

(Jacket Cover)

A VISION FOR HUMAN DIGNITY
VISION 1440H

Islamic Development Bank

(Jacket lapel – front)

The image on the cover is based on the following *ayat* in the *Al-Quran*

وَقُلْ رَبِّ زِدْنِي عِلْمًا

which translates into

“And say: Our Lord! Advance me in knowledge”
(20:114)

to reflect the importance of acquiring knowledge
for advancement in Islam

(Jacket lapel – back)

Eminent Muslim scientists and scholars who have contributed immensely to human knowledge in the period between 8th and 15th centuries

ABU ABDULLAH AL-BATTANI

(Greatest Astronomist of Islam)

ABU HAMID AL-GHAZALI

(Religion, Philosophy & Sufism)

EL ZAHRAWI

(Father of Surgery)

IBN AL-BATAR

(Greatest Scientist, Botanist & Pharmacist)

IBN BATTUTA

(The Great Traveller)

IBN KHALDUN

(Philosopher, Historian & Sociologist)

IBN RUSHD

(Philosophy, Logic, Medicine, Music & Jurisprudence)

IBN SINA

(Doctor of Doctors)

JABIR BIN HAIYAN

(Father of Chemistry)

MOHAMMAD BIN MUSA AL-KHAWARIZMI

(Greatest Mathematician, Astronomer & Geographer)

OMAR AL-KHAYYAM

(Mathematician, Astronomer, Philosopher, Physician & Poet)

XHENG HE

(The Great Admiral)

(Book Cover)

A VISION FOR HUMAN DIGNITY
VISION 1440H

(Opening page of document)



*With the Compliments
of the
Islamic Development Bank*

(Title Page)

A VISION FOR HUMAN DIGNITY
VISION 1440H

Islamic Development Bank
Safar 1427 / March 2006

(Quotation)

“As a multi-lateral development financial institution based on *Shari’ah* principles, the IDB Group has many reasons to be proud of its achievements. It is now well-positioned to be an effective agent of change to prepare its members in facing numerous challenges brought about by the forces of globalisation and rapid technological change. The collective group of the IDB Member Countries can be a formidable one, taking into account its multi-faceted resources. The greatest challenge in this group is to focus on common development issues facing us all.”

H.E. Tun Dr. Mahathir Mohamad

First IDB 1440H Vision Commission Meeting,
Dubai, United Arab Emirates
14 September 2005

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FOREWARD

When the major stakeholders of the Islamic Development Bank (IDB) decided on the need for a long-term development plan for the *Ummah* and the necessity to turn this institution into an organisation comparable with other international financial institutions involved in promoting development, no one imagined that they were about to embark on a journey that would set them sailing uncharted waters. But, the response of the IDB management and all stakeholders was encouraging as they immediately embraced the idea.

The next few months saw frenetic activities in which the Management invited a panel of eminent persons from different parts of the world to brainstorm on a course of action and set up the IDB 1440H Vision Commission. I was honoured to be tasked with overseeing the preparation of the Vision Report as its Chairman.

Undoubtedly, the IDB is one of the most successful institutions of the *Ummah*. To remain relevant, it is imperative for the Bank to reinvent itself in order to meet the mounting expectations of the *Ummah* during a period when the wealth of the community has grown tremendously but paradoxically much of the *Ummah* wallow in extreme poverty and backwardness. The IDB must play a bigger role in stimulating a more equitable redistribution of wealth through acceptable social and commercial activities so that poverty will be reduced in a sustainable manner while wealth should continue to grow undiminished.

This document is the result of the collective thinking in the Islamic world which was achieved after much consultation and consideration of the strengths and weaknesses of member Countries and Islamic communities in non-Member Countries. It came up with a doable vision of a clear, strong and strategic direction for the IDB.

This is the first time in the history of the IDB and the Muslim world in recent time that a definitive statement on the Islamic Vision of Development is advocated. This Vision stresses upon the *Deen* or Faith, as an important compass for the IDB Member Countries and Muslim communities as well as the world to have a second revisit of what Islam stands for in its totality.

There are several basic challenges addressed in this document – the challenge of achieving healthy human development; securing strong sustainable economic growth; promoting good supportive governance; strengthening peace and stability in the Islamic world and outside it and fostering a powerful sense of common identity and destiny. The document also identifies several key strategic thrusts which must be undertaken for optimal realisation of its vision, some of which may be painstakingly time-consuming and challenging, but which all must accept if success is to be achieved.

The Vision document has identified several means for realising good social governance, achieving economic and social development in member countries as well

as those which would be required of the IDB. But this is only a blueprint. It remains for the management and the stakeholders of this institution to make it a reality.

The management with the backing of stakeholders have accumulated vast experience in financing all kinds of development. There can be no doubt that the management would be able to undertake these new tasks as envisioned by this document. The Vision Team should be ready to clarify its proposals should there be any misunderstanding.

The preparation of this Vision is made possible through the support and dedication of many. On behalf of the Commission, I would like to take this opportunity to thank firstly the President of the IDB Group, H.E. Dr. Ahmad Mohamed Ali, for his foresight and leadership in this initiative as well as his dedicated team in ensuring the work of the Team achieves the desired objectives. I would also like to thank the Institute of Strategic and International Studies (ISIS) Malaysia and the Vision Partners for their invaluable contributions. Our deep appreciation also goes to the Governments of Malaysia, the United Arab Emirates, Republic of Kazakhstan and Burkina Faso for their support and contribution to the work of the Team and in ensuring the success of the four Regional Workshops held in 2005 which provided critical inputs from the stakeholders and other interested parties to the formulation of the Vision. Lastly, I would like to record my immense gratitude to all the Vision Commission Members whose thoughts and in-depth discussions have contributed to the success of this initiative.

The Commission would like to dedicate this document to you, the members of the billion-strong Muslim community of the world. Muslims can yet be a force for the good of mankind in the 21st century. Muslims have to decide, and remember that *Allah Subhanahuwa Ta'ala* will not change our destiny unless we put in the efforts to change it ourselves.

Dr. Mahathir Bin Mohamad

Chairman

IDB 1440H Vision Commission

Safar 1427 / March 2006

INTRODUCTION

The Islamic Development Bank (IDB) is mandated by its charter to foster socioeconomic development of its Member Countries and Muslim communities in non-Member Countries, in accordance with the principles of *Shari'ah* (Islamic Law). Since its establishment in 1395 Hijrah* (1975), IDB has grown remarkably in terms of its membership, capital and operations. The IDB is rated “AAA” by Standard and Poors. Its remarkable success has, inter alia, generated demand from its major stakeholders to revisit its mission, given major strategic challenges facing the *Ummah*.

The IDB promptly responded by consulting widely and intensively, for the first time, with the stakeholders. Indeed, the year 1426 Hijrah (2005) heralded a landmark and an exemplary manifestation of public consultation exercise in its history. The aim was to develop a shared long-term vision for the Bank, with the view to reposition itself to serve the *Ummah* better. The vision exercise was undertaken to provide a clear sense of direction for the Bank's activities, to complement existing works and initiatives, to chart its future course and responsibilities, and to take into account external challenges that could impact its mission and operations.

The defining moment for the consultation process was on 15 March 2005, when eminent personalities from Member Countries and non-Member Countries gathered at a meeting at IDB Headquarters, Jeddah, Kingdom of Saudi Arabia. Under the chairmanship of H.E. Tun Dr. Mahathir Mohamed, the former Prime Minister of Malaysia, the meeting exchanged ideas and discussed issues and challenges that are likely to impact IDB and the *Ummah* in the foreseeable future to 1440 Hijrah and beyond. The meeting recommended the establishment of a Commission to oversee the preparation of the “IDB 1440 Hijrah Vision” in consultation with relevant stakeholders. With H.E. Tun Mahathir as the Chairman, the Commission consisted of a further twelve eminent personalities, experienced leaders and notable visionaries, supported by an IDB-based Secretariat and consultants from the Institute of Strategic and International Studies (ISIS) and other partners based in Malaysia.

The Commission requested IDB to organise regional workshops to solicit ideas and views on strategic challenges facing the *Ummah* and IDB from regional perspectives, with the aim to reposition the IDB to meet such challenges. To make the Vision “stakeholder-centric”, four regional workshops were organised. The first regional workshop took place in Kuala Lumpur, Malaysia for Member Countries from Asia plus Suriname on 24-25 June 2005, followed by Almaty, Kazakhstan for Central Asian Member Countries plus Albania on 2 August 2005, then in Dubai, United Arab Emirates for the Middle East and North African Member Countries on 13 September 2005, and in Ougadougou, Burkina Faso for Member Countries from Africa on 1-2 October 2005.

These workshops enabled the Commission and IDB to hear from the stakeholders how

* Hijrah – Refers to the Islamic Calendar

they see the world in 1440 Hijrah and beyond, and identify strategic challenges that could affect them. The workshops also discussed the future role of IDB in responding to the needs of the Member Countries. They were widely attended and graced by Commission Members, IDB Governors, Executive Directors, members of IDB Management, Country Representatives, representatives from Muslim communities, representatives from non-government organisations and development partners.

The consensus from the workshops were captured and elaborated in the “IDB 1440 Hijrah Vision” document. The draft Vision document was ready in time for the Commission’s second meeting at the IDB Headquarters. The document describes the broad principles of the Vision based on the Islamic concept of human development, presents the major challenges facing the *Ummah*, and the proposed Vision and Mission Statements. It also identifies the Key Strategic Thrusts for the Bank. The Vision is deliberately ambitious and aims for excellence in the achievement of the Thrusts. Subsequent to the Commission Meeting, various categories of IDB staff were exposed to the exercise as part of the buy-in process.

In February 2006, a three-day “Strategic Management Workshop” was organised for IDB Management in Jeddah. The workshop led to the identification of a number of “big ticket” and “quick win” ideas and concepts, which could serve as models for implementation of the Vision.

The Vision document is meant to help shape the future of the *Ummah* and delineate IDB’s role in the process.

Together we can make this happen.

(Separator)

A TIME FOR INTROSPECTION AND REFORM

A TIME FOR INTROSPECTION AND REFORM

The Islamic Development Bank (IDB) can take pride in many achievements. It has grown remarkably since its formal establishment in 1395 Hijrah (1975). It was once a Bank. It is now a Group. Its membership has grown two and a half times, from the original 22 countries to 56 member countries now, in step with the growth in the membership of the Organisation of Islamic Conference (OIC). The authorised capital of the IDB Group has increased eight-fold, from ID2.0[†] billion (US\$2.7 billion) to ID15.8 billion (US\$21.0 billion) in 2004. Subscribed capital has more than quadrupled, from ID1.9 billion (US\$2.5 billion) to ID8.4 billion (US\$11.2) in the same period.

Concurrently, the range of products and services the Group offers has proliferated over the years. Cumulative IDB net lending as at 9 February 2005 (end 1425 Hijrah) totalled ID28.8 billion (US\$38.3 billion).

IDB also gained an “AAA” long-term rating with a stable outlook from Standard and Poors, and it has been classified a zero-risk weighted multilateral development bank under the Basel Capital Accord II.

