



Statement of His Excellency Dr. Waleed Al-Wohaib

CEO, ITFC

**At the Third Global Review of Aid For Trade
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ITFC is Member of Islamic Development Bank Group

**Director General, Pascal Lamy,
Excellencies ,
Development Partners, Distinguished Guests,
Ladies and Gentlemen,**

At the outset, let me convey, on my own behalf, and on behalf of the delegation of the Islamic Development Bank (IsDB) Group, our profound appreciation for the invitation extended to IsDB Group to participate in this important Review Conference on Aid for Trade (AfT).

Let me also; join the previous speakers in expressing our sincere thanks and gratitude to the Director-General, Pascal Lamy, the management and staff of the WTO for the excellent arrangements made for this Forum.

**Excellencies,
Distinguished Participants,**

For the IsDB Group, trade has a very significant importance due to its critical role in economic growth and development for its Member Countries (MCs), especially least developed ones, which still suffer from inherent internal barriers that hold them back to enjoy the benefits of international trade. In this perspective, the Organization of Islamic Conference (OIC) has set a target to increase the intra-OIC Trade volume from 15% in 2005 to 20% by 2015.

To meet this challenge the IsDB Group has taken a number of strategic initiatives, in addition to the establishment of the International Islamic Trade Finance Corporation (ITFC) in 2008 to support the economic development of its 56 MCs with a mission “to be a catalyst for the development of trade among OIC MCs” and a vision “to be a recognized provider of trade solutions for the OIC MCs needs”.

In our view, AfT initiative is critically important to help less developed countries and small states to benefit from increased trade and economic growth, as well as from economic cooperation and integration. IsDB Group has been a part of the AfT initiative from the very beginning alongside other regional

Ladies and Gentlemen,

IsDB Group has enhanced the scope of trade transactions among the MCs through its entity called the **Islamic Corporation for the Insurance of Investment and Export Credit or ICIEC** that provides export credit and re-insurance facilities to exporters, Banks, Trade Financiers and Export Credit Agencies. ICIEC has facilitated trade and investments totalling US\$682.6 million over the last three years. It has provided export credit and investment insurance products that protected policy holders from both political and commercial risks arising from cross-border trade and capital flows.

channels, which reduce transaction cost and information asymmetry, promote productivity, market efficiency and access regional integration. Over the last 3 years about \$7.5 Billion was approved for several infrastructure projects in various sectors particularly Energy, Transport, Water, and Information and communications technology (ICT) , including Industry, and support to local SMEs.

To promote trade between MCs

linking Mali, Niger, Algeria and Burkina Faso by road. The Bank is also considering financing the Senegal-Sudan Railway Line Project. The Bank has also financed Road projects in Sub-Saharan Africa for developing East West (Trans-Sahelien) and North South (Trans Saharan) Corridors primarily to promote

The SPDA has earmarked US\$ 4 billion over 5 years (2008-2012), for which it targets to generate a total financing volume of US\$ 12 billion.

Development Partners,

Let me highlight that since 2009, ITFC has offered, in cooperation with the United Nations Economic Commission for Europe (UNECE) and the United Nations Development Programme (UNDP), its full support to launch the AfT Road Map for the United Nations Special Program for the Economies of Central Asia (SPECA) Region to support SPECA MCs efforts in building their productive capacity, trade infrastructure and the necessary legal and institutional framework for capitalizing on emerging global and regional trade and development opportunities.

One of the key outcomes of the Ministerial Meeting on the AfT Road Map for SPECA, held in Baku in December 2010, was the signing of a Ministerial Declaration that identified the following key priority areas that should form the focus of national and regional trade development plans:

- 1) Within-border supply-side measures,** at the country level, to raise the international competitiveness of the region's economies, enterprises, products and services.

2) Cross-border cooperation to harness the potential for mutually beneficial trade among the SPECA countries and with other neighbours by improving:

- (a) Physical infrastructure;
- (b) Institutional trade infrastructure, with a focus on trade facilitation; and
- (c) Market access.

3) Matters related to the multilateral trading system to facilitate the beneficial integration of SPECA countries into the multilateral trading system.

On this occasion, I would like to call the relevant International Organizations, Development Partners and Donor Countries for an effective cooperation to implement the different projects identified through the AfT SPECA initiative.

In this perspective, I am pleased to announce that the ITFC is in the final stages to launch an initiative on Aid for Trade for the Arab States in cooperation with the League of Arab States and the specialized international organizations such as WTO, UNDP, ITC and UNIDO. In this context, a consultative meeting

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Cairo to design and develop this initiative. In addition, I had the honor to brief the new Secretary General of the League of Arab States, H.E. Dr. / Nabil Al-Arabi, on the need for this initiative by the Arab states, where he welcomed this important initiative in support of inter-Arab trade and with the rest of the world, also he expressed the readiness of the Arab League to support this important endeavour.

Distinguished Guests, Ladies and Gentlemen,

We believe that AfT is vital for long-term development and structural change. But, there can be no “one-size-fits-all or blanket approach” to Aid for Trade projects/initiatives. In this regard, IsDB's experience suggests the following approaches for making AfT more effective:

- Regional approaches that support national development strategies are the best ways to multiply the benefits of AfT.
- Cross-border economic corridors lie at the heart of successful AfT programs.
- Strong partnerships between governments, private sector, and donor community ensure the sustainability of benefits.

IsDB Group is fully cognizant of the fact that its MCs are undertaking policy reforms and measures to mainstream trade as a development tool for long-term and sustainable growth. However, their efforts need to be complemented and IsDB being a South-South institution, believes that trade can be the engine for growth for MCs. IsDB will make further efforts, to mobilize required resources to bridge the financing gaps in its MCs.

Director General, Pascal Lamy,

Excellencies ,

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