ISLAMIC DEVELOPMENT BANK
Welcome to the Islamic Development Bank committee! My name is Francesca Garofolin and I’ll be your moderator in this committee. I was born and raised in Lima Perú and I’m currently studying economics at Universidad del Pacífico in Perú. I’m very passionate about international affairs and development, which have created on me a special approach with possible and substantial solutions that also create an impact on the economic situation.

My interest in MUN was first sparked by my participation as a high school student in VMMUN where I discovered a diplomatic, compassionate style of debate, and a fellow set of passionate young people, which led me to continue partaking in MUN. Since then, I have participated twice in WorldMUN and one time in HNMUN LA, as a delegate, and in LIMUN as an Assistant Director, where I furthered my MUN experience. I love sports and dance, which have turn into not only my hobbies, but also the best way for me to have a moment of relaxation from all the stress of university and work.

Over the course of the guide and during committee, we will explore the importance of the Islamic Development Bank and the impact it has had in almost one fifth of the population through programmes and investments to develop technology, health, education, and even the empowerment of women within the Islamic community. Furthermore, this committee will have a cultural side that has to be included in the discussion.

Sincerely

Francesca Garofolin
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Islamic Development Bank Moderator
Dear delegates,

I am a senior at Universidad del Rosario in Bogotá, Colombia. I am majoring in International Relations and I am also taking classes of my Master’s Degree on Public Policy Economics. I am passionate about topics related to official development assistance and other types of foreign aid. I love to ride my bike and I practice indoor climbing. My experience in model UN started in my last year in High School and I continue doing it in my university years, attending national and international conferences such as the Harvard National Model of United Nations in Boston.

I hope you find our committee, the Islamic Development Bank, as fascinating as I do. Non-western development institutions have different perspectives and their views may challenge the paradigm we have been raised with and guided by. This committee offers a scenario where you can learn from other conceptions that are as valid as those we hold. I encourage you to have fun and do your best in this conference and in every opportunity you have in life.

Sincerely

Laura Manrique
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Islamic Development Bank Director
Dear Delegates,

Welcome to MUNUR 2018. My name is Yusuf Bulbulia and I am honored to be your Director for the upcoming conference. I am from Toronto, Canada, and a student in Political Science and Global Affairs at the University of Toronto, Munk School of Global Affairs. I am in my first year of my Master’s Degree. I come to you with a wealth of experience having participated at Model United Nations conferences across the United States and Canada, and winning awards at each conference attended.

I enjoy spending time catching up on the news, reading, playing golf, cooking, and visiting friends. Between my busy schedule, I enjoy trying new restaurants and catching up with family. I have participated in some of the toughest MUN conferences in The United States and have experience in Crisis, ECOSOC, and NGO committees. The Islamic Development Committee is at its ‘genesis’ and this has been the most exciting aspect of the committee. The topics and material prepared draw on innovative ideas and are based on existing projects being undertaken around the world.

This year’s committee is new to the MUN circuit and is designed to prepare you to understand global issues through a new perspective. Furthermore, the expectation is to offer new solutions to some of the most challenging issues facing the international community. I expect each of you to be well prepared and ready to engage in fierce debate. Let your imagination run away with you and let us find solutions to the complex scenarios you will be dealt. I look forward to meeting you all in Bogota.

Sincerely

Yusuf Bulbulia
Islamic Development Bank Director
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Mission

The Islamic Development Bank (IsDB) is a Multilateral Development Bank that seeks to promote economic, and social development in member countries and Muslim nations around the world. The IsDB believes that living in dignity is a right everyone should take for granted and it is linked to the economic and social progress promoted by setting the necessary infrastructure. It also seeks to generate partnerships among States and generate opportunities to promote innovation and solutions to development issues, in order to achieve the UN Sustainable Development Goals.

Mandate and obligatory nature of its decisions

The IsDB’s decisions focus on the development of its 57-member States, which compose around one fifth of the world’s countries. The funding allocation focuses on six major sectors that include: Infrastructure, Education, Health, Humanitarian Relief, Women, and Science, Technology and Innovation. The decisions are made by the Board of Governors, which is the Bank highest authority, which is composed by one Governor and one Alternate Governor from each member State. Every year the Board meets to consider and approve the financial statements for the past year, in order to appoint the external auditors, and to lay down the Bank’s future policies.