A landmark achievement of IDB, of which it can be justly proud, is its successful pioneering of an alternative system of banking and financing based on the *Shari'ah*. There are now more than 300 Islamic financial institutions around the globe, both in Member Countries as well as outside the OIC. They have a market capitalisation in excess of ID9.8 billion (US\$13.0 billion).

Major players in the non-Islamic banking and financial sector such as the Hong Kong & Shanghai Banking Corporation and Citicorp have also opened Islamic banking facilities. Islamic banking now vies with the best in the banking world.

IDB, therefore, is one of the most successful institutions of the *Ummah*. It is the hallmark of successful organisations that they regularly renew themselves. IDB has done this. Its latest exercise was the adoption of the IDB Group's Strategic Framework in 1424 Hijrah (2003). This Strategic Framework led to the adoption of a five-year Strategic Plan.

After three decades in existence however, IDB must gird itself for the next lap. It needs a long-term vision that will guide its strategic development for the next fifteen years and beyond. The Bank has implemented many effective policies and programmes. In these instances, prospects for further improvement must be examined. There are also areas where IDB has not been able to make a significant difference. In these cases, there must be a readiness to review policy and institute reform.

IDB must also adapt and respond to some of the profound changes that have occurred in the political, economic and social landscape affecting Muslim communities since the

[†] ID – Islamic Dinar

Bank's inception. It must also prepare for the changes to come. This will, in turn, necessitate adjustments within the institution of the IDB Group itself.

(Separator)

**THE STRATEGIC CHALLENGES CONFRONTING THE
MUSLIM WORLD AND IDB**

THE STRATEGIC CHALLENGES CONFRONTING THE MUSLIM WORLD AND IDB

The challenges the 1.5 billion *Ummah* confront are as diverse as the *Ummah* itself. The *Ummah* is girded by a common, powerful religious identity, but it is otherwise a vast plurality of ethnicity, language, culture, economic profile and political system. All Muslim countries are developing countries, but they are widely ranging in terms of level of human development. There are stable and resilient Muslim states, as well as weak and fragile ones. There is much peace in the Muslim world, but there is also war, violence and strife. There is significant wealth and affluence, but there is also great poverty, sickness and deprivation.

The challenges facing Muslim countries and Muslim minorities residing in other countries therefore, often differ widely in terms of nature and gravity. But taken collectively, the Muslim world and IDB are faced with some major strategic challenges.

The Challenge of Achieving Healthy Human Development

Significant strides forward in human development have occurred throughout the Muslim world except in countries located south of the Sahara since 1985. Muslim minorities in developed countries also enjoy relatively high human development. But 17 of the 57 OIC Member Countries, or nearly one-third, are in the low human development category of the United Nations Development Programme (UNDP) index. Indeed, the six least developed countries in the world are Muslim.

There are millions of poor in the Muslim world. More than half the population in no less than a quarter of the OIC Member Countries subsist below the poverty line. There has been no improvement in poverty alleviation in Sub-Saharan Africa since 1990. A total of 20 OIC Member Countries have a per capita income of less than US\$500. Where once Muslim civilisation was synonymous with knowledge and learning, today there is a tremendous deficit in this sphere. One in three people in Muslim countries, or 32 percent, are illiterate. More than a fifth of the children are malnourished in 16 OIC Member Countries. The picture for child mortality and maternal mortality is equally depressing in many Muslim countries, although there has been dramatic improvement in some others.

Women in Muslim countries such as Egypt, Malaysia and Indonesia secured voting rights earlier than women in Switzerland. Yet women's rights are generally poorly observed in the Muslim world. Half the women in the West Asian Member Countries are illiterate. Gender equity in education and in opportunities for employment remains a major challenge in many OIC Member Countries.

Poverty and the other human development issues associated with it are a direct consequence of the high unemployment rate in many Member Countries' economies and in some other countries that have a significant Muslim population. The average for the Member Countries, at 18.0 per cent, is twice the global average. Only 11 of the

Member Countries have single digit unemployment rates. For many of the poorest countries unemployment data is not even available. One estimate puts the unemployment rate in Turkmenistan at 60.0 per cent in 2004.

Health is a serious problem in a number of Muslim countries. In the Sub-Saharan region especially, whole societies, Muslim as well as non-Muslim, are being decimated by HIV/AIDS, malaria, tuberculosis and other life-threatening diseases.

The problems of human development among the Member Countries and Muslim communities elsewhere are the very antithesis of what Islam stands for. If Islamic teachings are correctly interpreted and fully implemented, the picture of human development in the Muslim world would be significantly better, for the development of the human person is in fact an essential focus of Islam. In Islam, knowledge and ethical conduct are the key to human development and the fulfilment of God's Mission for human beings on Earth. Knowledge is not only religious knowledge for the hereafter, but also knowledge of the sciences of the world. This knowledge is to be pursued and applied in accordance with the highest ethical principles.

However, failure to correctly understand these teachings and to abide by ethical standards has been a major reason for underdevelopment in some of the areas of the Muslim world. Instead of pursuing both spiritual and material knowledge, the latter has often been denigrated and neglected. Many Muslims as a consequence, fall behind in material development. Ethical action was also not observed, leading to various social ills.

Poor human development in parts of the Muslim world is also due to other factors. They originate as well from factors such as history (including colonisation and exploitation of the entire Muslim world by Western powers), geographical location (the poorest Muslim countries and communities are located in Sub-Saharan Africa where they share serious development deficits with non-Muslim countries), poor economic development, and cultural traditions.

The Challenge of Securing Strong and Sustainable Economic Growth

Economic growth in the Muslim world needs not only be strong. It must be sustainable as well over the longer term. Despite an average growth rate of 5.6 per cent of Gross Domestic Product (GDP) in IDB Member Countries in 2004, including an average rate of 6.0 percent even in the Least Developed Member Countries (LDMCs), Muslim countries and communities face a number of major challenges. The base is very low in the poorer countries, so that growth rates of 6.0 per cent add little wealth. Indeed, growth rates were 2.0 per cent or below in six countries in 2004. The performing export-oriented economies face grave challenges to their competitiveness from rising, cheap labour economic powers like China and India.

The more affluent economies that are based on abundant energy resources face mid- and long-term challenges to sustainability from resource depletion and poor

diversification. Significantly as well, none of the Member Countries has made sufficient strides forward in transforming itself into a knowledge-driven economy, a transformation that is essential to remain viable in the modern economy. Poorly developed private sectors, sparse infrastructure, distance from ports and high debt-service ratios are some of the other factors inhibiting growth.

Globalisation is making the economic environment even more challenging to the Member Countries. The continuing integration of the global economy means their products and services must compete with the best in the global market place. Liberalisation and reduction of trade barriers that are biased against developing countries further undermine their prospects.

The Challenge of Promoting Good Governance

Another major challenge for the Muslim world is to foster better governance. In many Member Countries corruption is pervasive, delivery of services is poor, and transparency and accountability are weak. Of the 159 countries surveyed by Transparency International in 2005, the Muslim country with the best record (Oman) could only make the 28th rank. Of the 10 countries that are perceived as the most corrupt, no less than half are Member Countries. Delivery of services is also often poor. To a large extent, this is due to unavoidable factors, like limited resources and poor transport and communication infrastructure. But there is also great inefficiency and stifling bureaucracy. In some countries, simple transactions require approvals from several government agencies and are subject to much red tape. Starting and closing businesses, hiring and firing workers, and enforcing contracts generally take longer and are more costly and more difficult in the poorer countries. The weakness of civil society and non-government checks on government inefficiency and maladministration contribute as well to this state of affairs.

Muslims are required to fully utilise all the gifts God gave humanity. These gifts include the faculty to think and to manage the economy. However, the people in some wealthy countries have become so rich that they have virtually ceded the management of the economy to others, so that despite their enormous wealth, these countries remain dependent upon foreigners. Over time, this can lead to the risk of disempowerment and self-destruction, because Muslims will lose the ability to manage. The mismanagement of wealth also leads to much wastage. Wealth that is not shared or judiciously invested will benefit neither the wealthy nor the poor.

The Challenge of Strengthening Peace and Stability

Peace and stability are basic pre-requisites for development. There are many countries in the Muslim world that are peaceful and stable. However, a number of countries are caught up in tribal war, ethnic strife, sectarian conflict, insurgency and terrorism. In Africa alone, there are 18 zones of conflict affecting Muslims. War and violence dot the Muslim landscape from Chechnya in Central Asia to Palestine and Iraq in West Asia, Afghanistan and Kashmir in South Asia, and Thailand and the

Philippines in Southeast Asia. The toll on lives lost, resources wasted and development forfeited, are simply staggering.

The challenge for the Muslim world is to strive to heal the rifts within its ranks, resolve the conflicts that tear some of its peoples and nations apart, and secure a just and lasting peace with its adversaries.

The Challenge of Fostering a Powerful Sense of Common Identity, Consciousness and Empathy as Members of the *Ummah*

A fundamental challenge confronting Muslims is to foster a powerful sense of consciousness and common bond as members of the *Ummah*. The *Ummah* can only prosper as an entity, eliminate the inequities within, and induce the rich to succour the poor, when there is strong empathy towards each other based on a sense of common destiny. The spirit of sharing and caring, which is fundamental to the teachings of Islam and the welfare of the *Ummah*, cannot flourish otherwise.

The many schisms within the *Ummah* based on conflicting interpretations of Islamic teachings and the *Sunnah* further aggravate disunity and pit Muslim against Muslim. During the time of the Prophet Muhammad (Peace Be Upon Him), there was only one correct interpretation of Islam, and it was adhered to by all Muslims.

Unity among Muslim nations will also help them overcome efforts by external powers to undermine or dominate them by exploiting divisions and animosities among them. Often Muslim nations capitulate and Muslim initiatives falter because there is not enough solidarity among Muslim communities.

The Challenge of Restoring the Image of the Muslim World

The Muslim world suffers from a negative image not only in the international community, but also among significant numbers of the Muslims themselves. This negative image is the consequence of many factors. They include poverty, backwardness, intolerance, oppressive government, discrimination against women and extremism.

The image of the Muslim world plunged further with the terrorist attacks of September 11 and the events that followed. The teachings of Islam were corrupted and misrepresented by a few groups to serve their agenda. Islam prohibits attacks on innocent civilians and the vast majority of Muslims are peaceful and abhor terrorism and terrorist acts. Despite this, some major Western powers and the powerful Western media propagated the image of Islam and Muslims in general as violent and inclined towards terrorist acts. Some Muslim movements took the militant path because peaceful efforts did not appear to be producing results. The struggle against illegal occupation in Palestine and against political oppression and disempowerment in some other countries are such instances. But they were similarly demonised and discredited by biased governments and the media.

OIC, the Member Countries and Muslim communities in general, therefore, have a major task before them to redeem their image and rectify misrepresentations of Islam and Muslims.

