

## INFORMATION BULLETIN ON OPERATIONS AND PROJECTS

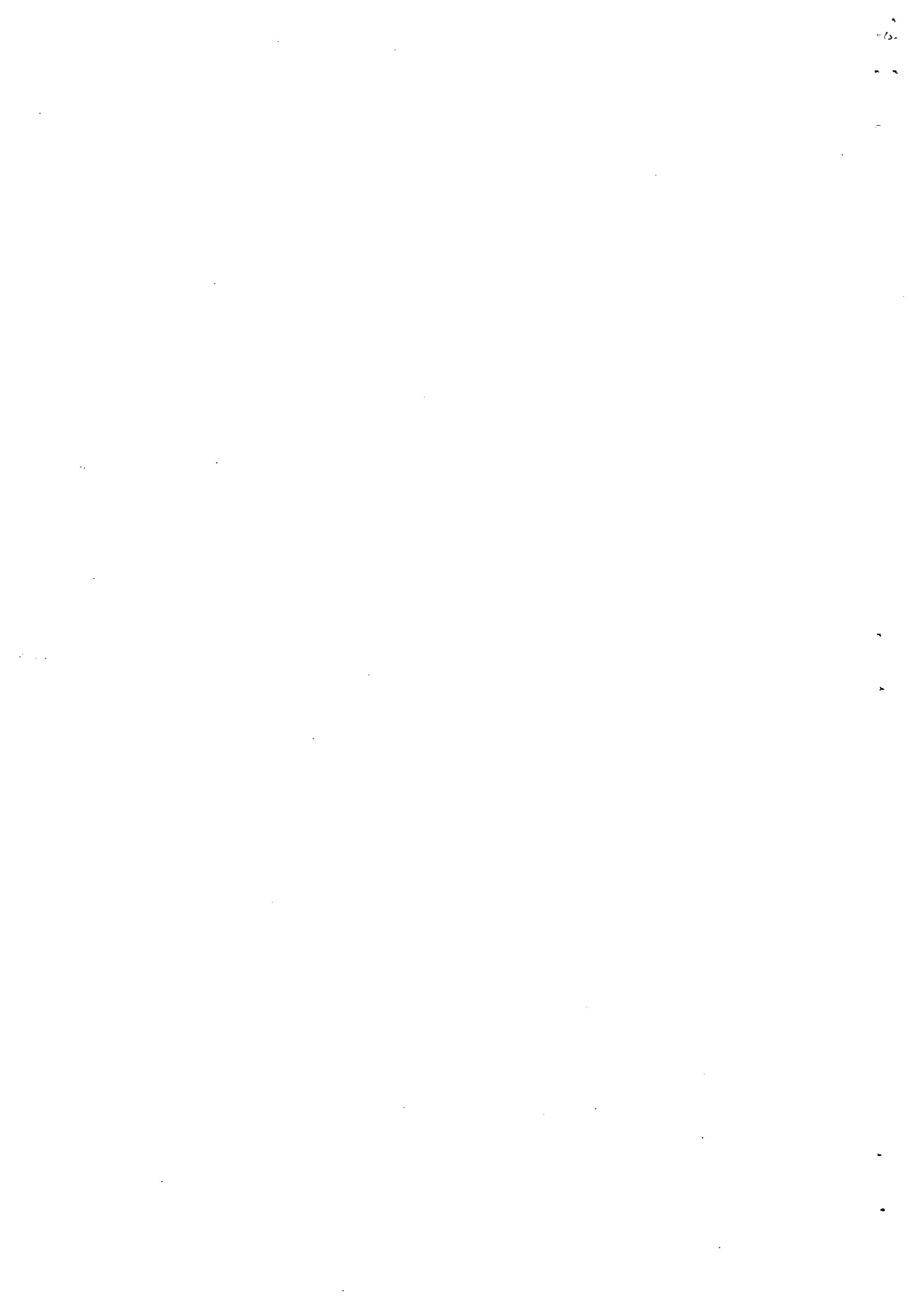
NO. 260

### *INTRODUCTION*

The Islamic Development Bank issues an Information Bulletin containing basic data on projects and other operations approved by the Board of Executive Directors of the Islamic Development Bank (IDB) and the Board of Directors of the Islamic Solidarity Fund for Development (ISFD) following each of the two Boards meetings , i.e., every two months and those approved by the President of the Bank based on his authority.