The project planning process established by the IsDB is based on four main products with their own individual goals, as explained in Table 1. The IsDB Operations Committee is in charge of making these considerations and develops the products related to the services provided in each case.
Nations agencies and programs to tackle international issues that affect Muslim communities within and out the borders of the Islamic organizations mentioned. The OIC

The Organization of Islamic Cooperation (OIC) has 57 member States spread over four continents. It

Relation to the UN and other Regional Bodies

The Islamic Development Bank was granted an observatory status by the United Nations in 2007 through the Resolution 61/259 of the General Assembly. This decision enabled the IsDB to “participate in the sessions and work of the General Assembly in the capacity of observer”. The participation of the IsDB as an observer, according to the General assembly, “strengthens the cooperation with the United Nations, its agencies and its programmes”. The IsDB collaborates with the United Nations agencies and programs to tackle international issues that affect Muslim communities within and out the borders of the Islamic organizations mentioned.

Table 1. Islamic Development Bank products and results

<table>
<thead>
<tr>
<th>Product</th>
<th>Goals</th>
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<tr>
<td>Technical Assistance</td>
<td>- Analytical and Diagnostic Work</td>
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<td></td>
<td>- Project Implementation Assessment</td>
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<td>Program/Project Financing</td>
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<td>- Islamic Instruments (Waqf, Zakat, Sukuk)</td>
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<td>Knowledge Advisory</td>
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<td></td>
<td>- Knowledge Sharing/Dissemination</td>
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<tr>
<td>Partnership</td>
<td>- Co-financing of Operations</td>
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<td></td>
<td>- Harmonization with other development partners</td>
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<td>- Partnering with Private Sector and Charitable Institutions</td>
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In order to excel in this committee, it is recommended that delegates understand the following principles. The principles that guide the IsDB activities are: Pro-activeness, inclusiveness, strategic prioritization, and partnerships. These principles emphasize that as an economic development promoting institution, the IsDB has to reach out to those in need of its assistance (pro-activeness), it has to select urgent development problems (strategic prioritization), it should maintain and seek consensus with governments and all other stakeholders (inclusiveness) and it has to maintain synergy of its work with other institutions (partnership). Bearing this information in mind, we expect solutions during committee to be guided by the principles of the IsDB, be coherent with the purpose of this institution and be within its mandate.

was created in 1969 in Rabat, Morocco. It aims to “safeguard and protect the interests of the Muslim world in the spirit of promoting international peace and harmony among various people of the world”. One of the main purposes of the OIC is to remove misperceptions towards Muslims and to tackle religious discrimination. The OIC was established as a response to an arson attack in the Al Aqsa Mosque in Jerusalem. The intent was to have Jerusalem as its headquarters; however, due to the ongoing conflict this became unsuitable. Moreover, the OIC is based in Jeddah, Saudi Arabia, which emboldened Saudi interests in the OIC. Saudi Arabia has been the greatest sponsor of the OIC creation and remains the largest source of funding for the organization.

The Islamic Development Bank is a specialized organ within the OIC framework. The IsDB is an optional organization for OIC member States (and it is a prerequisite to be part of the OIC in order to be a member in the IsDB) and it has an independent budget from the OIC. The idea of having a financing institution under the promotion of the OIC dates back to 1970 in the 2nd Islamic Foreign Ministers Conference and was finally inaugurated in 1975.

As an Islamic institution the IsDB activities must be in accordance to Sharia Law. A compatible activity with the Islamic law is the financing of social and economic projects through soft loans since these projects purpose is not the generation of profits but the improvement of living conditions and human capital. These projects are promoted and undertaken in OIC member countries and non-OIC member countries to improve the Muslim communities life quality. There are a variety of elements that constitute this issue, such as the project preparation process, the consideration of available resources (technical, institutional, financial, etc), the partnerships and cooperation with other relevant international organizations and the consideration of critical situations faced by Muslim communities.

Historical context:

Migration is often defined as the movement of people from one country to another. Historically, migratory flows have had different patterns throughout the decades. Between the mid-19th century and start of World War I, the American continent, known also as the new world, received mass flows of voluntary migration due to increasing welfare, affordable transport costs, and colonial connections between countries. During this same period, governments took actions to prevent migration flows especially from the Asian countries. After World War II, European countries had a strong recovery, which lead the need for more manpower. Because of this, migration flows took place reversely from the postcolonial countries to Europe. Moreover, as a contradiction, the United States mostly attracted migrants from Latin America and Asia during this period.