(Separator)

THE ISLAMIC VISION OF DEVELOPMENT

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As an Islamic development bank, IDB needs to be driven by a vision of development that is inspired by Islam. The Islamic vision of development has its roots in Religion (*Deen*), and is heavily governed by Divine Law (*Shari'ah*), ethics and morality (*Akhlaq*). It is predicated upon the premise that human beings are created by God to fulfil a specific mission. This mission is to realise the twofold role of the human person as the servant of God (*Abdul'Lah*) and as His vicegerent (*Khalifah*) on Earth. Development in Islam is centred on the development of the human person to fulfil these two divinely ordained functions.

The developmental goals of Islam are anchored in the concepts of human well-being (*Falah* and *Sa'aadah* – also meaning success, happiness, prosperity, or felicity depending upon the context in which they appear) and the good life (*Hayatun Tayyibah*) in this world and the Hereafter. Human well-being and the good life are to be attained through the balanced satisfaction of both the material and spiritual needs of all human beings. To make this balanced satisfaction for all humanity possible, Islam emphasises a strong sense of human dignity, brotherhood and socio-economic justice for all.

Optimal and balanced human development requires above all, right knowledge (*'Ilm*) and ethical action (*'Amal Salih*). Right knowledge consists of both knowledge of the religion and knowledge for worldly advancement. It is a religious obligation for Muslims to fully immerse themselves in both forms of knowledge. Pursuit of knowledge such as in the sciences for economic and human development is, therefore, obligatory in Islam, and is considered a form of worship of God, a way of knowing and becoming closer to Him provided the intention (*Niyah*) is present. The striving for knowledge and economic advancement in this world is an important part of a Muslim's struggle (*Jihad*). Effort exerted in this life is a bridge or means to well-being in the afterlife. Indeed, true human development in Islam as God's servants and vicegerents on Earth includes proper governance of the natural environment as well.

Ethical action includes action guided by knowledge and wisdom (*'Ilm* and *Hikmah*), justice and fairness (*Adl*), caring for the welfare of the poor and disadvantaged, moderation (*Iffah*) and conduct worthy of the trust (*Amanah*) vested in the human person. The principle of *Tawhid* demands that there be no exploitation among human beings, no domination of society by any one class, nor exclusion of the religious from the worldly, nor even discrimination based on linguistic, national and ethnic considerations. Islam also enjoins high morality in the individual and society. These elements underline the importance of good governance in Islam.

The well-being of the people, which is the aim of Religion and the objective of the *Shari'ah*, will prevail when their faith, their life, their intellect, their posterity and their property are safeguarded, and when there is complete justice, mercy and wisdom pervading all areas of their public life.

The ultimate end and central element of human development in Islam is the attainment of happiness (*Falah*). At the highest level of happiness is a spiritual-intellectual and ethical state of the soul (*Sa'aadah*). Happiness in this world and in the Hereafter can be attained when right knowledge is accompanied by ethical action.

Development from the Islamic perspective is not for Muslims only, or for one race, or for one gender only. It is for all humanity. Similarly, justice in Islam is universal justice, and human dignity is for all. Concern for the poor, and assistance by the rich for the poor, is an important tenet of Islam. Hence, the importance of Zakat, a system of divinely mandated alms that enjoins upon those who can afford to give a small portion of their wealth to the poor at least once a year. Hence, also the various charities (*Sadaqat*) and pious endowments (*Awqaf*) enjoined by Islam. Compassion is a valued religious virtue.

A healthy foundation for the development of the people based on the Islamic concept as outlined above will prevail when they enjoy a decent standard of living, and when opportunities to advance and prosper are sufficiently available. In Islam, the fulfilment of human potentials is an important aspect of the good life (*Hayatun Tayyibah*).

The foundation will be more robust when the population is healthy and well educated, women enjoy equal opportunities in institutions of learning and the workplace, and people participate effectively in government. The prospects for development will be better when the people are at peace with themselves and with the rest of the world. Above all, human development will be more assured when Muslim nations and Muslim communities are strong in ethical and moral values as enjoined by Islam, rise above the bottom rungs of human development and good governance, and become competitive and resilient in the modern knowledge-based economy.

The Islamic vision of development is not for IDB alone to realise. The main responsibility lies with the people themselves, both in the Member Countries and elsewhere. Only they can make the ultimate difference. Responsibility also rests with the Governments and the private sector. There is also OIC, which is the premier grouping of Muslim countries vested with the responsibility for advancing their comprehensive welfare. The regional and international organisations in which the OIC Member States and Muslim communities participate, such as the Gulf Cooperation Council (GCC), the Arab Maghrib Union (AMU), the Common Market for Eastern and Southern Africa (COMESA), the South Asian Association for Regional Cooperation (SAARC), the Economic Cooperation Organisation (ECO), the Association of Southeast Asian Nations (ASEAN), and the United Nations, also play substantive (though in some instances inadvertent) roles. Last, but by no means least, global development and financial institutions such as the World Bank, United Nations Development Program (UNDP) and the International Monetary Fund (IMF) can also make significant contributions to the attainment of the Islamic vision of development.

But IDB, as the instrument created by OIC to help catalyse development in the Muslim world, can and must play a critical and central role to transform the Islamic vision of

development into greater reality. It can better fulfil this responsibility when its mission, programmes and activities are guided by a vision of what it aspires to be within a prescribed period. This vision should be inspired by the Islamic vision of development and be relevant to the challenges that confront the Muslim world, OIC and IDB as they progress towards their ultimate goal of achieving comprehensive human development and restoring dignity to the Muslim world.

(Separator)

THE IDB 1440 HIJRAH VISION

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Given the strategic challenges confronting the Muslim world and IDB as well as the concept of development in Islam as outlined above, the Commission proposes that IDB adopt the following Vision:

“By the year 1440 Hijrah IDB shall have become a world-class development bank, inspired by Islamic principles, that has helped significantly transform the landscape of comprehensive human development in the Muslim world and helped restore its dignity.”

IDB should be a dynamic and proactive organisation that is world class in terms of its knowledge and competencies in all its core fields, in best practices and good corporate governance, in work ethics and service delivery, and in its sensitivity and responsiveness to the diverse needs of the people in the Member Countries and in non- Member Countries. IDB should attain this world class status within three years. By 1440 Hijrah, IDB, inspired by the Islamic vision of development and working in strategic partnership with Member Countries and others, should have helped achieve significant advancement in comprehensive human development and human dignity in the Muslim world. The magnitude of progress that IDB should aspire for in collaboration with others is outlined below.

As a development bank, IDB should continue to provide the alternative form of financing that is inspired by Islam; the services it offers should conform fully to the *Shari’ah*.

IDB’s new vision demands that there be a fundamental transformation in its role and mandate as a development bank. It should no longer be confined primarily to promoting Islamic banking and providing financial services for economic development. The Bank should instead operate on the Islamic notion of development that is much wider than just economic development and is centred on the comprehensive development of the human person. This means that the eradication of poverty and economic growth will not be the only primary focus of IDB. The Bank must also address the other serious ills afflicting the human condition in the Muslim world, such as the great deficits in health, education and good governance in their own right, and not as just intermediate goals of economic development.

While IDB subscribes to comprehensive development, it cannot at the same time do everything. The Muslim world is vast, and IDB resources are extremely limited. IDB must, therefore, prioritise. It must give greater weight, and allocate more of its resources, to addressing the most urgent and serious problems confronting the Muslim world. Equally importantly, IDB must also network and establish strategic partnerships and collaborations with government and non-government agencies in Member Countries and at regional and international levels to improve human well-being in the Muslim world.

To fulfil its vision, IDB should pay heed to the aspirations and needs of the people not only in the Member Countries but also of Muslims in the other parts of the world. They are an integral part of the Muslim world. Neglecting the needs of Muslims residing outside the Member Countries would mean neglecting the needs of nearly 500 million Muslims. A significant proportion of them are economically disadvantaged and politically marginalised, and ignoring their welfare would be a tragic omission.

IDB's focus on the well-being of the people in the Muslim world according to Islamic precepts should not be viewed as exclusive or hostile to the well-being of non-Muslims. It is driven by a desire to bring Muslim communities on the periphery into the mainstream of progress and human development. Critical to this mainstreaming will be the integration of Member Countries' economies into the global economy. IDB programmes for Member Countries will also be for the benefit and well-being of non-Muslims in these countries, for the Islamic vision of development is not for Muslims alone. It is for all humankind (Nas). Programmes for improving the human condition in Member Countries, such as for poverty alleviation and eradication of killer diseases, will make no distinction between Muslims and non-Muslims.

(Separator)

THE MISSION OF IDB

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Given the Vision of IDB and the most urgent challenges confronting the Muslim world, the Commission recommends that the Mission of IDB be stated thus:

“The Mission of IDB is to promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance and prospering the people.”

The new Mission Statement requires that IDB transform its mandate and greatly widen and diversify its development focus. Its primary function hitherto, has been to provide banking and financial services based on Islamic principles for economic development. It must now become a development bank that is more expansive in its scope, focusing on spurring comprehensive development in the Muslim world that extends beyond economic development. This is a fundamental transformation necessitating profound adjustments to the IDB Group’s mindset, development strategies, expertise and skills capacity, organisational structure and resources.

IDB’s Mission also requires the Bank to facilitate comprehensive development across borders in a multi-cultural setting. It has to be sufficiently clued on the local terrain and fully engage diverse communities.

Given these requirements, IDB can best fulfil its Mission if it is guided by the following operating principles:

1. IDB shall be a corporate *Khalifah* for development. It must guide and lead based on Islamic precepts of comprehensive human development;
2. IDB shall be proactive. It must reach out rather than wait to be approached;
3. IDB shall seek the support and cooperation of the governments concerned for any project. Their views should also be sought and heard;
4. IDB shall ascertain the needs and aspirations of target communities before formulating any programme;
5. IDB should consult closely with the stakeholders of every proposed programme, and design the programme in close collaboration with them wherever possible. Ultimately, it is the community itself that is the most important stakeholder;
6. IDB shall encourage local initiative where there is promise; and
7. IDB’s general approach shall be to communicate the “how to” rather than “gift” a completed project. However, where initiative, skills or work ethics are lacking, IDB should consider carrying out a project itself.

(Separator)

THE KEY STRATEGIC THRUSTS

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The optimal realisation of IDB's Vision within the time-frame of 1440 Hijrah requires that IDB focus its comprehensive development agenda and resources on some critical and carefully selected areas that are consistent with its new Mission. The Commission accordingly recommends that IDB adopt a 1440 Hijrah Vision implementation agenda that is driven by the following nine Key Strategic Thrusts:

Key Strategic Thrust One : **Reform IDB**

Key Strategic Thrust Two : **Alleviate poverty**

Key Strategic Thrust Three: **Promote health**

Key Strategic Thrust Four: **Universalise education**

Key Strategic Thrust Five: **Prosper the people**

Key Strategic Thrust Six: **Empower the Sisters of Islam without breaching the tenets of Islam**

Key Strategic Thrust Seven: **Expand the Islamic financial industry**

Key Strategic Thrust Eight: **Facilitate integration of IDB Member Country economies among themselves and with the world**

Key Strategic Thrust Nine: **Improve the image of the Muslim world**

The Key Strategic Thrusts are not mutually exclusive in their scope and often reinforce each other. Many programmes, such as programmes on education, also have an impact upon more than one Key Strategic Thrust. IDB must accordingly capitalise upon the synergies that accrue from embarking upon the multiple Key Strategic Thrusts.