The Bank sends the bulletin to the IDB Governors and Alternate Governors, and embassies and consulates of member countries accredited to the Kingdom of Saudi Arabia as well as to the Federation of Consultants from OIC member countries (FCIC) and to Chambers of Commerce and Industry of Islamic Countries. It is hoped that its contents would be communicated, through them, to consultants, contractors, suppliers and other parties concerned in member countries to enable them to contribute in one way or another to the implementation of projects financed by the Bank. To receive the latest copy of the information bulletin by email, please write to [ldbarchives@isdb.org](mailto:ldbarchives@isdb.org) stating your requirement.

Date: 6 July 2009



<b>DEVELOPMENT PROJECT</b>						
Country:	<b>Kingdom of Bahrain</b>				<input checked="" type="checkbox"/> Non-LDMC <input type="checkbox"/> LDMC	
Project:	220/66 kV Electrical Transmission Development Project (Phase-IV)			Code: BED No. 260		
Sector:	Main Sector – Public Utility		Sub-Sector: Electricity Generation, Distribution and Transmission			
	Public <input checked="" type="checkbox"/>	Private <input type="checkbox"/>				
Total Cost:	US\$ 895.00 million					
Financing Plan	IDB (Proposed Leasing)				<u>Total (US\$/Million)</u>	
	Arab Fund for Economic and Social Development				180.00	20.1%
	Kuwait Fund for Arab Economic Development				208.00	23.2%
	Abu Dhabi Fund for Development				100.00	11.2%
	The Beneficiary				100.00	11.2%
				307.00	34.3%	
Beneficiary:	The Electricity & Water Authority EWA, State-Owned Authority.					
Executing Agency	The Electricity & Water Authority EWA, state-owned Authority. The Government of Bahrain is the Guarantor of the IDB financing.					
Project Objectives/Rationale:	The project aims at helping to meet the increasing demand for electricity in Bahrain through reinforcing the 220-kV and 66-kV transmission network within the national grid. The expansion and upgrading of the network is required to deliver the increasing power capacity from the new generation centers to the load centers.					
Project Scope:	The scope of the project is; (i) Construction of ten (10) new 220kV Substations, (ii) Expansion of six 220 existing substations, (iii) Construction of (24) new 66kV Substations, (iv) Extension of four (4) existing 66kV substations, (v) 220 kV and 66 kV Cable Feeders needed to connect the substations to the grid, (vi) Civil Works, and (vii) Consultancy Services.					
Project Justification:	Upgrading the electricity transmission system is needed to meet the expected demand for electricity in Bahrain, and to meet the natural growth of electricity demand and commercial activities. The average annual growth rate of electricity demand over the 5 year period 2003-2007 was 7.96% , and reached 12% in 2008. Given the continuing high rate of economic activity in Bahrain, it is expected that a similar rate of increase will be maintained in future years. The project is in line with the vision 1440H as it will contribute to the prosperity of the Bahraini people.					
IDB Financing:	US\$ 180.00 million					
Mode of Financing	Leasing Operation					
IDB Components:	(i) Establishment of six (6) new 220kV Substations, and (ii) contingencies					
Terms and Conditions:	The financing will be for a repayment period of 12 years starting after 3 years of gestation with a fixed mark-up of 5.1% per annum on US\$					
Guarantors:	Government of the Kingdom of Bahrain					
Procurement of IDB Components <sup>1</sup> : (√)	ICB	MCCB	NCB	DSH	Other	
	(√)					
Implementation Period:	Starting Year 2009			Ending year 2011		
Dept/Regional Office	<b>COD-3</b>					
Print Date:		Project Officer & Ext. No.	Hussain Mugaibel Ext. No. 6624			