According to studies made by the State University of New York, the employment opportunities in the developed world and the decreasing costs in land and air travel encouraged many people in developing countries to migrate to the West. These fluxes eventually changed the demographic structures of the recipient countries, making them multicultural societies. Therefore, the global movement of people has had deep effects in the communities receiving migrants as well as on migrants themselves. As a matter of fact, migrants have created potential stimulus to the host countries by providing labor to employers in their new homes and consuming local goods. Nevertheless, they also created pressure on public institutions of the host countries as they are active users of local services such as healthcare and education.
According to the World Bank’s “Migration and Remittances Factbook 2011”, by 2010, the Middle-Income countries had received the major quantity of immigrants, which are in total 133.8 million people, specifically, the OIC Member Countries as a group had an emigrant stock of 62.2 million people in the same year. Of the 62.2 million people that emigrated in 2010, 71.7% of them were from the Middle Income, 27.4% of them were from the Low-Income and 0.9% of them were from the High Income OIC Countries. This situation drives attention for future decisions due to the fact that, just as the World Bank already established, the Islamic development Bank should implement tailor-made policies to improve Muslims communities outside their home countries.

**Social and economic projects financed by the IsDB to assist Muslim communities**

The IsDB Division for Development Financing to Support Member Countries and Muslim Communities in Non-Member Countries has two sub-divisions: The Special Assistance Division and Scholarships Division. These subdivisions work is crucial in providing aid to Muslims outside OIC member countries. The OIC and the IsDB have recognized the need to assist the Muslim communities located in non-member States, which are vulnerable to multiple issues, such as forced migration, lack of basic services and discrimination. The IsDB Special Assistance Division has been an active institution promoting educational and health programs for Muslim communities in IsDB non-member States. The IsDB Special Assistance Division has granted aid and economic resources to 925 projects in non-member countries such as the United States, India and Denmark. It’s core objective has been to facilitate assistance to Muslims outside the OIC borders through projects that include micro-financing, educational facilities, capacity development programs and women empowerment initiatives. The Special Assistance Division is a key institution that has provided the necessary aid to enhance and improve living conditions to Muslim communities in other regions of the world. Although good progress has been reached, questions regarding how to better allocate this aid and assist Muslim communities arise.

**Special issue: Migration challenges faced by Muslim communities**

According to the United Nation Refugee Agency the definition of refugee is “someone who has been forced to flee his or her country because of persecution, war or violence. Most likely, they cannot return home or are afraid to do so. War and ethnic, tribal and religious violence are leading causes of refugees fleeing their countries”, 1951. Moreover, the International Migrant Report done in 2017 affirms that “the number of international migrants worldwide has continued to grow rapidly in recent years, reaching 258 million in 2017, up from 173 million in 2000”, 22.5 million are refugees and 55% of the refugees worldwide came from three countries, South Sudan, Afghanistan and Syria, all of them part of the Organization of the Islamic Cooperation. Hence, a major quantity of people who are part of the Muslim communities find themselves in an unfavorable situation due to the difficulties of start a new life in a different country such as poverty and vulnerability.

The process of migration, especially when is forced, leaves migrants in an extremely risky situation as they are left without the protection of their own national government and rely in the generosity of the host country to provide them basic services, rights to residency and housing. Migrants use much of their financial resources in the reach of safety, which is why they find themselves with little money left to support themselves yet without the right to work or reestablish to earn an income. Those who do work often do so illegally and may be subject to exploitation and abuse by unscrupulous employers. The presence of this type of vulnerabilities is usually transmitted to the next generation as the children of forced migrants are constrained into child labor and without educational opportunities. This long-term problem increases vulnerable and dependent population within the host country.

The displacement process does not occur immediately, the journeys usually start as internally displaced persons who move to seek safety within their home country borders, before crossing them reaching international territory. Refugees may initially prefer to stay as close to home as possible, settling in the border region of a neighboring country and returning.
home periodically to check on property, businesses or family. Given the lack of economic and social rights of refugees in many first asylum countries, some of the displaced take the risk to travel by land and sea, outside the OIC, to countries located in Europe or North America. These same countries seek to manage migration through border controls and restrictive visa policies, which usually forces migrants to enter illegally. Without the right to work legally, own property, or access certain basic amenities and services (banking services, for example), refugees are often at risk of poverty or marginalization.

The global refugee and migrant crisis is at the heart of the Islamic Development Bank’s cooperation which sees seven international financial institutions, including the IsDB, committing financial, human capital and knowledge resources to alleviate the pressing global issue. The Islamic multilateral financier has been working for years on assisting individuals forced out of their home countries due to conflict and violence to gain economic independence and access a better living standard. Among initiatives undertaken include an e-education strategy for Syrian refugees, partnering with the World Academy of Sciences to help refugee scientists and a US$500 million fund for SMEs and innovators which the bank believes will help address the challenges faced by displaced people. In 2016, the IsDB partnered with the World Bank and UN to develop the New Financing Initiative to Support the MENA Region which targets to provide US$1 billion to Jordan and Lebanon, both middle-income countries hosting large numbers of refugees, with concessional financing by combining grants from donor countries with loans from multilateral development banks.