Key Strategic Thrust One: Reform IDB

As mentioned earlier, IDB has conducted several reviews in the past and upgraded itself regularly. After 30 years of existence however, it is now opportune that IDB build on the many successes of the past and plot its future development within the framework of a long-term vision. The changes in the strategic environment impinging upon IDB as well as the changes to the IDB Vision and Mission that the Commission proposes multiply the demands on the Bank and make reform imperative. Adjustments to the focus and priorities of the Bank, and the additional responsibilities the Bank is being asked to undertake also require changes to IDB organisation, and a very substantial enhancement of its capacity and resources.

IDB is now tasked to undertake additional measures commensurate with the more comprehensive agenda of development prescribed by Islam. IDB is also assigned to give the highest priority to Member Countries, especially the LDMCs, achieve higher levels of human development by 1440 Hijrah (2019). More explicit attention is to be given to the needs and aspirations of Muslim communities in non-Member Countries. IDB is also called upon to become a world-class institution in terms of best practices, delivery of service, outreach, transparency and accountability. Capacity building must, therefore, be a central focus of IDB internal reform. The Bank must equip itself with adequate capacity and human capital in all the areas covered by the Key Strategic Thrusts below.

The Bank is, therefore, urged to consider the following important institutional and enabling changes and reform:

1. IDB should begin the process by adopting the new Vision and Mission. They enable IDB to respond more purposefully to the challenges confronting the Muslim world in the next one and a half decades. By 1440 Hijrah, IDB should have realised its Vision through the purposeful pursuit of its new Mission;
2. Membership in IDB should automatically qualify a Member Country for services offered by the affiliates. The present system of a Group of four affiliates, with membership in three of them differing based on subscription, is inefficient and unsatisfactory;
3. There should be a quantum increase in the focus on human development, with priority given to achieving the goals related to poverty, health, education and the empowerment of women identified in the relevant Key Strategic Thrusts. The entity responsible for human development in the Bank should, therefore, have its capacity strengthened considerably within a year;
4. IDB's institutional capacity to give greater attention to country-focused development strategies should also be significantly enhanced. Similarly, IDB's regional and country presence should be reinforced in order to give greater focus to LDMC needs. Implementation can be spread over two years;
5. IDB's research and training facility, which is presently in the form of IDB Research and Training Institute (IRTI), should be upgraded to full consultancy status in order to enable it to provide the substantially increased consultancy services and policy and technical advice that are recommended in the other Key Strategic Thrusts. The facility's professional and skills capacity will also need to be diversified and very significantly boosted. The exercise should be completed within a year;
6. A strong Public Affairs Office should be established in IDB within a year to manage critical information, media and publicity matters. Such an Office is absolutely essential to the workings of an important multilateral institution like

- IDB. The Office should develop and execute effective communication strategies that can provide the right publicity and projection to IDB policies and initiatives. It should maintain regular contact with IDB stakeholders and clients and develop close relations with the media. The need for the Office to be taken into confidence by top management and be duly empowered cannot be over-emphasised. It should be staffed by skilled personnel;
7. IDB can be more responsive to Member Country needs and perform better if there is more decentralisation of authority and decision-making in the organisation. The transformation should be effected within a year;
 8. IDB should transform itself into a knowledge-based bank. This will entail at least three key transformations in the fields of knowledge capacity, management system and innovation, with information and communications technology (ICT) as a critical enabler in all fields. First, the knowledge capacity of IDB's human resources will have to be enriched. This can be done by providing more training, recruiting additional talent and skills, and emphasising continuous learning and relearning. The establishment of a well-equipped IDB Databank will also help expand the knowledge base of the Bank. The Databank, established at IRTI within a year, should collate, update and process economic data on all Member Countries and Muslim communities elsewhere. The Bank's Library should also be upgraded. Second, the management system will have to be less hierarchical, more decentralised and more networked among the various employees in order to better utilise and synergise the knowledge available to employees in different fields. Third, the Bank needs to emphasise on innovation of new services and processes, because new wealth is generated by such innovation;
 9. It is essential that the Bank becomes a much more networked organisation, so that it can tap resources and capabilities external to it as well as work synergistically with other relevant organisations to advance the welfare of the people. To this end, it must strengthen collaborations, alliances and partnerships with other relevant parties. Key among them would be the governments of Member Countries, the private sector, civil society organisations and multilateral organisations. IDB must also widen its presence in the regions and in major Member Countries. Field Representatives should be located in selected non-Member Countries with large Muslim populations who are in special need of IDB attention and assistance;
 10. The Bank should also act as a network builder for Member Countries, linking assets and knowledge from the sources of supply to the areas where it is most needed by initiating new institutions or strengthening existing ones according to needs. This will help the Member Countries to be more self reliant upon their own collective resources;

11. The Bank should leverage upon its lending to promote good governance and performance where desirable. This can be done by requiring the relevant recipient agencies to provide implementation and progress reports that disclose key information including photographs. Oversight can be further strengthened by on-site visits;
12. IDB should embrace global best practices in every aspect of its operations in order to become a world-class organisation. It should maintain the highest standards of governance, transparency and service delivery. In this regard, it should seek ISO certification where possible for all its operations. This will help raise the stature of the Bank and inspire confidence among its prospective clients; and
13. Given the enormity of the task that is being entrusted upon it, IDB needs to ensure that it has at its disposal all the capital it needs to significantly upgrade its institutional, managerial, technical, knowledge and operational capacity. To this end, IDB should raise its subscribed and authorized capital substantially. This proposal is consistent with the substantial increase in the Bank's authorised, subscribed and paid-in capital that is mandated by the Programme of Action approved at the Third Extraordinary Session of the Islamic Summit Conference that convened in the Kingdom of Saudi Arabia on 5-6 *Dhul Qa'dah* 1426 Hijrah (7-8 December 2005). IDB should also further develop its capacity to mobilise resources from non-conventional means and sources.

Key Strategic Thrust Two: Alleviate Poverty

Alleviating poverty must continue to be the most important comprehensive human development focus of the IDB Group, until poverty is no longer a prominent feature of the Muslim landscape. Nothing detracts from wellbeing and dignity like poverty. Along with poverty there is hunger, malnutrition, illiteracy, disease, crime and instability. Poor people are not respected. They are looked down upon. The Muslim world cannot regain its dignity and esteem if so many of its inhabitants are destitute.

There must be a dramatic increase in the priority, thinking and resources devoted to poverty alleviation. The establishment of a special fund in IDB for poverty alleviation and combating diseases advocated by the Third Extraordinary Session of the Islamic Summit Conference held in *Dhul Qa'adah* 1426 Hijrah (December 2005) will provide a boost to this effort. In this regard, the Millennium Development Goals (MDGs) relating to poverty established by the international community should serve as the minimum threshold for IDB, and the Bank should aim higher. The Commission recommends that IDB work with Member Countries and international organisations such as the World Bank to implement programmes that can achieve the following targets under this Key Strategic Thrust by 1440 Hijrah:

1. Reduce by three quarters the proportion of the population living on less than US\$1 per day. By comparison, the MDG target is to reduce the proportion by half by 1436 Hijrah (2015));
2. Halve the poverty rate of Member Countries whose poverty rate is presently above 40 per cent (which is the average rate for all Member Countries); and
3. Reduce by three quarters or more the poverty rate of Member Countries whose rate is presently below 40 per cent.

IDB should also work with the governments of non-Member Countries with significant Muslim populations to help broadly achieve the same targets for their population.

Poverty alleviation strategies work best when they are integrated with national development strategies to stimulate economic growth. The strategies and plans need to be customised to the requirements and potentials of each country. Depending on the circumstances, opening land for agriculture, distributing seeds and fertiliser for cultivation, irrigating land, providing skills training, creating jobs through establishing mass-employment basic industries, creating agricultural and fisheries cooperatives and providing micro-financing based on Islamic principles are some of the measures that can be considered. IDB can also provide policy and technical advice on poverty eradication. In the long term, education, coupled with appropriate job opportunities, has the greatest sustainable potential for rescuing thousands from the depths of poverty.

IDB has been innovative and successful in utilising the institutions of *Zakat*, *Awqaf* and *Sadaqat* to alleviate poverty, but their potential has not been fully tapped. The Bank should help develop these institutions further as key instruments for not only poverty alleviation and reducing income gaps, but also to fight disease, promote health and spur development. They can also function as a powerful component of the national social safety net. The institutions of *Zakat*, *Awqaf* and *Sadaqat* are quintessentially Islamic, and they nourish the Islamic values of mutual help, caring and sharing.

Key Strategic Thrust Three: Promote Health

This Key Strategic Thrust should address the most severe and debilitating threats to health in the Muslim world. These are child mortality, maternal health, diseases including HIV/AIDS and malaria, and environmental sustainability (access to safe drinking water and sanitation). The areas coincide with Goals 4, 5, 6 and 7 of the MDGs, and therefore, help align IDB's targets with the MDGs. As in the case of poverty, the highest priority and added resources need to be channelled to containment of disease. Both poverty and disease strike at the deepest core of human well-being and security. IDB programmes can reinforce other programmes instituted to achieve the MDGs. They could help make the difference between success and failure for many of the Member Countries in meeting the global targets for health. The LDMCs

again require the greatest attention, but so do large Muslim communities in countries such as India.

The Commission recommends that IDB work with Member governments, non-government bodies and international organisations such as the World Health Organisation to achieve the following targets by 1440 Hijrah:

1. Reduce by three quarters the under-five death rate (the MDG target by comparison is a reduction of two thirds by 1436 Hijrah (2015));
2. Reduce by 90 per cent the maternal mortality rate (the MDG target is 75 per cent);
3. Check and reverse on a sustainable basis the spread of HIV/AIDS and other diseases (the MDG shares the same target); and
4. Reduce by two thirds the number of people without sustainable access to safe drinking water and sanitation (the MDG target is reduction by half). IDB should also be vigilant against the emergence of new pandemics such as avian flu. They have the potential to wipe out millions, Muslims as well as non-Muslims, across the globe.

IDB initiatives with other partners in this sphere could include financing programmes that help raise awareness as well as provide health education in needy high-risk communities. IDB can also support the preparation of national preventive and contingency plans in selected countries. IDB can work with Member Countries to conduct research and development in medication for identified diseases too. Not least, IDB should also join forces with other organisations campaigning for the lifting of patent restrictions that prevent the manufacture of cheaper drugs and vaccines that can help avert health catastrophes.

Key Strategic Thrust Four: Universalise Education

IDB should set a target of universalising both primary as well as secondary education by 1440 Hijrah. This target goes beyond the MDG goal of making only primary education universal by 1436 Hijrah (2015). IDB Member Countries must ensure that all children complete secondary schooling by 1440 Hijrah. The target should not be just quantity. It must also be quality. The education that the young in the Member Countries imbibe should prepare them for the workplace, so that they will be employable on completion of secondary and tertiary education.