DEVELOPMENT PROJECT						
Country:	Republic of Sudan				<input type="checkbox"/> Non-LDMC <input checked="" type="checkbox"/> LDMC	
Project:	Line of Financing to the Agricultural Bank of Sudan				Code: BED No. 260	
Sector:	Main Sector – Agriculture / Industry		Sub-Sector: Agriculture Services			
	Public <input checked="" type="checkbox"/>		Private <input type="checkbox"/>			
Total Cost:	Euro 7.00 Million		US\$ 10.00 million			
Financing Plan	IDB Proposed Line of Financing			Total (Euro Million) 7.00		
Beneficiary:	Agricultural Bank of Sudan (ABS)					
Executing Agency	Agricultural Bank of Sudan (ABS)					
Project Objectives/Rationale:	The project aims at extending a Line of Leasing/Installment Sale/Istisna'a to Agricultural Bank of Sudan (ABS) to finance small and medium scale agricultural projects for an amount of Euro 7.00 million (approximately US\$ 10.00 million). The proposed Line of finance will enable ABS to secure additional financing resources for the increasing requests to finance SME projects in Sudan, and satisfy the requests for Sharia'a compatible financing.					
Project Scope:	N/A					
Project Justification:	The Government of Sudan is striving to diversify the economy and reduce Sudan's dependence on oil. This entails improving the non-oil sectors and making these sectors more attractive to investors. The Line will further develop small and medium scale enterprises in Sudan in key sub sectors in agriculture, such as agro industry projects, manufacturing, cold storage, etc.					
IDB Financing:	Euro 7.00 million			US\$ 10.00 million		
Mode of Financing	Line of Financing (Leasing / Installment Sale / Istisna'a)					
IDB Components:	N/A					
Terms and Conditions:	The Line of Financing will be for a period of 10 years including 3 years of gestation with a fixed mark-up rate of 5.1% per annum.					
Guarantors:	Central Bank of Sudan					
Procurement of IDB Components <sup>1</sup> : (√)	ICB	MCCB	NCB	DSH	Others	
					(√)	
Implementation Period:	Starting Year: 2009				Ending year: 2012	
Dept/Regional Office	COD-3					

<b>DEVELOPMENT PROJECT</b>		
Country:	Syrian Arab Republic	<input checked="" type="checkbox"/> Non-LDMC <input type="checkbox"/> LDMC
Project:	<b>Damascus Water Supply System Project</b>	Code: BED No. 260
Sector:	Main Sector – Public Utility Public <input checked="" type="checkbox"/> Private <input type="checkbox"/>	Sub-Sector: Water Works and Supply
Total Cost:	Euro 113.645 million	
Financing Plan	Financiers	
	Total (in Euro Millions)	
	IDB (Istisna)	75.176 (66.1%)
	IDB (T.A. Grant)	0.200 (0.2%)
	KFAED	31.483 (27.7%)
Government	6.786 (6%)	
Beneficiary:	The Government of Syria	
Executing Agency	The Executing Agency of the project will be the Damascus City Water Supply and Sewerage Authority (DAWSSA)	
Project Objectives/Rationale:	The main objective of the project is to satisfy the increasing water demand for Damascus Area through improving the efficiency of the existing system, and to reduce the unaccounted-for-water.	
Project Scope:	The scope of the subject project includes:(i) laying of new primary and secondary pipelines, construction of new pumping stations and reservoirs and rehabilitation of existing reservoirs in the central area and peripheral area of Damascus, and equipping of Maadar wells and laying of connection and transmission pipelines, (ii) acquisition and installation of flow meters for house connection, (iii) consultancy services, (iv) PMU, (v) capacity building of Damascus Water Supply and Sewerage Authority (DAWSSA), (vi) project monitoring workshops and (vii) financial audit.	
Project Justification:	The project is in line with the IDB 1440H Vision and with the adopted Key Strategic Thrusts of promoting health and prospering the people. The implementation of the project will improve the performance of the Damascus Water Supply Network. The project will be able to mobilize enough water resources to cover all the districts of Greater Damascus. The project will contribute in reducing the Unaccounted-for Water (UfW) from 50% to 25% in year 2014 and, 20% in the year 2022. The provision of water supply is expected to improve the health conditions through reduction of water borne diseases. This will contribute in reducing health care expenditures and the total number of lost working days. The EIRR is calculated at 17.6% which is acceptable for such kind of a social service project.	
IDB Financing:	Istisna'a: ID 72.662 million T.A. (Grant) ID 0.193 million	Euro 75.176 million Euro 0.200 million
Mode of Financing	Istisna'a and T.A. (Grant)	
IDB Components:	The <b>Istisna'a</b> Operation will cover 100% of the cost of: (i) package 1, (ii) secondary system and Figher reservoir and pumping station of package 2, (iii) package 3, (iv) acquisition and installation of flow meters, (v) consultancy services, (vi) monitoring workshops and, (vii) financial audit. It will also cover 89% of the cost of the PMU. The <b>T.A. Grant</b> will cover 100% of the cost of the capacity building of DAWSSA.	
Terms and Conditions:	The <b>Istisna'a</b> Operation will be for a period of 16 years starting after a gestation period of 4 years with a fixed mark-up rate of 5.1% per annum (on Euro).  T.A. (Grant) – N/A	