The condition of uncertain legal status and limbo makes it difficult to have identifiable Muslim communities outside the OIC borders, which delays the provision of assistance and aid needed by Muslim migrants. Solutions must be provided by the IsDB as its role is to assist in a broad scope individual states not only to improve the life situation of migrants outside the borders of the OIC, but also to further reach the return of citizens to their home countries, especially the ones who had not achieved the application approved by the host countries.

On the other hand, well-established migrant communities often send home financial remittances to the family left behind on the home country. If return eventually becomes possible, forced migrants can became a valuable source of human and financial capital to support the reconstruction of their home countries, OIC member countries that are currently struggling with unstable or unsafe political and social situation. Considering this situation, the provision of facilities for migrant communities to achieve an economic stable situation must be considered as a long term investment.

Microfinance:

The socio-economic profile of a migrant is a low wage worker who seeks for a path of improvement in his new environment. Microfinance institutions are well-placed to meet the needs of this group by supporting their savings and encouraging their asset growth. The financial transactions are small, and migrant families are typically in locations not well-served by mainstream banks. Microfinance Institutions can therefore support both the sending and utilization of remittances by providing money transfer services, savings and cash management products, remittance-linked lending and other forms of non-financial support for migrants and their families. This major situation has encouraged the MFIs, by the recommendations of the ILO’s Social Finance Unit, to emphasized and improve services to increase savings, credit and investment facilities that suit the risk profiles of migrant workers. MFIs can provide substantial assistance to migrant families to manage their income in a more profitable way by accumulating assets and cultivating sound financial habits so that their creditworthiness can be improved.

Moreover, these same Institutions profit by using the distribution channel for money transfer operators, thus the monopoly status is taken due to their strong presence in rural areas and therefore high prices and no public control create an inflexible situations for migrants due to the lack of options in this sector.
Recent Developments

In recent years, the OIC and United Nations Relief Work and Agencies have worked together on refugee related issues in the Middle East. Most Recently the UNRWA and OIC collaborated to assist refugees on the Gaza strip in Palestine. Reviewing the important needs faced by Palestine refugees in education, health care and other vital services, the parties called to explore the possible establishment of a Waqf for UNRWA to improve the financial sustainability of the Agency.

The Global Concessional Financing Facility (GCFF) announced funding for three new projects. The total of concessional financing unlocked by the Facility to support refugees and host communities in Jordan and Lebanon is US$1 billion. The new projects aim to improve lives of refugees and the communities hosting them, by expanding vital public health services in both Jordan and Lebanon, as well as strengthening critical wastewater infrastructure in Jordan. The Islamic Development Bank has pledged to assist in these projects by providing funding of approximately US$ 45 million.

The project on emergency health aims to provide health services for uninsured Jordanians and Syrian refugees in the short term and create a more efficient health system to increase fiscal space in the medium to long term. This will be achieved by covering the government’s share of health care costs for uninsured poor Jordanians and registered Syrian refugees for two years and creating a more efficient health care system to promote sustainability in the medium to long term that will reduce the pressure on the Jordanian health system due to the Syrian refugee crisis.

Muslim population projections in non OIC member countries

Population projections show that Muslims in Europe and North Africa will increase with or without migration. In Europe, the Pew Research Center has created 3 scenarios projecting Muslim growth with zero, medium and large migration. With zero migration the Muslim population in Europe would be 7,4%, with medium migration it would be 11,2% and with large migration it would be 14% of the total population. In North America Muslim population...
These projections show as well that within the next generations, Muslims will still prefer to migrate rather than staying in the countries they were born. As discussed previously, migration reduces the number of available resources, such as human capital, which is needed to reach economic development. The reduction of this source negatively impacts the efforts made by institutions such as the IsDB, but also seeks for new options to encourage migrants to return and improve the development of the OIC member countries.

**United Nations Relief Work Agencies**

The United Nations Relief Work Agencies is a United Nations agency established by the General Assembly in 1949 and mandated to provide assistance and protection to some 5.4 million Palestine refugees registered with UNRWA across its five fields of operation. Its mission is to help Palestine refugees in Jordan, Lebanon, Syria, West Bank, including East Jerusalem and the Gaza Strip achieve their full human development potential, pending a just and lasting solution to their plight.

