



Changing Paradigm in Development Aid

AFT Integrated Framework

Inclusive Partnership for Effective Design and Delivery of TRTA Under Aid for Trade Initiatives



azerbaijan Export & Investme
Promotion Foundation



Organization of Islamic Cooperation
(OIC)



Contents



1

IDB GROUP ITFC exists for Trade Development

2

TRADE IS A PRIORITY FOR IDB GROUP

3

TCPP's Change Agenda & New Business Model

4

AfT Design & Delivery Process – BUSAN Development Criteria

5

AID FOR TRADE INITIATIVE FOR ARAB STATES

The IDB Group



Islamic Development Bank (IDB) Group

1975



Islamic Development Bank (IDB)

Foster the economic development and social progress of MCs and Muslim communities.

1981



ISLAMIC RESEARCH AND
TRAINING INSTITUTE

Islamic Research & Training Institute (IRTI)

Undertake applied & basic research in Islamic Economics and Finance.

1994



Globally Secure

Islamic Corporation for Insurance of Investment & Export Credit (ICIEC)

Provide Shariah-compatible export credit insurance, political risk insurance, technical assistance.

1999



Islamic Corporation for the Development of the Private Sector (ICD)

Promote development of private sector development.

2008

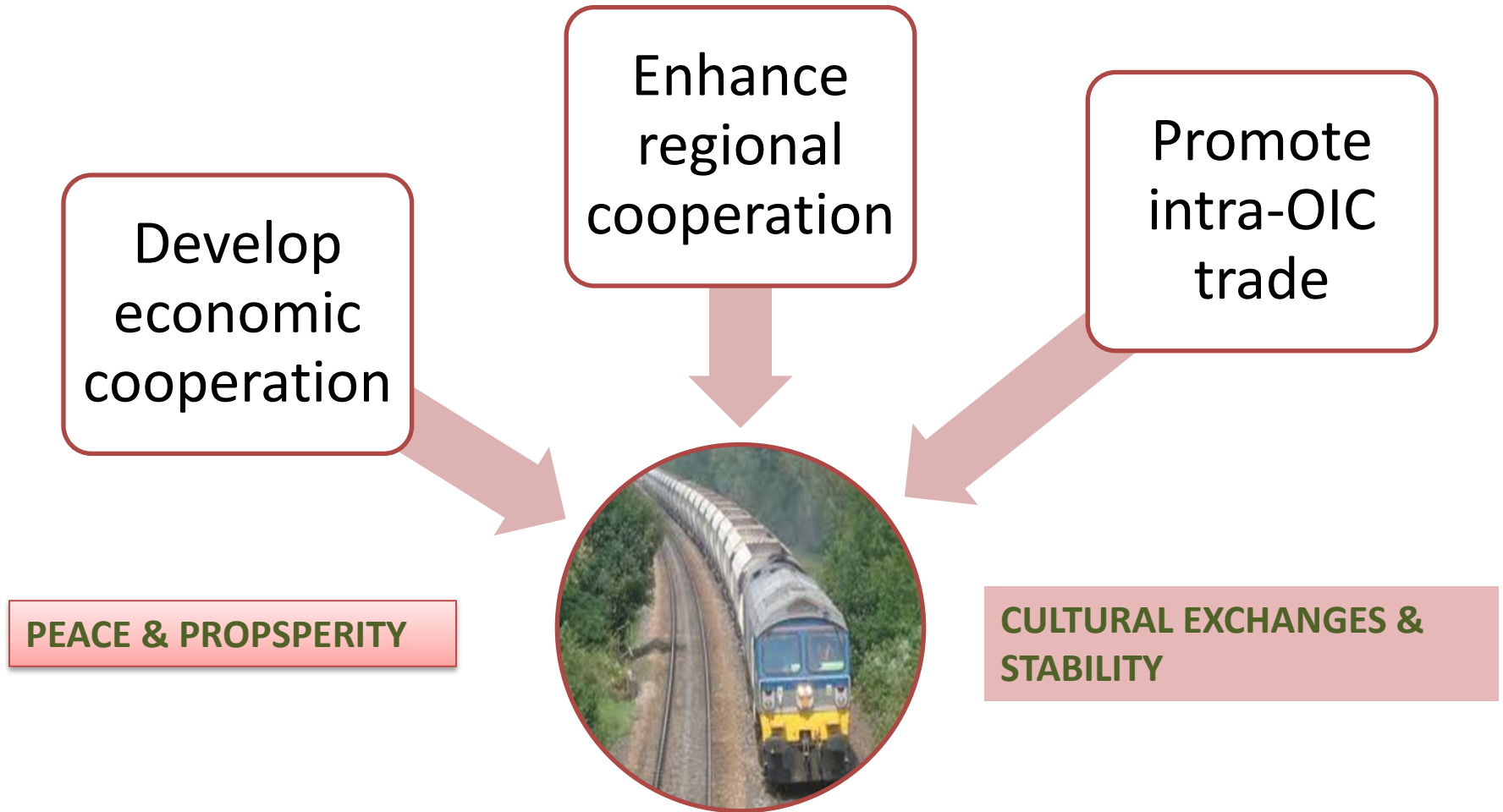


International Islamic Trade Financing Corporation (ITFC)

Promote and enhances intra-trade and trade cooperation through trade finance and promotion programs