Special attention needs to be paid to developing the skills and capacity essential for the development of knowledge-based economies. They include critical thinking skills, a strong grounding in the sciences as well as the humanities, and the inculcation of a passion for learning throughout life that is so central to the Islamic notion of human development as well as progress and competitiveness in the modern global economy.

The Islamic vision of development and education also includes the inculcation of moral values, moderation and ethical conduct. IDB can work with Member Countries and Muslim religious institutions in non-Member Countries to ensure that the education curriculum reflects this important element.

The major responsibility for ensuring that the population in Member Countries is educated rests mainly with those countries. The enormous outlay required in the field of education, and especially for making primary and secondary education fully accessible to the young especially in the poorer Member Countries, will be beyond the capacity of IDB to shoulder to any significant degree.

IDB, however, can make a critical contribution by doing at least five things. First, it can launch a concerted joint initiative with the poorer Member Countries to mobilise added funding and education materials. The primary targets for securing assistance should be the more affluent OIC Member Countries as well as international organisations and foundations that are dedicated to promoting education in the developing world.

Second, IDB can spearhead the establishment of an Education for All Movement in the Member Countries. This would be an initiative to mobilise volunteer teachers from Member Countries as well as from Muslim communities in non-Member Countries that are prepared to teach in needy Muslim communities. The teachers are to undergo preparatory orientation training before deployment. Financial support can come from an Education for All Fund established by IDB with contributions from IDB, Member Countries and private donors. The initiative will also help generate stronger consciousness and empathy as Muslims.

Third, IDB can encourage research and development on quality education as well as affordable delivery of education to LDMCs. And fourth, IDB can work with Member Countries and other organisations to develop special programmes for women that equip them better for imparting knowledge to the very young. Learning begins at birth, and women play a critical role in aiding learning at this tender age.

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And fifth, IDB can help promote the growth of world-class science and technology institutions to assist Member Countries to participate fully in the knowledge-based economy.

Key Strategic Thrust Five: Prosper the People

All countries, whether rich or poor, Muslim or non-Muslim, desire greater prosperity. IDB should assist all Muslim countries and communities to achieve this. Clearly

however, its priority should be with the poorer Muslim countries and communities because this is where the needs are greatest. In this regard, 24 of the 56 Member Countries of IDB are classified as LDMCs. The prosperity that IDB seeks to support and stimulate should not be mere wealth creation. It must be wealth creation that is sustainable and wealth creation that is, as much as possible, equitably shared.

The problem in the Muslim world is not that there is a resource deficit. There are enormous resources in the Muslim world. The problem is uneven distribution of resources, and uneven capacity to fully develop and leverage upon them. Some Muslim countries are extremely rich. Others are extremely poor. Rich or poor, however, they are all classified as developing countries. They are all also consumer societies. This is not healthy. Muslim countries must become producers of goods. Wealth must be used in a productive way, and the wealth in the Muslim world must be used to generate more wealth that is for the benefit of all.

IDB can play a critical intermediation role in this regard. It can use its considerable financial, technical, knowledge and network capabilities to mobilise available resources to spur development and strengthen capacity in less developed areas for the benefit of both the owners and the beneficiaries of these resources.

The primary responsibility for creating high wealth-generating economic growth rests with Member Countries themselves. The role that IDB plays with regard to prospering the people will be essentially in the form of providing policy recommendations and advice, providing consultancy services and as a knowledge bank. It will engage in funding for concrete development programmes only in specific areas due to the limited resources available to the Group. As with the other Key Strategic Thrusts, IDB should network closely with other partners in development to mobilise additional resources and expertise and secure their participation. The partners include international and regional organisations, the private sector and civil society.

The Commission again recommends that IDB work with Member Countries to achieve targets higher than the MDGs agreed upon by the international community. The following strategic targets are recommended, to be achieved by 1440 Hijrah:

1. Double, at the least, the GDP of all Member Countries;
2. Halve, at the least, the number of LDMCs;
3. Graduate, at the least, five Member Countries to the status of “Developed Nation” as classified by the World Bank; and
4. Halve, at the least, income inequity in all Member Countries. Growth with equity should be the economic development goal of all Member Countries.

IDB can contribute most to prospering the people by identifying key growth areas and strategies to raise incomes that Member Countries should focus upon. It can then

develop policy options and programmes for each of these areas in a comprehensive plan for the respective Member Countries to consider. In this regard, the focus should generally be on the requirements of the LDMCs. The more developed economies should be able to undertake the exercise with their own resources. IDB will need additional expertise and staff to carry out this task. Some studies, however, can be contracted out.

IDB should also provide policy and technical advice to assist the production-based economies of Member Countries transform themselves into more productive and competitive knowledge-based economies by providing policy and technical advice. New knowledge-intensive high-growth sectors and industries should be identified and helped to develop, while more knowledge is applied to traditional sectors and processes to raise their productivity.

The following are some of the areas for which the IDB could develop templates that could be customised for application in different countries:

1. Strategies and programmes to create jobs and reduce high unemployment;
2. Strategies to promote labour flows, especially between Member Countries;
3. Strategies and options to diversify single-product economies;
4. Strategies to enhance the quality of formal education that is geared for the market and lifelong learning that is especially critical for transition into knowledge-based economies;
5. Strategies to increase domestic savings and investment;
6. Strategies to attract and retain foreign direct investment;
7. Strategies to arrest brain drain and induce brain gain;
8. Strategies to facilitate private sector development;
9. Strategies to develop the agricultural sector;
10. Strategies to develop the industrial sector;
11. Strategies to develop tourism and the services industry. A major focus should be on increasing tourism flows between Member Countries;
12. Strategies to develop the export sector;
13. Strategies to increase trade and investment flows among Member Countries;

14. Strategies to develop Islamic financial institutions to finance growth and human development;
15. Strategies to develop a comprehensive infrastructure to underpin and drive growth. They include strategies to enhance private-public sector partnership to build infrastructure. Infrastructure development is especially critical in the more underdeveloped regions, where road and rail transport linking neighbouring economies can bring enormous benefits;
16. The infrastructure should cover, among others, the administrative, legal, financial, transport and communication spheres;
17. Strategies to enhance competitiveness;
18. Strategies to widen access to ICT and to make it more affordable;
19. Strategies and measures to transform the more developed production-based economies into knowledge-driven economies; and
20. Strategies to improve good governance in the public and corporate sectors.

Key Strategic Thrust Six: Empower the Sisters of Islam without breaching the tenets of Islam

The Sisters of Islam are the greatest reservoir of untapped wealth and unfulfilled dignity that the Muslim world has. In a few Muslim countries, women are more economically, socially and politically empowered than even in some Western nations. Significant advances with regard to women's participation in government have also been achieved in a number of countries like Morocco and Jordan in recent years. But taken collectively, the disempowerment of women in the Muslim world is enormous in scale. Culture, tradition and narrow interpretations of religion are the primary impediment to the emancipation and empowerment of the Sisters. Until the relevant Member Countries and communities fully unlock the vast potential that is in half of their population, their human capital will remain seriously deficient.

Immediate steps need to be taken by all Member Countries to strive for full gender parity without breaching the tenets of Islam, not only in institutions of learning including universities, but also in the work place and in political participation. The IDB Group can contribute to this crucial exercise by embarking upon the following:

1. Collaborate with Member Countries governments and other parties to mount awareness campaigns in the relevant countries on the subject of the empowerment of women. The awareness campaign should highlight the costs and benefits as well as the critical issues of rights and justice that are involved. The campaign should be formulated and implemented with the utmost regard

for sensitivities in some Member Countries as centuries-old perceptions and traditions are involved;

2. Extend support to civil society groups that seek to advance the cause of women;
3. Provide expert advice to Member Countries on the creation of sustainable lending programmes with preferential terms and rates to women's groups and women entrepreneurs so as to enhance the economic opportunities available to them;
4. Make available similar lending schemes for women itself;
5. Work with other relevant partners to promote such measures as investment in women businesses and women trade exhibitions; and Collaborate with Member Countries and relevant organisations to set up scholarships for women.

The IDB Group can lead by example with regard to empowering the Sisters of Islam in the workplace. It should introduce immediate measures to recruit women of calibre who fulfil the requirements whenever the opportunity arises. Gender-blind recruitment should become firm IDB policy, and the goal should be broad parity of gender representation by 1440 Hijrah.

Key Strategic Thrust Seven: Expand the Islamic Financial Industry

The dramatic growth of the Islamic financial industry in the last three decades is a success story that has not been sufficiently told. IDB can be justly proud of the part it has played in making this possible. Yet, the industry needs to improve in some critical areas if it is to remain capable of providing financial services at competitive rates in a globalised financial environment. At present, the industry is confined only to a few countries and regions. The legal and regulatory infrastructure at the national level is not sufficiently well developed. Global *Shari'ah* standards and rules also require standardisation at the international level. Islamic capital markets and funds as well as financial product development are still limited in scope. Islamic financial institutions are not sufficiently diversified. And the industry's further expansion is constrained by inadequacies with regard to size and capital, cost, risk management, product mix and liquidity management.

Islamic banking and finance is a signature product of IDB. They are virtually synonymous with each other. IDB also needs to dramatically increase its financial resources and operations if it is to successfully implement the many added responsibilities that are being contemplated for it. The expansion and improvement of the Islamic financial industry is, therefore, a matter of considerable urgency.

A mature and globally competitive Islamic financial industry should be in place within five years. To this end, the following immediate initiatives merit consideration:

1. Strengthen the infrastructure for governance of Islamic financial institutions and bring it up to global standards. Standardise global *Shari'ah* rules and develop stringent regulatory and supervisory rules for corporate governance, risk management and transparency. Institute effective checks against money laundering;
2. Significantly expand the non-bank financial sector of the Islamic financial industry;
3. Upgrade the knowledge capacity and skills required to effectively manage the operational aspects of the financial sector, in particular management of the risks in equity-based financing; and
4. Invest in a strong research and development facility to develop new financial products. Successful growth in the highly competitive global financial market will increasingly depend on the development of marketable new products.

If the Islamic financial industry can effect this transformation quickly, it will be able to gain respect and credibility in the market. It will then have the potential to attract a fair amount of the very substantial funds presently kept in Western financial markets.

5. Cooperate with financial institutions that offer “Islamic” financial services with the aim of facilitating their *Shari'ah* compliance.

Key Strategic Thrust Eight: Facilitate Integration of Member Country Economies among Themselves and with the World

Economic cooperation and integration in the face of globalisation is absolutely essential for IDB Member Countries. Indeed, it is absolutely essential for all the economies of the world. It enables national economies to reduce economic barriers against each other, synergise on each other's strengths and potentials for mutual benefit, and opens new doors for wealth creation. It also protects the weaker economies against the predatory pressures of the strong.