**UNRWA** services encompass education, health care, relief and social services, camp infrastructure and improvement, protection and microfinance.

**UNRWA** is confronted with an increased demand for services resulting from a growth in the number of registered refugees, the extent of their vulnerability and their deepening poverty. UNRWA is funded almost entirely by voluntary contributions. Financial support has been outpaced by the growth in needs. As a result, the UNRWA programme budget, which supports the delivery of core essential services, operates with a large shortfall. UNRWA encourages all Member States to work collectively to exert all possible efforts to fully fund the Agency’s programme budget.

UNRWA emergency programmes and key projects, also operating with large shortfalls, are funded through separate funding portals.

**Inter-American Development Bank**

The IsDB has also established a Memorandum of Understanding with the Inter-American Development Bank which sought to enhance cooperation and co-financing of projects in Guyana and Suriname. Cooperation related to assistance to Muslim communities in the Inter-American Development Bank member countries was also announced but further development of the matter has not taken place.

**United Nations Development Programme**

For more than 30 years the IsDB has cooperated and worked with the United Nations Development Program. This cooperation was further strengthened in 2016 when a Memorandum of Understanding between both organizations was signed. The main topics that guide cooperation between these organizations are: “Project development and implementation around priority areas and comparative advantages, development of private sector partnerships, Strategy Development/SDG alignment and promoting systematic institutional cooperation”

Delegates are expected to consider not only forced migration and migratory crisis but also social and economic difficulties of already established Muslims communities outside the IsDB member states. In addition, it is crucial to consider how the Muslim migration affects the sending country in the future due to lack of human capital if return is not reached and the social issues that arise from a growing Muslim population worldwide.
1. How can issues related to the identification and legal recognition of Muslim communities in OIC non-member countries be solved to better allocate them aid?

2. Which should be the guidelines and criteria for future partnerships with International Organizations to assist Muslim communities in non-OIC member States?

3. How could the microeconomic finance system be improved in areas outside the OIC with Muslim migrants?

4. What are the possible solutions for the Muslim communities that do not fulfill the specific criteria to be given financial aid?

5. What solutions can be proposed to provide a political and social environment for Muslim migrant communities where they can reach the maximum of their labor capabilities and running of further projects supported by the IsDB?

**Fostering Economic Development in Africa**

**Background**

Despite impressive economic growth in certain parts of the region, African countries continue to grapple with the challenges of poverty, unemployment, inequality, commodity dependence, and environmental degradation (United Nations Conference on Trade and Development, n.d.). Many African countries experienced an economic ‘boom’ following independence. However, these were not sustained and did not translate into an improvement of social and living conditions. There are several political, economic, social, and cultural reasons that explain the slow growth in Africa. Firstly, African economies rely on one or a limited number of products with low added value and are heavily dependent on foreign aid for the funding of their development. There is little intra-African trade despite the willingness to promote regional integration of economies and markets (Ake, 2003).

Post-independence, the various strategies of development such as import substitution, export promotion, technology transfer, among others, have failed to achieve development; instead the economic condition has deteriorated. This became eminent as the political structure is faulty, the administrative systems and the social institutions are weak – hence non-supportive of spirited developmental drive. According to Ake, “With the attainment of independence by African countries without discerning the vision of development and specified agenda for building a prosperous nation, the Western prescription became a readymade developmental agenda” (Ake, 2003).

Historically, African States have become victims of Structural Adjustment Programs and other adjustment programs that assisted in the economic collapse of the 80’s especially in Nigeria and Tanzania. Furthermore, this struggle over development agendas has persisted even after about five decades of the independence of several African countries (Ake, 2003).

IsDB Economic Assistance Mechanisms to Africa

The IsDB three main financing mechanisms are projects, balance of payments support (to promote trade among member countries) and technical cooperation. Sub-Saharan Africa is the region that receives the most financing of projects and trade support, receiving 60% and 40% of each respectively (IsDB, 2018). The IsDB financing is allocated through loans and grants. Loans, fulfilling Sharia principles, are interest free but do have and administration charge that ranges from 1.5% to 2.5% for standard loans and 0.75% for highly concessional loans for the Least Developed Member Countries (LDMCs). Grants are giving without expecting any repayment (IsDB, 2018).