Shari'ah Compliance

Trade is a priority for IDBG



Trade is an engine for development

Summary of IDBG Mandates in Trade



Develop Key Economic Infrastructure to facilitate Trade



Enhance regional integration and economic cooperation



Foster trade promotion and cooperation



Extend competitive trade financing solutions



Mainstream trade as a driver of development



Build capacity in member countries

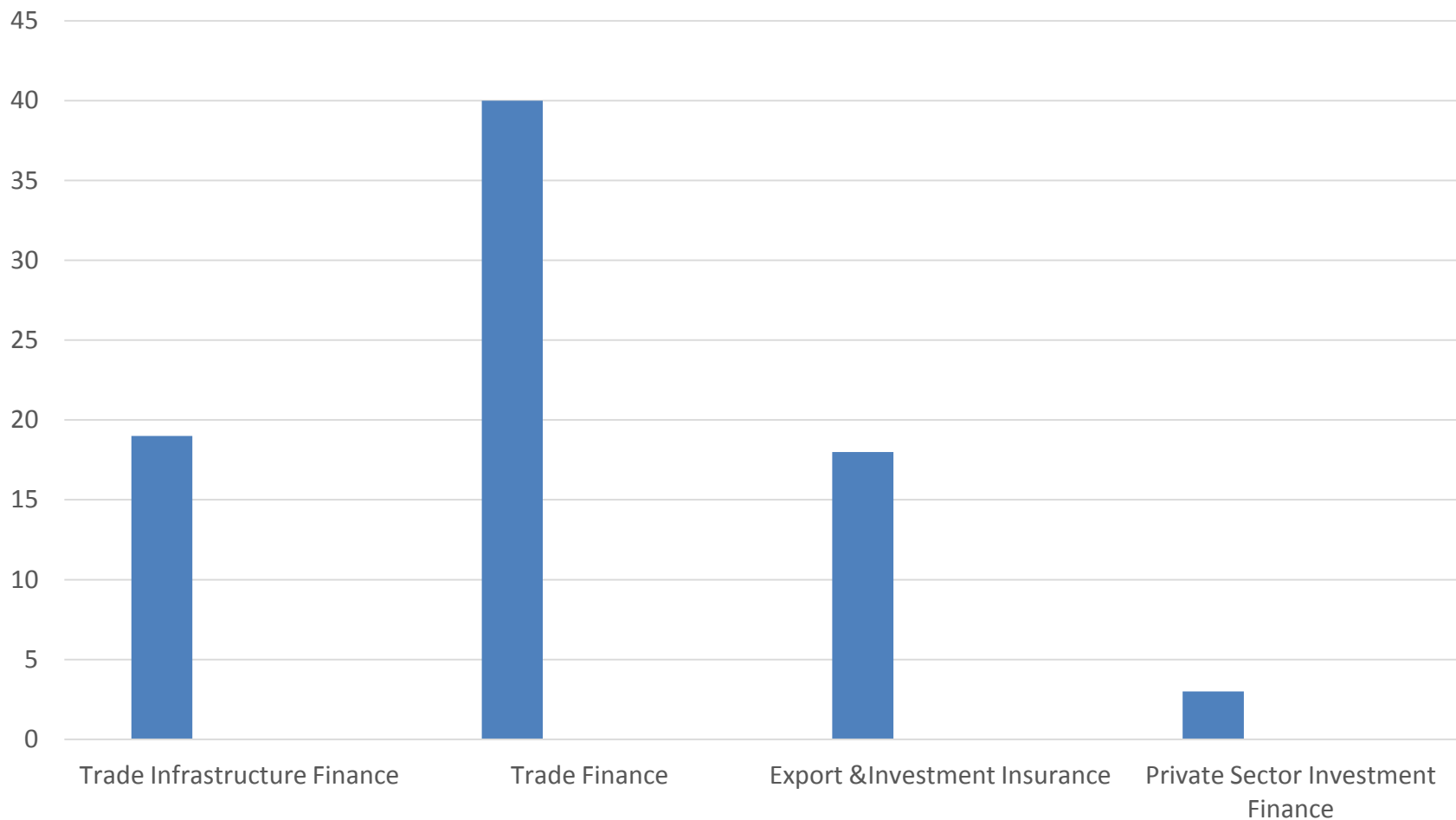


Support Private Sector Investments



Enhance trade transactions through export credit

IDB Group Trade Related Financing Operations Since Inception (Billion USD)



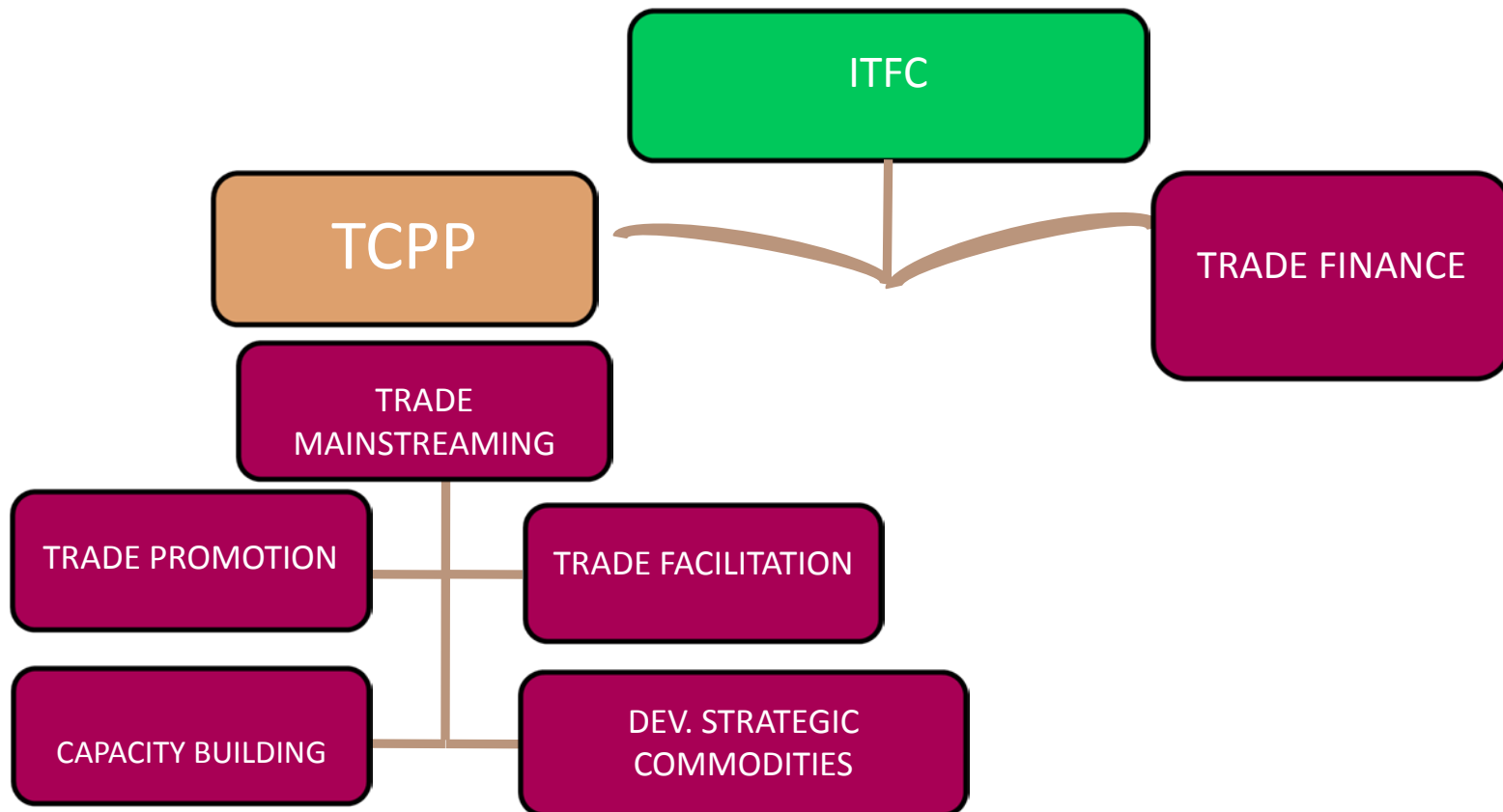
ITFC exist since 2008 for the Trade Development