Economic integration, however, carries risks as well if countries enter into negotiations without technical expertise and knowledge of complex rules on trade, investment and finance. They are then bound by arrangements that are biased against their best interests, and are further disadvantaged as a consequence. Many developing countries, including a number of IDB Member Countries, are in this position.

IDB Member Countries should be fully engaged in a dynamic and productive network of regional, OIC-wide and global economic cooperation arrangements by 1435 Hijrah. The content and extent of cooperative arrangements will understandably vary between

the different areas and clusters based on factors such as the economic and political potential for cooperation. War and conflict, for instance, can retard cooperation.

Regional arrangements in the Sub-Saharan Africa, MENA, ECO and Southeast Asian regions can include non-Muslim countries as well (as in the case of ASEAN) if rational and optimal regional cooperation is best achieved in that manner. Where regional arrangements already exist, they should be further strengthened.

IDB can play a timely and important role in advancing this Key Strategic Thrust in the following respects:

1. Undertake feasibility studies on closer economic cooperation among Member Countries on a regional basis (Sub-Sahara, Middle East and North Africa, Central Asia and Southeast Asia), and on an OIC-wide basis. The studies will include policy recommendations for the consideration of the Member Countries concerned and the OIC;
2. Explore the prospects and design specifications for a Preferred Free Trade Area for the Member Countries to initiate the economic cooperation process. Templates and roadmaps for the consideration of OIC and Member Countries should be prepared within the next two years; and
3. Significantly enhance the capacity of the IDB Group to provide training, technical expertise and policy advice to the LDMCs to assist them in World Trade Organization (WTO) negotiations and accession.

Key Strategic Thrust Nine: Improve the Image of the Muslim World

Terrorism notwithstanding, the battle for the Muslim world's image will be essentially won or lost on the battlefield of comprehensive development. If the Muslim world, OIC and IDB are able to realise the Vision of IDB to a significant degree by 1440 Hijrah, the image of Muslims will improve dramatically. No longer will the Muslim world be associated so closely with poverty, disease, low development levels, backwardness, poor governance, discrimination against women and violence. Instead, the Muslim world will be identified with good human development, good governance, healthy standards of living, economic dynamism, respect for women's rights and enlightened integration with the rest of the global community.

OIC and IDB Member Countries will, therefore, have to work hard at transforming the development landscape of the Muslim world. Beyond this, the Muslim world must address the current association of Muslims with terrorism, militancy and intolerance. The Muslims must acknowledge the fact that they too are responsible to some extent for this state of affairs. When legitimate movements against illegitimate occupation and oppression degenerate into attacks against civilians, they attract opprobrium. Some quarters seize upon this to both demonise the act and de-legitimise the cause. When these movements are given Muslim names by Muslims themselves they cannot blame

others for associating terrorist acts with Islam. When religious teachings are manipulated and exploited to legitimise and incite terrorist acts, the religion and virtually the entire *Ummah* that abhors terrorism pay a heavy price. But the overwhelming part of the responsibility for the problem lies with the other side. The root causes of terrorism are illegal occupation of Muslim lands, illegal invasion of Muslim countries, and the political and economic marginalisation or disenfranchisement of Muslim nations and entire communities. When the victims do not have sufficient conventional weapons to defend themselves and reclaim their legitimate rights and possessions, and when they see little prospect of a peaceful solution, they take to what the West correctly calls “asymmetrical warfare” – the weak fighting with the weapons and tactics of the weak against the strong. They take to insurgency, guerrilla warfare and – reprehensibly –terrorism. Powerful leaders, backed by their powerful media, then exploit the situation fully to their benefit.

The Muslim world must, therefore, address both fronts when attempting to repair its image – the front within and the front without. IDB can only play a minor role here, but it can be a significant one. It can help portray the truth. It can do this by supporting quality forums, including forums on air, that explore not only the manifestations of terrorism but the causes as well, forums that can correctly highlight the issues on both sides, and forums that condemn both the terrorists as well as the injustices that breed them. The forums must also help rescue the teachings of Islam from abuse and distortion by both sides, and promote dialogue and understanding across civilisations. The substance and results of these forums can be disseminated by IDB to Member Countries as well as others.

(Separator)

FROM VISION TO REALITY: THE ROAD TO 1440 HIJRAH

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Conceiving a vision is only the beginning of a process. It is not the end. Visions are formulated to be realised. Otherwise, visions are mere dreams. Plans are made to be implemented. Otherwise, plans remain mere intentions. If there are defects in the vision and adjustments are necessary, they can be made during the process of implementation.

Fifteen Islamic calendar years is not a very long time. For the IDB 1440 Hijrah Vision to become reality within this period, there are some fundamental imperatives. Five are cited here.

The first imperative is political will. The governments that make up the governing board must put their full weight behind the initiative. Their full commitment will be indispensable.

The second imperative is leadership. Leadership from the top will be vital, but it will not be sufficient. Leadership will also be required at every level of management, down to the Field Representative. Leadership will drive the timely accomplishment of targets.

The third imperative is resources. The Muslim world has enough resources at its disposal. It needs to commit the resources. There are few other ventures that will be as rewarding.

The fourth imperative is stamina. Any lengthy journey requires it. IDB must remain wedded to realising the Vision over the long haul, changes in leadership notwithstanding.

The fifth imperative is skilful management. A well-formulated change management programme should be set in motion and meticulously monitored. When need be, the course must be corrected.

Restoring dignity to the Muslim world through development is a cause like no other. IDB is privileged to be entrusted with the responsibility. One thousand five hundred million Muslims await the outcome.

APPENDIX

- Formation of the IDB 1440 Hijrah Vision Commission
- Background of the IDB 1440 Hijrah Vision Commission Members
- Vision Partners
- IDB 1440H Vision Technical Experts Team

FORMATION OF THE IDB 1440 HIJRAH VISION COMMISSION

The IDB 1440 Hijrah Vision Initiative was approved by the Bank's Board of Executive Directors during its 228th meeting on 5–10 February 2005.

To operationalise the Initiative, the IDB Group organized a Brainstorming Session on the "IDB 1440H Vision" on 15 March 2005 at the IDB Headquarters in Jeddah, Kingdom of Saudi Arabia. Subsequently, a Vision Commission, made up of eminent and visionary personalities from across the Muslim world, was announced by the IDB Board of Governors at the 30th Annual Meeting in Putrajaya, Malaysia in June 2005, to oversee the preparation of the "IDB 1440 Hijrah Vision", based on inputs from four regional workshops covering Asia and Suriname, the Economic Cooperation Organization (ECO) and Albania, Middle East and North Africa (MENA), and Africa.

The terms of reference for the Commission are as follows:

- To identify major global trends that could influence the IDB role and challenges in the coming 15 years and beyond;
- To prioritize the global trends and development with significance relevance to the OIC/IDB Member Countries;
- To identify and select strategic challenges and opportunities for OIC/IDB;
- To prioritize key areas/sectors of strategic challenges of the *Ummah* (Member Countries and Muslim communities in non-Member Countries) and ensuing future challenges and opportunities;
- To identify future roles of the IDB to better respond to these challenges, with the view to focusing its operations;
- To develop an Action Plan for implementation by the IDB; and
- To consolidate the above into a Report for the "IDB 1440 Hijrah Vision".

The 1440 Hijrah Vision Commission is chaired by H.E. Tun Dr. Mahathir Mohamad, Former Prime Minister of Malaysia. The Members of the Commission are made up of the following twelve eminent personalities (in alphabetical order):

- H.E. Dr. Abdul Halim bin Ismail Surin Pitsuwan, Former Minister of Foreign Affairs of Thailand;
- H.E. Madam Aicha Bah Diallo, Former Assistant Director General for Education, UNESCO;

- H.E. Mr. Alimardonov Muhamadievich, Chairman of the National Bank of Tajikistan;
- H.E. Prof. Dr.-Ing. Dr. h.c. Bacharuddin Jusuf Habibie, Former President of the Republic of Indonesia;
- H.E. Cheikh Ibrahima Fall, Former Secretary General of the African Development Bank;
- H.E. Dr. Ishrat Husain, Former Governor of the State Bank of Pakistan;
- H.E. Dr. Mohammed Khalfan Bin Kharbash, Minister of State for Finance & Industry of United Arab Emirates and IDB Alternate Governor;
- H.E. Mr. Mohammed Ali Abalkhail, Former Minister of Finance and National Economy of Saudi Arabia, and President of the Centre for Economic and Management Studies;
- H.E. Dr. Osman Mohamed Osman, Minister of Planning of Egypt and IDB Governor;
- H.E. Sheikh Saleh Abdullah Kamel, Chief Executive Officer of the Dallah Albaraka Group, Kingdom of Saudi Arabia;
- H.E. Dr. Tahmaseb Mazaheri, Senior Deputy Minister of Economic Affairs and Finance of Islamic Republic of Iran and IDB Executive Director; and
- H.E. Tan Sri Dr. Zeti Akhtar Aziz, Governor of Bank Negara Malaysia (Central Bank of Malaysia).

The Secretariat for the Vision Initiative is:

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BACKGROUND OF THE IDB 1440 HIJRAH VISION COMMISSION MEMBERS

CHAIRMAN

H.E. Tun Dr. Mahathir Mohamad

Tun Dr. Mahathir bin Mohamad was born on 20 December 1925 in Alor Setar, the capital of the State of Kedah, northern Malaysia. He had his early and secondary education in his home town. In 1947, he gained admission into the King Edward VII College of Medicine in Singapore. Upon graduation, he joined the Malaysian Government Service as a Medical Officer. He left government service in 1957 to set up his own practice in Alor Setar.

Dr. Mahathir had been active in politics since 1945. He has been a member of the United Malays National Organisation (UMNO) since its inception in 1946. Dr. Mahathir was first elected as a Member of Parliament following the General Elections in 1964. However, he lost his seat in the subsequent General Election in 1969. Owing to his keen interest in the country's education, he was appointed Chairman of the first Higher Education Council in 1968, Member of the Higher Education Advisory Council in 1972, Member of the University Court and University of Malaya Council, and Chairman of the National University Council in 1974.

In 1973, Dr. Mahathir was appointed a Senator. He relinquished this post in order to contest the 1974 General Elections, where he was returned unopposed. Following the elections, Dr. Mahathir was appointed Minister of Education. In 1976, Dr. Mahathir was appointed Deputy Prime Minister in addition to his Education portfolio. Following a Cabinet reshuffle in January 1978, he relinquished the Education portfolio for that of Trade and Industry. As Minister of Trade and Industry, he led several investment promotion missions overseas.

Dr. Mahathir was elected as one of three Vice- Presidents of UMNO in 1975. In 1978, he was elected the party's Deputy President. In 1981, following the resignation of Tun Hussein Onn, Dr. Mahathir was appointed President of the party and assumed the leadership of the country as the fourth Prime Minister of Malaysia on 16 July 1981. He was returned unopposed as President in 1984. In the 1987 party elections, Dr. Mahathir defeated his challenger to retain the Presidency and in 1990 and 1993, he was again returned unopposed as party President.