Guarantors:	Government of Syria				
Procurement of IDB Components <sup>1</sup> : (√)	ICB	MCCB	NCB	DSH	Other
	(√)		(√)		
Implementation Period:	Starting Year 2009			Ending year 2012	
Dept/Regional Office	<b>COD-3</b>				

<sup>1</sup> ICB: International Competitive Bidding; MCCB: Member Countries Competitive Bidding; LCB: Local Competitive Bidding; DSH: Direct Shopping

## DEVELOPMENT PROJECTS

<b>Project</b>	<b>Microfinance Project for Rural Areas</b>		
<b>Country</b>	<b>Tajikistan</b>	<b>Mode of Financing</b>	<b>Loan &amp; TA (Grant)</b>
<b>Scope of Work</b>	<p>The project has the following scope:</p> <p>A. Microfinance scheme;</p> <p>B. Project Management Unit;</p> <p>C. Financial Audit;</p> <p>D. Capacity building for participating microfinance partners</p>		
<b>Sector</b>	<b>Microfinance</b>	<b>Sub Sector</b>	
<b>Location</b>	The project will be conducted in Rasht Valley, Gorno-Badagshan Autonomous Oblast, Khatlon Oblast and Greater Dushanbe areas.		
<b>Date of Approval</b>	5 July, 2009		
<b>Project Objectives</b>	The project objective is to support and complement the Government's efforts to achieve economic growth and alleviate poverty by increasing the access of rural and urban poor, particularly women, to appropriate, reliable and affordable microfinance services. The project will also enhance existing microfinance schemes in reducing poverty and empowering the poor as well as introducing sharia'a compliant microfinance products and services.		
<b>Total Cost</b>	US\$ 20.080 million		
<b>Implementation Period</b>	The initial stage of the project, disbursement of IDB funds, will take a period of three years and at the second stage these funds will be used for the remaining duration of the IDB loan ( 7 years) through the revolving fund.		
<b>Co-financier</b>	Microfinance partners.		US\$ 9.750 million
<b>IDB Contribution</b>	Loan US\$ 10.0 million TA (Grant) 330,000		
<b>IDB Financed Components</b>	The IDB financed components are: Microfinance Scheme, Project Management Unit (PMU), Financial Audit, and Capacity Building.		
<b>Mode of Procurement</b>	<p>Procurement of IDB components will be as follows:</p> <p>(i) Acquisition of goods and services by the beneficiaries funded under the microfinance scheme will be through direct shopping and under the procurement procedures of each of the participating microfinance partners.</p> <p>(ii) The PMU created under the first IDB Microfinance project in Tajikistan will be retained and enhanced for the duration of the project implementation.</p> <p>(iii) The financial auditor of participating Microfinance Partners will be through a short-list of reputable locally recruited audit firm acceptable to IDB.</p> <p>(iv) Recruitment of trainers for staff training will be through a short list of qualified consultancy firms from IDB member countries.</p>		
<b>Beneficiary</b>	Mainly women micro-entrepreneurs in rural and semi-urban areas in the capital city and selected rural areas with high concentration of poverty.		
<b>Executing Agency</b>	Executing agency of the project will be the Microfinance partners (banks/MFIs) to be assisted by a Project Management Unit.		
<b>Address</b>	National Bank of Tajikistan 107A Rudaki Avenue, Dushanbe, 734003, Republic of Tajikistan		
<b>Tel.</b>	00992 44- 600 3227	<b>Fax</b>	00992 44 600 3235