IsDB strives to generate a new loan each year to each of its member countries except those cases with non-repayment. The IsDB has been trying to allocate special resources to Africa, where most assistance is concessional. The process of requesting financing assistance begins with a petition submitted through the IsDB funding application, which is examined by the technical committee, the Executive Board and the Board of Governors to be approved. Generally, the IsDB requires the “setting up of a project unit, a separate bank account and the receiving government or private developer to cover local currency costs. Usually, the IsDB acceptance of financing projects has to be in coordination with other financing institutions (Development Finance, 2009).

IsDB priority areas and African reality

Some of the IsDB priority areas are: human development, agricultural development and food security and infrastructure development (EENI, n.d.). Those areas of development are facing difficulties in Africa and are not reflecting the improvement that economic growth could have.

1. Human Development in Africa

The Human Development Index is one of the most known worldwide indicators to measure human development. This index is composed by measuring three main aspects: 1. Long and healthy life, 2. access to education and 3. decent standard of living. The mean value of Africa’s HDI is the lowest of the world (0.524 in 2014). There is not even one African country in the Very High Human Development group and only 5 out of 54 African countries are located in the High Human Development group (Seychelles, Algeria, Libya, Tunisia and Mauritius). From the 20 countries having the lowest HDI in the world, 19 are African. These numbers and data are crucial since Africa is improving its economic performance but that has not translated into the necessary improvement in social areas (UNDP, 2016).

Within Africa there are also important differences among sub-regions that should be considered during the debate to better address the main topic and propose adequate solutions. From highest to lowest HDI the order of those sub-regions is: West Africa (0.461), East Africa (0.497), Central Africa (0.507), Southern Africa (0.570) and North Africa (0.668) (UNDP, 2016).

Another relevant indicator to consider while addressing Human Development is the Multidimensional Poverty Index (MPI). This index measures poverty by considering deprivations in health, education and living standards. African countries such as Niger, Sudan, Chad, Ethiopia, Burkina Faso, Somalia, Guinea-Bissau and Mali have more than half of their population living in severe multidimensional poverty. It has been found out that there is a strong correlation between high MDP and low values of HDI, which signals the need of tackling poverty policies to improve human development in Africa (UNDP, 2016).
The Food and Agriculture Organization (FAO) defines undernourishment as “the proportion of the population whose dietary energy consumption is less than a pre-determined threshold” (FAO, 2008). In 2015 “more than a fifth of sub-Saharan Africans were undernourished and the prevalence of undernourishment was higher in Central African Republic, Zambia and Namibia, were children and women were at higher vulnerable levels” (Signé & Siba, 2017).

The rate of stunting children in Africa has improved, being 36.6 in 2005 and declining to 31.2 in 2016. Even though this rate has declined Africa’s rate of stunting children is higher than the world’s rate. This behavior is also shared by the rate of women in reproductive age suffering from anemia, which has declined over-time but remains the highest in the world (37.7% in 2016) (FAO, 2017).

As stated before African economies rely heavily on commodity exports, which is highly related with food insecurity due to unstable commodity prices and food markets. Other causal dynamics of food insecurity in the region are natural disasters, political instability, conflicts, insufficient pasture feed and water for livestock, among others (FAO, 2016). Africa is the “least integrated region in the world due to low levels of intra-regional economic exchange” (New Partnership for Africa’s Development). Annual investments in the region are required as follows: 41 USD billion for energy, 21 USD billion for water and sanitation, 19 USD billion for transport, 9 billion for Information and Communication Regarding energy requirements, the infrastructure is better off in countries such as South Africa, Morocco, Egypt and Sudan but is quite insufficient (less than 77 Mega Watts produced per million people) in West Africa, Nigeria, West Africa and Central Africa (RisCura, 2017).

Other issues faced by the region are corruption, low private investment, high levels of HIV/AIDS and malaria and governance problems. Proposals and solutions should bear in mind the complex reality for development in Africa shaped by the multiplicity of issues plus the existence of useful practices and unproductive policies adopted in the region.
Burkina Faso, Ivory Coast, Senegal, Mali, Guinea, Tunisia, and Suriname – will benefit from a share of the total $805 million worth of finance deals for investments in energy, housing, agriculture and water supply. In addition, the IsDB stated that a share from the total will also go to Latin America. IsDB president Dr. Bandar Hajjar signed the agreements with the finance ministers of the beneficiary countries on the sidelines of the World Bank Group’s annual meeting in Washington DC.