Under his leadership the ruling party, the *Barisan Nasional* (National Front), won landslide victories in the 1982, 1986, 1990 and 1995 General Elections. In June 2002, during the annual party assembly, Dr. Mahathir announced to a shocked nation of his intention to retire from public office. After much persuasion, Dr. Mahathir relented to requests from party as well as the Government leadership to continue for a stipulated period as the nation prepared for a smooth leadership transition. Finally, on 31 October 2003, Dr. Mahathir stepped down as the fourth Prime Minister of Malaysia. Dr. Mahathir is credited with having turned Malaysia's economy from agriculture-reliant to

industrial-base, at the same time elevating Malaysia's position as the 17th biggest trading nation in the world. During the Asian financial crisis of 1997/1998, Dr. Mahathir is credited for having resisted the International Monetary Fund aid and implementing Malaysia's very own formula for economic recovery which remains a model for economic success. Under Dr. Mahathir's leadership, Malaysia also played a prominent role in the international arena and was made the chairmen of the Organisation of Islamic Conference and Non-Aligned Movement, having assumed both seats in 2003.

In 2003, the Malaysian Government declared Dr. Mahathir to be "The Father of Modern Malaysia" in recognition of his contribution in turning Malaysia into a modern, advanced and industrialised nation.

Dr. Mahathir is also the author of several books including the "Malay Dilemma", "The Way Forward", "The Challenge", "The Malaysian Currency Crisis" and "Globalisation and the New Realities". He has also authored several books which discussed issues affecting the Muslim world including "The Role of Islam in The Modern State" and "Islam and the Muslim *Ummah*". Dr. Mahathir, known for speaking his mind, was also named Asia's Newsmaker of 1998 by the TIME Magazine.

Following his retirement as Prime Minister, Dr. Mahathir was conferred the nation's highest award, *Seri Maharaja Mangku Negara*, which carries the title "Tun" in recognition of his immense contribution to the country. Dr. Mahathir is married to a doctor, Datin Seri Dr. Siti Hasmah, and they have seven children.

At present, Dr. Mahathir serves as Advisor to four Government entities, namely *Petroliam Nasional Berhad* (Petronas), *Perusahaan Otomobil Nasional Berhad* (Proton), Langkawi Island Development Authority and Tioman Island Development Authority. He is also the Honorary President of Perdana Leadership Foundation, a think-tank organisation set up to preserve, develop and disseminate the intellectual heritage of past leaders. Despite his retirement, Dr. Mahathir has been kept busy with the numerous invitations and speaking engagements locally and abroad.

He has also been conferred with numerous awards, honorary doctorates and titles and the list is endless. Apart from being conferred with the honorary doctorates which are in recognition of his knowledge and experience, Dr. Mahathir was also awarded with titles which reflected his achievements and contributions to his country, the region and the rest of the world. Among others, he received distinguished awards and the highest honours from nations including Brazil, Indonesia, Argentina, Peru, Cuba, Mexico, Finland Chile, Spain, Saudi Arabia, South Africa and the Republic of Korea to name a few. He was also honoured with the title of the Dragon of Bosnia and conferred the Linus Pauling from the International League of Humanists for Peace and Tolerance at Bosnia Herzegovina. Another recent award conferred on him is the Gaddafi International Prize for Human Rights.

MEMBERS

(in alphabetical order)

H.E. Dr. Abdul Halim bin Ismail Surin Pitsuwan

Dr. Surin Abdul Halim bin Ismail Pitsuwan, 57, is a political scientist by training and, a politician and a diplomat by vocation. Born in a *madrasah (pondok)* in Thailand's southern province of Nakorn Sri Thammarat, he received his primary Islamic education from his grandfather, Hj. Ya'koob bin Abdul Rauf, a well-known *ulama'*, who was trained in Patani and Mecca, Saudi Arabia.

For his secular education, Surin was sent to a government primary school located in a Buddhist temple near his village. Thus, he was well prepared to play a mediating role between his own Muslim community and the Thai Buddhist society at large. A role that he will have to repeat with the international community when he later served his nation in various capacities.

Dr. Surin received his B.A Degree in Political Science from Thammasat University in Bangkok and Claremont Men's College in California, USA in 1972. With the support of the Rockefeller Foundation, he went on to pursue his Masters and Ph.D. degree at Harvard University (1974, 1982). He also spent one and a half years studying Arabic and doing his research at the American University in Cairo, Egypt (1975-1977). He became a Congressional Fellow under the sponsorship of the American Political Science Association (APSA) in 1983-1984, which enabled him to have a firsthand experience of the American legislative process.

Upon his return to Bangkok in 1986, Dr. Surin was elected a Member of Parliament from his home province of Nakorn Sri Thammarat under the banner of the Democrat Party. He has served as the Secretary to the Speaker of the House of Representative (1986-1989), Assistant to the Deputy Minister of Interior (1989-1992), Deputy Minister of Foreign Affairs (1992-1995), Minister of Foreign Affairs (1997-2001) and Chairman of the ASEAN Standing Committee (2000).

Aside from his national service, Dr. Surin has served on many international commissions. He was a member of the Commission on Human Security (2001-2003), World Commission on the Social Dimension of Globalization (2002-2003), an advisor to the UNDP Human Development Report Project (2003-2004) and a member of the Advisory Board, UN Human Security Trust Fund.

H.E. Madam Aicha Bah Diallo

Madam Aicha, an education specialist and fluent in 5 languages (French, English, Spanish, Fulani, Mandingo and Soussou), began her illustrious career as a teacher, principal and university lecturer, before serving her country in various official capacities. She was the Director of International Relations and Projects in the Ministry of Women and Social Affairs (1984-1986) Chief of Cabinet of the Ministry of Planning and International Cooperation (1986-1989), and finally, the Minister of Education for Guinea (1989-1996). She later joined the UNESCO and her last position was as the Assistant Director General for Education, based in Paris, France.

Madam Aicha is also active in many professional societies, holding important positions in most of them. She was the Vice Chairman of the Association of the Development of Education in Africa (ADEA) when she was the then Minister of Education. Currently, she is a member of the Steering Committee of the ADEA. She was also a founding member and former member of the Executive Board of the Forum for African Women Educationalist, a former focal point of FEMNET in Guinea, the Honorary President of the Association for Distance Education Training in Francophone Africa, a Former Member of the World Bank Advisory Panel on Education, the former Chairman of the UNESCO Advisory Committee for Education in Africa, a member of the UNESCO Advisory Committee for the World Conference on Girls/Women Education and a Member of the Islamic Development Bank (IDB) Advisory Panel on Women.

In terms of publications, she has published extensively on education in Africa, especially in the field of girls and disadvantaged groups. For her services and contribution in the field of education, Madam Aicha received two Distinctions – the *Commandeur des Palmes Académiques françaises* and the *Officier de l'Ordre national de Côte d'Ivoire*.

H.E. Mr. Alimardonov Muhamadievich

Mr. Muhamadievich was born on 20 April 1960 in the Hissar region of Tajikistan. He gained his degree in economics from the Tajik State University in 1983 and has been in the banking industry ever since.

He started his career in 1985 as an economist, Head of Control Division of the Frunze Branch of the State Bank. Later in 1988, he became the Deputy Governor of the *Agroprombank* in the Hissar region. In 1992, he was appointed as the Deputy Chairman of the *Agroprombank Shark* and later its Chairman. He was appointed the Chairman of the National Bank of Tajikistan in 1994 and has been holding this post ever since.

Mr. Muhamadievich is fluent in three languages (Russian, Tajik and Uzbek) and is married with 5 children.

H.E. Prof. Dr.-Ing. Dr. Sc. h.c. Bacharuddin Jusuf Habibie

Prof. Dr.-Ing. Dr. Sc. h.c. Bacharuddin Jusuf Habibie was born on 25 June 1936 in Pare-pare (South Sulawesi), Indonesia. On 11 March 1998, the People's Consultative Assembly elected and installed B.J. Habibie as the seventh Vice President of the Republic of Indonesia. On 21 May 1998, he took the oath of office as third President of the Republic of Indonesia. Under his leadership, Indonesia succeeded not only in conducting the first free and fair General Elections in 1999 but also succeeded in bringing about significant changes towards democratizing and reforming Indonesia.

In 1955, B.J. Habibie studied at the Technische Hochschule, Aachen, Germany. In 1960, he earned his *Diplom-Ingenieur* with *cum laude* at the Department of Aircraft Design and Construction, and earned his Doctor *Ingenieur* with *summa cum laude* at the same institution in 1965. He started his career in Germany by becoming the Head of Research and Development of Structure Analysis in the Hamburger Flugzeugbau GmbH, Hamburg, Germany (1965-1969). Later, he became the Vice President and Technology Director of MBB GmbH, Hamburg and Munchen (1973-1978), and Technology Senior Advisor to the MBB Board of Directors (1978).

In 1978, he was appointed Minister of State for Research and Technology and concurrent Head of the Agency for the Assessment and Application of Technology (BPPT) in the Indonesian Government. He maintained this position for five terms of office in Development Cabinet until 1998. He was appointed as the Chairman of the Indonesian Moslem Intellectuals Association (ICMI) in 1990. He was also the President of the Islamic International Forum for Science, Technology and Human Resources Development (IIFTIHAR) since 1997 and is the Founder and Chairman of the Board of Trustee of the Habibie Center (THC) since 1999. He is a member of the Board of Founders of the Muslim World League (*Rabithah 'Alam Islami*) since 2001 and a member of the InterAction Council (IAC) since 2000. B.J Habibie was conferred a total of 17 national as well as 16 international medals and decorations.

H.E. Cheikh Ibrahima Fall

Born on 1 October 1947 in Senegal, Cheikh Ibrahima holds a M.Sc. Econ. (Business and Management) with honours from the University of Dakar (1975) and an MBA (Finance) with distinction from the University of Atlanta, Georgia, United States of America. He also received training in export credit from the BFCE, BUE, Bank of Indosuez in France as well as participated in the EDP Programme at the World Bank: Harvard University / Stanford / IESE.

Cheikh Ibrahima began his career as a Financial Analyst in the Operations Department of the West African Development Bank (1978-1979) before moving on to hold the positions of the Director of the Rural Development and Infrastructural Operations Department (1979-1985) and the Director of the Loans and Equity Department (1985-1986) in the Bank.

In 1986, he joined the African Development Bank (ADB) as the Director of the Office of the President (1986-1992). He later became the Director for Country Programmes for South Region Department (1992-1995) and the Officer-in- Charge of Administration and General Services and ADB Restructuring exercise (1995-1996). In 1996, he was appointed the Secretary General of the African Development Bank in Abidjan, Côte d'Ivoire, a position he held until 1999.

He subsequently joined the World Bank Group in 1999 as the Vice President and Corporate Secretary in the World Bank Group. In 2002, he was appointed the Secretary General of the ADB (Temporary Relocation Agency) in Tunis until 2005.