ITFC

TO BE THE RECOGNIZED PROVIDER OF TRADE SOLUTIONS
FOR OIC MC's TRADE DEVELOPMENT NEEDS

TCPP

TO BE THE ITFC's WORLD CLASS TRADE RELATED TECHNICAL
ASSISTANCE (TRTA) PROGRAM



Trade Development Needs and Challenges to be addressed



High trade transaction cost, low level of intra-OIC trade
Regulatory & procedural barriers to trade, low level of regional cooperation
Simplification, harmonization and alignment of trade regulations
Capacity Building in Trade and Transport Facilitation
Compliance to international quality standards
Development of certification & standardization infrastructure,



Low level of product and market diversification
Limited access to finance
Lack of institutional support & advisory services for SMEs
Lack of capacities & capabilities in trade support institutions
Lack of Information on market opportunities
Limited information and knowledge sharing among trade support institutions



Transport Infrastructure to be upgraded
ICT & Energy Infrastructure to be developed
Border Gates to be modernized
SEZ with value added logistics & business advisory services to be developed
Manufacturing capacities for valued added products to be created

Trade Development Needs and Challenges to be addressed

Supply Side
Constraints

57

Member Countries

3

Regions

Arabic Speaking
States

Asia & CIS
States

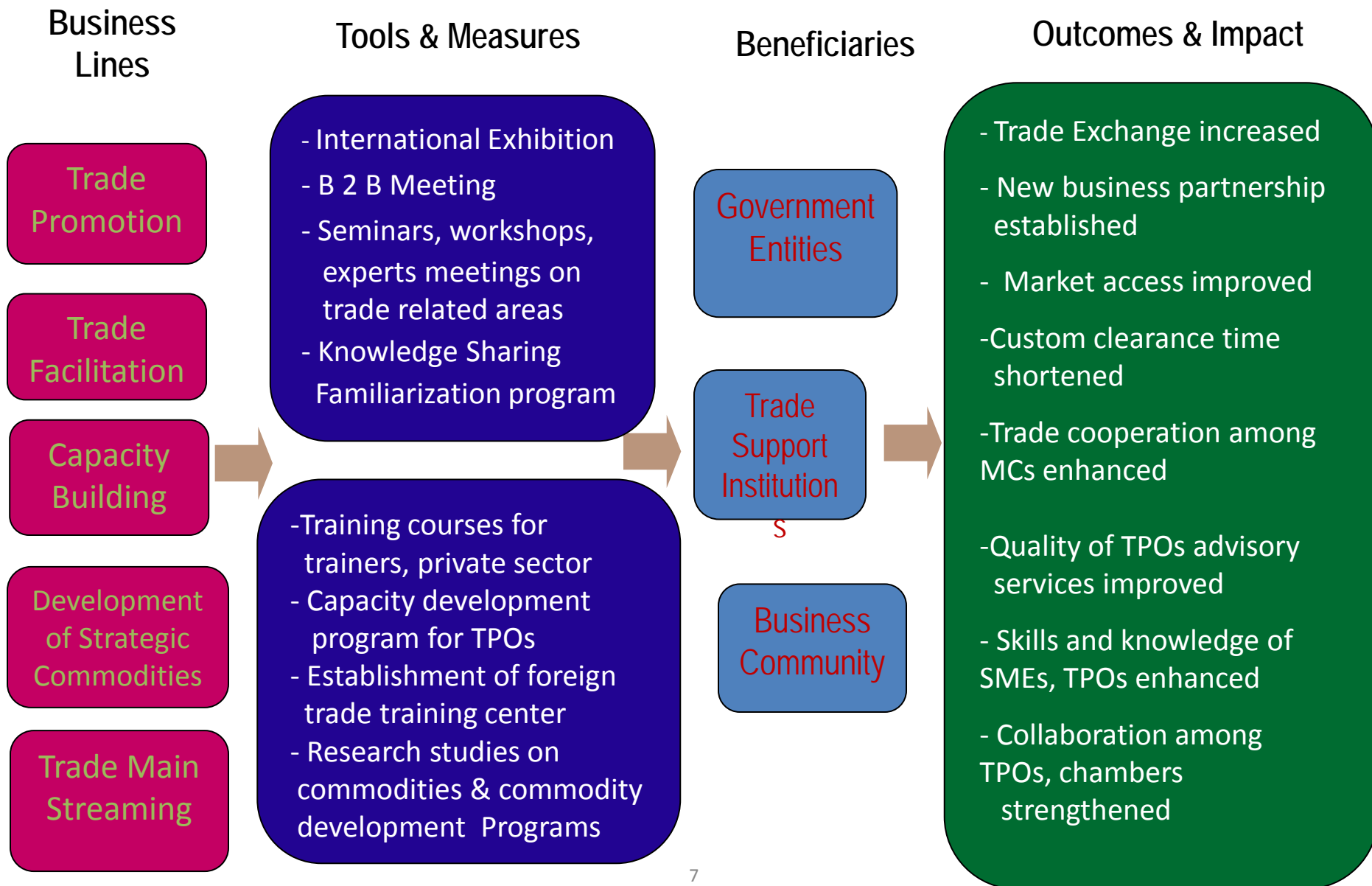
Africa

Market Access
Problems

Institutional &
Human Capacity
Limitations