Under the terms of the agreements, Ivory Coast will receive $265m for the Cocody Bay project and vocational training. Cocody Bay, in Abidjan, includes development of a marina, port works and construction of dams and transport infrastructure. Mali will receive $166m for the country’s Sirakoro power plant project and Burkina Faso will receive $104m for a power project in that country. Guinea will receive $16m for a rural water supply project and Tunisia will receive $80m for agricultural development. Senegal and Suriname will receive a total of $173 for housing projects. Hajjar said: “These infrastructure projects will go a long way to addressing the development challenges of our member countries. They will greatly contribute in creating employment and providing an enabling environment for the growth of the public and private sector” (IsDB, 2017). Last year, Burkina Faso, Ivory Coast, Mali and Senegal were among West African States that signed an agreement with the private sector arm of the IsDB to help finance small and medium-sized businesses (SMEs) through a $100 million Islamic fund. That move followed Ivory Coast’s debut XAF150bn ($268m) Islamic bond issuance, which was the second such transaction in the member countries of the eight-nation Economic and Monetary Union of West Africa (UEMOA). The sukuk reportedly saw a 38% allocation to investors from the Middle East region. In 2014, Senegal issued the UEMOA's first Islamic bond (IsDB, 2017). Sub-Saharan Africa is the second largest region by population size, with close to 500 million people. The region has the lowest per capita income of the four regions, with only Cameroon, Ivory Coast, Gabon and Nigeria considered middle-income countries, the rest being low-income (IsDB, 2017). Significant progress has been made in reducing poverty since 2000, it remains pervasive. However, the region faces an enormous infrastructure gap, the investment climate and regulatory environment are relatively poor, and there are still weaknesses in governance and institutional capacity. Of the 16 countries worldwide, experiencing ‘alarming’ situations of hunger, five are IsDB member countries in Sub-Saharan Africa. Consequently, the region’s short-term challenges include sustaining growth momentum and strengthening fiscal stability, achieving food security, developing the agricultural sector and tackling youth unemployment. Medium-to-longer term challenges include the development of human capital as well as infrastructure. “Paving the Way Out of Poverty: Expanding Chad’s Transport Network” - Chad

In Chad, 80 percent of the population depends on farming and livestock, with many people living in remote rural communities. With no railways and few rivers, Chad is hugely reliant on its roads. Since 2006, the Islamic Development Bank has supported the Government of Chad in their impressive improvement of the national road network. These projects have opened up previously isolated parts of the country, providing rural communities with crucial access to markets and services. And the economic benefits can already be seen: agricultural production has increased as farmers know they can sell their produce, and reduced travel times support many other businesses (IsDB, 2017). Agreement signed with the African Development Bank in the areas of: agriculture and food security, renewable energy, small and medium enterprises and human development. Say No to Famine/Alliance to End Famine in Africa - Uganda, Somalia and Nigeria, initiative
Since the ‘post-independence’ period, China earned the trust of many African governments through political support during times of conflict. China historically has stood firmly with several African liberation movements during the colonial era. It was against the backdrop that China arrived in Africa in the opening years of the 21st century, this ‘new-found’ relationship would not only transform Chinese diplomacy and foreign policy it would directly align the African States towards China (Adem, 2010).

To some African countries, China is a diplomatic alternative from Western States. The Sino-African relationship can balance their relationship with western governments. The former European Commissioner Uwe Wissenbach argues: “African leaders use China as a trump card in securing a new global position, and expressing a new-found self-confidence and sometimes a revenge on European pressures of the past.”

China and Western countries have a growing demand to import resources, conduct trade, and invest in Africa; however, the conspicuous expand of China’s demand for Africa’s resource and the market has brought pressure to western countries, thus the competition in Africa has been growing more and more difficult. The consequence of strengthening the economic coordination and cooperation between China and Western countries will help to avoid the loss brought by malicious competition and to decrease the high cost of multiple games between the two parties (Adem, 2010).

China’s involvement in Sub-Saharan Africa has become extensive, most notably, in the energy sector. China has had and involvement in the energy sector in Chad, whilst Chad has maintained strong relations with Taiwan (Adem, 2010). China had partly united with African States through an ideological unity. African States who were plagued by a colonial past had liberation movements who were influenced by Marxist ideologies. In the 1960’s, China capitalized on the ideological commonality and held strong ideological bias in support of communist regimes and Marxist insurgencies (Adem, 2010). China’s capital and investment follows Africa’s natural resources and security. China’s re-entry into Africa over the past decade and a half was driven by the country’s growing demand for Africa’s natural resources (Friedman, 2008). The value of Africa’s export of its natural resources to China has grown substantially in recent years with cobalt, chromium, manganese, and timber constituting major non-oil terms (Friedman, 2008).