Cheikh Ibrahima has a lot of international exposure from participating in various financial resource mobilization and promotion missions. He has an extensive network in public as well as private sectors in Europe (France, Belgium, Norway, Iceland, Finland, Sweden, Denmark), the United States of America, Asia (Japan, North Korea) and in Central, Eastern and Southern and Western Africa. He also participated regularly in the Annual Meetings of the Governors of the International Monetary Fund (IMF) and the World Bank, of the ADB, the Economic Community of West African States (ECOWAS), and of the West Africa Economic Community (CEAO).

H.E. Dr. Ishrat Husain

Dr. Ishrat Husain took over the charge of the office of the Governor, State Bank of Pakistan, with effect from 2 December 1999. Since assuming the office of the Governor, he has implemented a major program of restructuring of the State Bank of Pakistan and steered the reforms of the banking sector. In recognition of his meritorious services he was conferred the prestigious award of *Hilal-e-Imtiaz* by the President of Pakistan in March 2003. The Banker Magazine of London declared him as the Central Bank Governor of the Year for Asia in January 2005.

Before his appointment as Governor of the State Bank of Pakistan, Dr. Ishrat Husain served in various capacities in the World Bank. Among others, he was the Director for Central Asian Republics, Director of the Poverty and Social Policy Department of the World Bank and the Chairperson of the World Bank's Public Sector Group.

Prior to joining the World Bank, Dr. Husain was a member of the Civil Service of Pakistan since 1964 and served in various capacities in the field and the Secretariat. Among others, he held senior management positions in both Planning and Development and Finance Department of the Government of Sindh.

Dr. Husain is a prolific author on economic issues. His most recent book "Economic Management in Pakistan 1999-2002" has been published by the Oxford University Press. He is also the author of "Pakistan: The Economy of an Elitist State". In addition, he is the author of "Adjustment in Africa: Lessons from Case Studies", "Dealing with Debt Crisis", "African External Finance in the 1990s", "Poverty and Adjustment: The Case of Africa", and several journal articles and papers on debt, external finance, and adjustment issues. He has been a speaker, expert discussant or resource person at numerous international conferences and seminars on debt and adjustment issues. Dr. Husain holds a Masters Degree in Development Economics from Williams College and a doctorate (Ph.D) in Economics from Boston University. He is a graduate of the Executive Development Program jointly sponsored by Harvard, Stanford and INSEAD.

H.E. Dr. Mohammed Khalfan Bin Kharbash

Dr. Mohammed Khalfan Bin Kharbash was born in October 1956 in Dubai, the United Arab Emirates (UAE). He graduated from Boston University, United States of America with a B.A. in Economics in 1979 and proceeded to pursue postgraduate studies. He was awarded an MA in Economics in Public Finance in 1982 from Boston University. Dr. Kharbash received his PhD in Economics from Exeter University in the United Kingdom in 1991. He was a visiting researcher at Harvard university in 1994.

During his career, Dr. Kharbash had held several government posts in the Ministry of Finance and Industry. He was initially appointed as the Director of the Investment Department in 1980. He then rose to become the Assistant Under Secretary for Revenue and Budget in 1992 and subsequently to the position of Minister of State for Finance and Industry from 1997 to date.

Dr. Kharbash is known for his forward-looking leadership style and his belief that government sectors need to continuously innovate to meet the ever external demands. He is also a firm believer that change can only happen if the right competencies and tools are given to the people. In recognition of his foresight and commitment to good governance, Dr. Kharbash was appointed as a member of the Advisory Board of the Institute for Government Innovation at Harvard University.

Apart from leading the UAE Ministry of Finance and Industry, Dr. Kharbash is also a board member of several financial and economic institutions. He is currently the Chairman of Dubai Islamic Bank and Emirates Industrial Bank and the Vice Chairman of the General Pension and Social Security Authority, Emirates General Petroleum Corporation EMAAR properties Company (PJSC), Tabreed (PJSC) and Real Estate Bank. He is also a member of the Board of Director of the Gulf Investment Corporation (Kuwait) and the Emirates Stocks and Commodities Authority.

In 1997, he held the post of the Chairman for the International Monetary Fund (IMF) and World Bank Annual Meetings, which was held in Hong Kong. He was also the Chairmen of the G11 Financial Committee of the IMF. Dr. Kharbash is currently the alternative governor of the UAE at the IMF, the World Bank, the Arab Fund for Economics and Social Development (Kuwait), the Islamic Development Bank (Saudi Arabia) and the OPEC Fund (Austria).

H.E. Mr. Mohammed Ali Abalkhail

Mr. Mohammed Ali received a Bachelor degree in Public Administration in 1956 from the University of Cairo, Egypt. He began his career in the Government of the Kingdom of Saudi Arabia in 1956 and subsequently became the General Manager of Institute of Public Administration. Between 1963-1975, he was appointed the Deputy Minister and later, the Minister of State for Finance and National Economy. For the next twenty years, he held the position of the Minister of Finance and National Economy. He was also a former IDB Governor for the Kingdom of Saudi Arabia.

Currently, Mr. Mohammed Ali is a Partner in the Capital Advisory Group based in Riyadh, Kingdom of Saudi Arabia. He is also the Chairman of the Saudi Swiss Securities Co. Riyadh.

In addition, he is a Member of several Councils, including the Consultative Council for the Supreme Council of GCC Countries, the J.P. Morgan Chase International Council and the International Council Of Belfer Center For Science And International Affairs – Harvard University.

H.E. Dr. Osman Mohamed Osman

Dr. Osman, born on 3 October 1946, is currently the Minister of Planning of Egypt and IDB Governor for Egypt. He holds a Ph.D. in the Economics of Development Planning from Prague School of Economics in Czechoslovakia, 1977, and a Post Doctorate Visiting Scholar to the Massachusetts Institute of Technology (MIT), Cambridge, United States, 1979-80.

Dr. Osman has a rich background of national/international experiences and in consultations as well as lecturing. Among others, he was the Professor of Economics and Director of the Institute of National Planning (INP) in Cairo; the National Project Coordinator and Co-author of Egypt Human Development Report under UNDP; a Consultant in the Organization of Energy Planning at the Ministry of Petroleum in Egypt; the principal investigator for various research projects at INP and joint projects with UNICEF, UNFPA, WFP and UNDP; as well as a lecturer at the Cairo University, the INP and Sanaa University in Yemen.

He was also a Consultant to the Arab Monetary Fund on Coordination of Foreign Exchange Policies in the Arab Countries and the ILO Mission on Employment, Growth and Equity in Egypt in 1981. In addition, he was Fellow with the Economic Research Forum for the Arab Countries, Iran and Turkey.

In addition, Dr. Osman participated in studies organized jointly with the World Bank. He specializes in the economics of development, national income accounts and social matrix, economic modeling, and human development structural adjustment and poverty measurement, with emphasis on Egypt.

H.E. Sheikh Saleh Abdullah Kamel

Born in 1941 in Mecca, Saudi Arabia, Sheikh Kamel completed his education at Riyadh University, graduated from the Faculty of Commerce. He joined the Saudi Ministry of Finance, and later left this public position to establish his own business, "Dallah", in the early 1960s. Albaraka Investment & Development Company, founded by Saleh Kamel in the 1980s, was established as the holding company for Islamic banks, financial institutions and companies which he had previously formed, involved in various business activities all over the world.

Saleh Kamel is recognised as one of the pioneers in Islamic Finance. He has written many articles and continues to lecture widely on the topic. He is also the Chairman of the Islamic Chamber of Commerce & Industry and the General Council for Islamic Banks and Financial Institutions, besides his membership of many social and non-profit institutions.

In recognition for the remarkable achievements of the Dallah Albaraka companies in furthering national economies of developing countries, his personal efforts to promote Islamic Banking, and his vision for creating job opportunities, he has been honoured with the following awards and decorations:

- Lifetime Achievement Award 1996 & 2005, Ernst & Young;
- Honorary Doctorate, Lake Hurst University, USA, 2003;
- Honorary title of "Datuk Seri" from Malaysia, 2003;
- King Abdul Aziz First Order Decoration 2001, for Distinguished Saudi Businessman;
- The Two Niles Decoration 2001, First Class;
- Alawi Decoration of Morocco, 2001;
- "Banker of the Year", awarded by the Union of Arab Banks, Lebanon 1996;
- Islamic Banker Award 1995, Islamic Development Bank;
- Gulf Businessman Award 1993, Government of Dubai; and
- Jordanian Independence Decoration 1986, First Order.

H.E. Dr. Tahmaseb Mazaheri

Born in 1953 in Tehran, Iran, Dr. Tahmaseb has a masters science degree in civil engineering from the University of Tehran and a PhD in Management from the same university.

Currently the Senior Vice Minister in the Ministry of Economic Affairs and Finance of Iran, Dr. Tahmaseb has a wide ranging experience in public administration, covering many portfolios. Among others, he was the Chairman of several Boards of government companies and served in public agencies/organizations in the areas of economics, finance and development planning affairs; education; sports; housing; and infrastructure development. At the international level, he was also the Economics and Finance Advisor of the Minister of Foreign Affairs, the Governor of the World Bank and the Governor of General Assembly of IDB.

Apart from his current ministerial portfolio, he is also one of the Executive Directors of the Islamic Development Bank. In Iran, he is currently a Headquarters Member of Natural Disasters & Unexpected Accidents Prevention & Crisis Management, Member of the Stock Exchange Council, Member of the Tehran Subway Co Board, Member of the Board of Regents of the Teacher's Reserve Fund, Member of the Board of the Export Guarantee Fund, Member of the Board of Regents of the Tehran University, Senior Lecturer in the Department of Construction Management of the Technical Faculty at the University of Tehran, and Member of the Scientific Board of the Technical Faculty at the Tehran University.

H.E. Tan Sri Dr. Zeti Akhtar Aziz

Dr. Zeti Akhtar Aziz was appointed Governor of *Bank Negara Malaysia* (Central Bank of Malaysia) in May 2000. She has been with the Central Bank since 1985, in a career spanning several senior positions in monetary and financial policies, and reserve management. During the height of the Asian financial crisis, Dr. Zeti was appointed as Acting Governor on 1 September 1998, and managed the successful implementation of selective exchange controls to restore stability and promote economic recovery in Malaysia.

In *Bank Negara*, Dr. Zeti presided over the formulation of the Financial Sector Master Plan, a 10-year road map for the development of the Malaysian financial system. As Governor, Dr. Zeti oversaw the transformation of the financial system, that included wide-ranging financial reforms, evolution of new financial institutions, strengthening of the financial markets and the rapid expansion of Islamic finance, and the transition to a managed float of the Ringgit exchange rate.

Dr. Zeti received her B.Sc in Economics from the University of Malaya and her Ph.D from the University of Pennsylvania. As part of her dissertation, Dr. Zeti did pioneering work on capital flows and the implications for policy. She has written extensively in the areas of monetary and financial economics, Islamic finance, capital flows, macroeconomic management, financial reform and restructuring.

Prior to her career in the Bank, Dr. Zeti had served in the South East Asian Central Banks (SEACEN) Research and Training Centre from 1979-1984, where she conducted research in the area of financial policies and reform in the South-East Asian region. Dr. Zeti is actively involved in the development of Islamic finance and in regional financial cooperation.

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