TCCP's Event Driven Business Model



Snapshot on The TCPP Performance (1429H-1433H)

96 Different Activities, Projects were carried out by TCPP

Examples for Four Focus Areas

- Overseas Study Tours for Kazakhstan's Entrepreneurs
- In-trade Malaysia 2009
- 14th OIC EXPO 2013 & 15th Private Sector Meeting
- Exhibition on Textile and Cotton Industry in Burkina Faso
- Seminar on OIC Free Trade (Agadir Agreement)
- Conference on Trade Development
- Workshops/Experts Groups Meeting on the Impacts of Transportation Network on Trade & Tourism
- Training Course on Export Strategies & Int'l Marketing
- OIC Chamber Academy Programs
- Familiarization and Knowledge Sharing Programs on Commodity Exchanges
- Needs Assessment Study for Groundnut sector in selected Sub-Saharan MCs

TCP Change Agenda (1433H-1436H)

From Outputs/Events



To Outcomes/Programs/Impacts

Limited but not sustainable impacts on MCs' trade development

Reactive, responsive approach and emphasize was on providing financial resources

Ad-hoc, small, one-off activities, which does not depend deep & up to date needs assessment, technical inputs

Isolated Programme within development partners community

Develop new partnership and leverage external resources

Be more proactive in design and implementation of regional programs

Result and resource oriented programming approach based on the need and technical analysis

Main Stream ITFC's Aid for Trade Initiatives in IDB Group's Programs and COMCEC Initiatives