The Chinese government has harvested and built diplomatic relations across the African continent with African States that are rich in energy resources and has strengthened bilateral trade agreements (Friedman, 2008). The incentive for bilateral trade with African States has been the most contentious and the most attractive element of the Afro-Sino relations. China has awarded aid, forgiving the national debt, and assisted in infrastructure development for various African States (Friedman, 2008).

What was the strategy behind this? China has continued to build new strategic relationships and forged new ones particularly with those African states who maintained a ‘wealth of resources’.

In 2015, China and Nigeria signed an oil deal that has had implications for both countries. The deal entailed an 800-million-dollar crude oil agreement with Nigeria and is reportedly considering a seven-billion-dollar investment deal to assist in developing Nigeria’s infrastructure. According to Anyu and Infedi, “Chinese energy policy and its oil exploration in Africa entails important political and economic implications for the African continent” (Anyu, J. N., and J.-P. A. Ifedi, 2008).

Historically China needed to continue achieving its desired economic growth and meet its industrial needs, its energy policy needed to be elevated to the level of strategic national security. Furthermore, the IMF and World bank have provided African countries with loans and development contracts keeping these countries in the endless cycle of debt. The requirements to gain development loans by these organizations, have often been overbearing for African States. China has provided the easier access to development funding in most cases (Anyu, J. N., and J.-P. A. Ifedi, 2008).

Ideology in China’s foreign relations with African countries gave way to being pragmatic and rational. This diplomatic adjustment brought forth the all-round development of Sino-African relations. In recent years, China and African countries have built a new type of strategic partnership which features mutual political trust, win-win economic cooperation and cultural exchanges (Flores-Macías, Gustavo

A., and Sarah E. Kreps, 2013). China’s political influence multiplied the pattern of Africa’s foreign relations, in the past, China’s strategy towards Africa mainly aimed to win political support from African countries to break through the blockade of The United States and The Soviet Union. Today, the Sino-Afro cooperation has shifted in its approach towards an economically focused field (Flores-Macías, Gustavo A., and Sarah E. Kreps, 2013). The sheer nature of assisting countries development is not a technical decision, it remains a political calculation. Numerous interests are at play when countries and international organizations make foreign economic policies. It is a delicate matter to promote economic projects in the territories of recipient countries since their population and their citizens are being affected by these decisions, and since there is a culmination of such acts. According to Seo “These acts often reflect the shaping of the future of States which may pose them and may them be looked as no capable of directing their own destiny” (Seo, 2017).
Bearing in mind these issues, the foreign policy of States may be towards promoting more development projects regardless of their political costs and the future debt (not necessarily monetary) that those generate. In addition, some States may view these actions as altruistic and morally correct, which oversees the political debate to justify the promotion of those projects “just because it is the right thing to do”. As an institution, the IsDB has highlighted that it is guided by Sharia principles and values in its operations and work. Even though, it is important to note that foreign aid is also used to promote “geopolitical interests, gaining foreign allies and strengthen alliances of States” (Apodaca, 2017) which may disrupt, interfere and reshape developmental assistance.

The IsDB does not impose conditions on policy nor macroeconomic adjustments (Development Finance, 2009). The no-imposition of reforms is also a source of debate especially in the case of Africa, where it is recognized that corruption and not-functioning institutions are present. Since no accountability is imposed, financing may be internally misused by the officials and no real improvements are generated. Furthermore, as many of African recipients are Least Developed Countries they receive highly

Delegates are expected to be well informed about developmental issues in Africa, the roots and causal factors that impede the region to prosper and have a better living and social conditions. In order to propose solutions, the consideration of States’ interests is crucial, along with the selection of the best assistance mechanisms and planning stages for projects and programs without forgiving the particularities and characteristics that the IsDB has.
concessional loans and grants, which is a source of free money that, if received by corrupted institutions and governments, fuels a cycle of more corruption. Serving as additional revenues to governments usually these resources are diverted to unproductive purposes rather than the intended programs. Some IsDB member countries such as Cameroon, Mauritania and Guinea are accused of having corrupt and authoritarian governments and being unaccountable, which are factors that are linked with deviation of economic assistance to other purposes and individual benefit of high-level officials (Moyo, 2009)

1. How should IsDB financing approval process may be influenced and reconsidered if corruption in the recipient countries is present?

2. Should the IsDB impose conditions to assured that financing is not misused? If so, what requirements should be fulfilled and how may accountability be generated?

3. How can the IsDB compete (or work along) with China regarding development projects in Africa?

4. How should the IsDB prioritize and plan future development financing projects in Africa? Is Islamic financing working in the region? How can it be improved?

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