷ NGOs

56 Member Countries across 4 Continents

+

Muslim Communities in Non-Member Countries

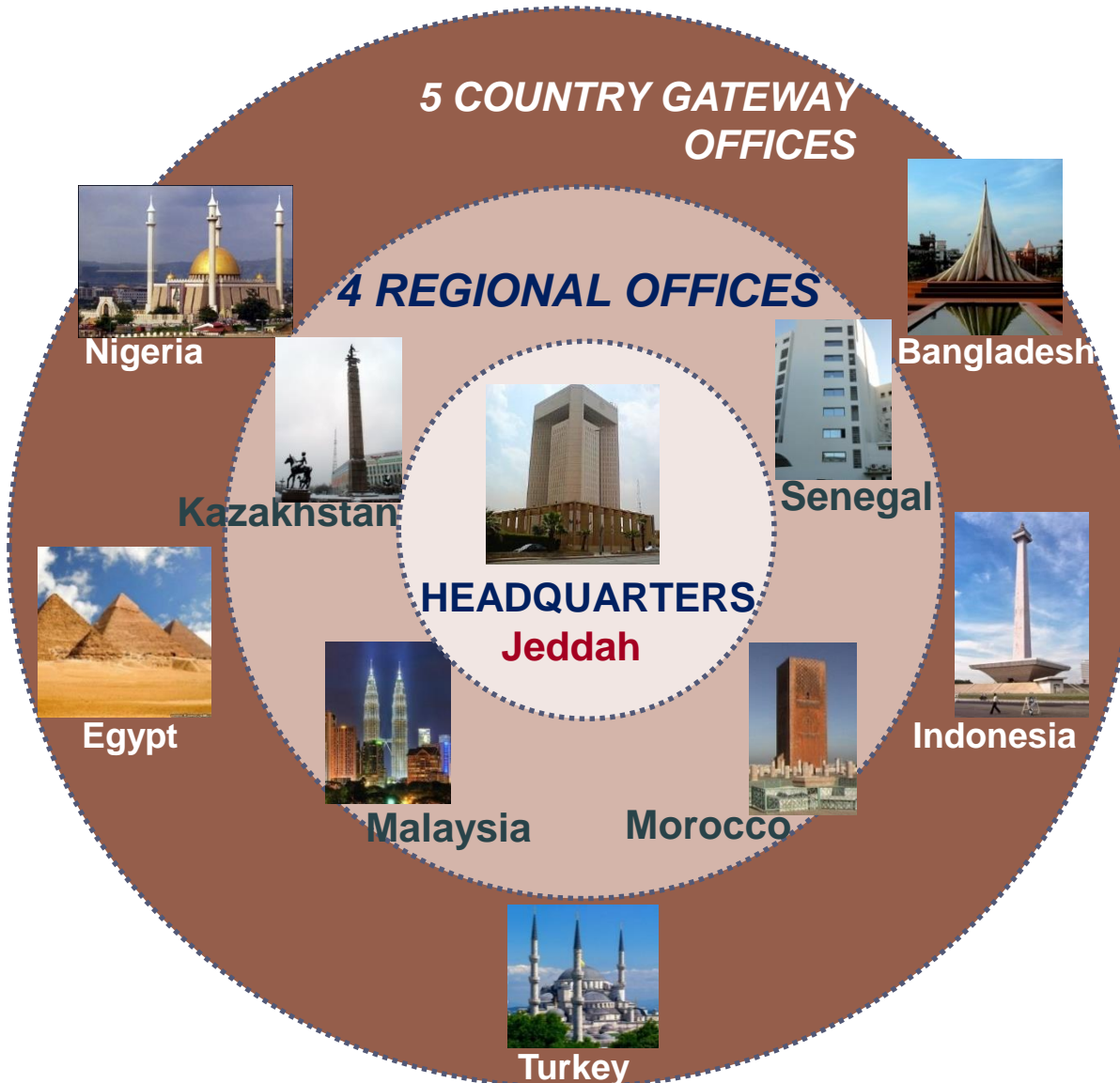
1. Afghanistan
2. Albania
3. Algeria
4. Azerbaijan
5. Bahrain
6. Bangladesh
7. Benin
8. Brunei
9. Burkina Faso
10. Cameroon
11. Chad
12. Comoros
13. Cote d'Ivoire
14. Djibouti
15. Egypt
16. Gabon
17. Gambia
18. Guinea
19. Guinea Bissau
20. Indonesia
21. Iran
22. Iraq
23. Jordan
24. Kazakhstan
25. Kuwait
26. Kyrgyz Republic
27. Lebanon
28. Libya
29. Malaysia
30. Maldives
31. Mali
32. Mauritania
33. Morocco
34. Mozambique
35. Niger
36. Nigeria
37. Oman
38. Pakistan
39. Palestine
40. Qatar
41. Saudi Arabia
42. Senegal
43. Sierra Leone
44. Somalia
45. Sudan
46. Suriname
47. Syria
48. Tajikistan
49. Togo
50. Tunisia
51. Turkey
52. Turkmenistan
53. Uganda
54. United Arab Emirates
55. Uzbekistan
56. Yemen