AfT Design and Delivery Process

Partners



Beneficiaries/MCs



Donor Community



Development Partners



Process

Project Concept
Note

Master Program

Work Plan

Project Board

Focal
Points

ITFC

Implementing
Agency

PIU

PMU

RA

RA

RA

Trade Solutions

Competitiveness enhanced



Regional connectivity
strengthened



Trade transaction cost
reduced



New business
partnership developed

Market Access
improved



Intra-trade enhanced



Institutional capacities
of TSIs strengthened



Collaborations among
TSIs enhanced



and more tailored
solutions responding
trade development needs

BUSAN Criteria for Effective Development Cooperation

- ✓ **Wider Development Partnership (Donors, MCs, Development Partners, Private Sectors (Not Yet)**
- ✓ **New Governance Structure (Project Board, PIU, PMU)**
- ✓ **Transparency, Predictability, Mutual Accountability**
- ❖ **South-South and Triangular Cooperation (MCPSs, IDB Reverse Linkage Program, OIC/COMCEC Programs, Other Donors' Program)**

WHAT IS AID FOR TRADE INITIATIVE FOR ARAB STATES

Multi-Donor, Multi-Country and Multi-Agency Regional Trade Development & Integration Program
under the theme of Aid for Trade

Aiming to foster Arab trade **BY IMPROVING COMPETITIVENESS, PROMOTING TRADE AND TRADE COOPERATION FOR ECONOMIC INTEGRATION AND NEW JOBS FOR YOUTH**



الاتفاقية العربية المتوسطية للتبادل الحر
الوحدة الفنية لاتفاقية أغادير
ATU

OBJECTIVES

Enhance regional competitiveness through trade reforms	Strengthen trade supply side and value chain integration	Strengthen regional and sub-regional organizations' capacity to foster trade integration
Output #1: Trade support institutions in the Arab states are more efficient in promoting regional trade environment and integration	Output #4: Bankable Project to support production and trading capacity of SMES in priority export sectors	Output #7: Intra-Arab trade development strategy developed and endorsed
Output #2: Regional Quality Infrastructure Strategy is adopted and implementation is carried away	Output #5: Bankable Project to support SMES's integration to regional value chains	Output #8: Strengthened capacities of LAS, GCC, Agadir Agreement and Arab Maghreb Union to implement regional integration processes and the PAFTA
Output #3: Bankable Project to support regional business environment improvement through reduction of regional barriers to trade and regulatory reform support	Output #6: Skills Development strategies integrated into sectoral policies to support growth and expand opportunities for the creation of decent employment in priority export sectors	

Double Track Modus Operandi

- Regional Export Potential Assessment
- Improved awareness and national capacity on NTM and Trade promotion
- National accession negotiations strategies discussed & developed for 7 acceding countries
- National skills development strategies
- Bankable project to support business environment, competitiveness and trade facilitation
- Bankable project to support production and trading capacity of SMES in priority export sectors

ITC,
UNCTAD,
ILO

UNDP

National Level

LDCs: Sudan, Mauritania, Yemen, Djibouti, Comoros and Somalia

Agadir Agreement

Countries: Egypt, Tunisia, Morocco and Jordan

Middle Income Countries:

Libya, Lebanon, Algeria, Palestine and Iraq

WTO acceding Countries:

Algeria, Comoros, Iraq, Lebanon, Libya, Sudan and Syria

- Regional Quality Infrastructure Strategy
- Intra Arab Trade Development Strategy
- Strengthen capacity of LAS, GCC, Agadir Agreement countries, Maghreb Union secretariat

UNIDO, UNDP
and UNCTAD

Regional & Sub-regional Level

LAS

Agadir Group

AMU

GCC



- **FAST TRACK PROGRAM (2014)**

- Studies and regional workshops on NTMs
- Studies and projects on joint border gate management, multi-modal transport infrastructure and trade logistics
- Skill Development Programs and trainings for Trade and Economic Diversification
- Technical and institutional support to LAS for formulating trade policy recommendation
- Technical support to selected MCs for WTO Accession process

- **PROJECT PIPELINE (Indicative)**

- Export Diversification Programme through improved SME Competitiveness and value-chain integration
- Programme for Promoting Export of Services in Arab States
- Sectoral Export Development Programmes
- Development of IT Business support services for SMEs
- **ANY OTHER PROPOSALS FROM MCs are WELCOMED**





Thanks for your kind attention



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