# Access to IsDB Group: Geographic / Field Presence



## 14 Field Representatives

- Afghanistan
- Azerbaijan
- Bangladesh
- Burkina Faso
- Guinea
- Indonesia
- Iran
- Mali
- Nigeria
- Pakistan
- Sudan
- Turkmenistan
- Uzbekistan
- Yemen





# **IsDB involvement in extractive industries in Africa**

# Mining and Downstream infrastructure: SNIM (Iron Ore Mining Company), Mauritania

- SNIM – Mauritania:
  - 2<sup>nd</sup> Largest Iron ore producer in Africa
  - Majority shareholder: Government of Mauritania
  - Sales 2014: USD 800 million / 40% of the country's exports
- Project objective: increase iron ore concentrate production
- The project includes:
  - Extension of the existing mine operation
  - Installing a new beneficiation line
  - Extending and modernising existing utilities and workshops
  - Building a new tailings disposal area and Opening a new water well field area
- Corporate Finance Transactions:
  - Total Project Cost: US\$ 760 m (PPP)
  - 2 Operations:
    - Mining: (Guelb-2: US\$ 80 m); completed November 2015
    - Support infrastructure: (Railway Modernization: US\$ 28 m); completed Nov 2015

# DOWNSTREAM INFRASTRUCTURE: OCP- Morocco

- OCP - Morocco:
  - ▣ World leader in the entire Phosphate value chain
  - ▣ Majority shareholder: Government of Morocco
  - ▣ Product range:
    - ▣ Phosphorus rock
    - ▣ Phosphate Acid
    - ▣ Fertilizer
  - ▣ Operations:
    - ▣ Employees: 23,000 people
    - ▣ JVs: Brazil, USA, India, Pakistan and China
    - ▣ Sales June 2015 (6-months): USD 2.5 bn
- IDB Financing: USD 150 m (PPP)
  - ▣ Jorf Lasfar port rehabilitation & expansion

# MINING VALUE ADDITION: Tunisian Indian Fertilizer- TIFERT, Tunisia

- Project: Phosphoric Acid plant
- Project cost: USD 535 m
- Financing:
  - ▣ IDB: USD 120 m (PPP)
- Sponsors:
  - ▣ CPG/GCT (company in mining/value-addition) :70%
  - ▣ CFL/GSFC (exclusive Indian off-takers) :30%
- Project completed in August 2013
- So far 165,000 tons of Phosphoric Acid exported to India generating high dollar value exports for the country
- Creation of 466 permanent job positions

# **Takeaways from Bank's experience**

# Takeaways from Bank's experience

- ▷ **Involvement of Private sector**
- ▷ **Local ownership**
- ▷ **Facilitation (downstream infrastructure)**
- ▷ **Value addition (downstream industries)**

**Quote: “Life can be understood only looking behind, but can be lived only looking ahead.”  
(Soren Kierkegaard)**

# **Role of Banks / Financial Institutions in financing the industry**

# Role of Banks / Financial Institutions in financing the industry

## ▷ **Financing**

- ▷ **Infrastructure (Public or PPP; Equity participation etc.)**
- ▷ **Trade (ITFC)**
- ▷ **SMEs (ICD)**

## ▷ **Facilitation / catalyst:**

- ▷ **Content development (long term development planning)**
- ▷ **Guarantees (ICIEC)**
- ▷ **Pre-screening of potential investors**

## ▷ **Knowledge sharing / Reverse Linkages (capacity development) (CCD)**

## ▷ **Mobilization of financing / leveraging (ACG)**



# Co-Financing Highlights

## Arab Coordination group



- More than 120 MOUs/Agreements with 90 Institutions (MDBs, Bilaterals, UN Institutions, Regional Orgs, OIC and Affiliates, NGOs, etc.
- Partnership arrangements:
  - ✓ Partnership Platforms: CAREC, CG, ...
  - ✓ Framework Co-financing Agreements: AsDB, AfDB, KDB, WBG

## MDBs / Bilaterals / International Organizations



Concluding remarks:  
Quote: “Nothing can be taught to a man, but it’s possible to help him find the answer within himself.”  
(Galileo Galilei)

Thank You

**The Islamic Development Bank Group**

**Providing resources • Fighting poverty • Restoring dignity**

<http://www.isdb.org>