<b>DEVELOPMENT PROJECTS</b>			
<b>Project</b>	Microfinance Project for Rural Areas, Kyrgyzstan		
<b>Country</b>	Kyrgyz Republic	<b>Mode of Financing</b>	Loan and TA (Grant)
<b>Scope of Work</b>	The project has the following scope: i. Microfinance scheme. ii. Implementation and coordination consultant. iii. Financial Audit. iv. Capacity building for microfinance partners.		
<b>Sector</b>	Microfinance	<b>Sub Sector</b>	
<b>Location</b>	The project will be conducted in Chui, Osh Blasts, and Greater Bishkek areas.		
<b>Date of Approval</b>	5 July, 2009		
<b>Project Objectives</b>	The objective of the project is to support and complement the Government's efforts to achieve economic growth and alleviate poverty by increasing the access of rural and urban poor, particularly women, to appropriate, reliable and affordable microfinance services, as well as introduce sharia'h compliant microfinance services and products.		
<b>Total Cost</b>	US\$ 10.050 million		
<b>Implementation Period</b>	The initial stage of the project, disbursement of IDB funds, will take a maximum period of three years from the date of declaration of effectiveness of the Loan Agreement and at the second stage these funds will be used for the remaining duration of the IDB loan (7 years) through the revolving fund.		
<b>Co-financier</b>	Microfinance partners.	US\$ 4.750 million	
<b>IDB Contribution</b>	Loan US\$ 5.0 million TA (Grant) US\$ 300,000		
<b>IDB Financed Components</b>	The IDB financed components are: Microfinance scheme, Implementation and coordination consultant, Financial audit, Capacity building for microfinance partners.		
<b>Mode of Procurement</b>	Procurement of IDB financed components will be as (i) acquisition of goods and services by the beneficiaries funded under the microfinance scheme will be through direct shopping and under the procurement procedures of each of the Microfinance Partners; (ii) implementation and coordination consultant will be selected through a short-list of reputable locally recruited consultancy acceptable to IDB; (iii) financial audit of Microfinance Partners will be selected through a short-list of reputable locally recruited audit firm acceptable to IDB; (iv) recruitment of trainers for staff training will be through a short list of qualified consultancy firms from IDB member countries.		
<b>Beneficiary</b>	Mainly women micro-entrepreneurs in rural and semi-urban areas in the capital city and selected rural areas with high concentration of poverty.		
<b>Executing Agency</b>	Executing agency of the project will be the Microfinance Partners (banks/MFIs) to be assisted by a project implementation consultant.		
<b>Address</b>	Adviser to the President of the Kyrgyz Republic, 17 Per. Geologichesky Bishkek, 720005, Kyrgyz Republic		
<b>Tel.</b>	00996 312 590 616/690 317	<b>Fax</b>	00996 312 543-580

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**DEVELOPMENT PROJECTS**

<b>DEVELOPMENT PROJECTS</b>			
<b>Name of Project</b>	<b>Construction of Kulyab-Kalaikhum Road Project, Tajikistan</b>		
<b>Country</b>	Republic of Tajikistan	<b>Mode of Financing</b>	Loan
<b>Date of Approval</b>	5 July 2009		
<b>Scope of Work</b>	The project scope encompasses the following components: (i) Civil works; (ii) Road Maintenance Equipment; (iii) Consultancy Services (Supervision); (iv) Project Management Consultant; and (v) Financial Audit.		
<b>Sector</b>	Public Utilities	<b>Sub Sector</b>	Land Transport
<b>Location</b>	South Central Part of Tajikistan		
<b>Project Objectives</b>	The objective of the proposed project is to provide year-round, reliable and direct land transport service between the western part of Tajikistan, including the capital Dushanbe, and the eastern Region of Gorno-Badakhshan. The project will also link Tajikistan with the strategic Karakorum highway in China through Kulma Pass, providing access to the sea port of Karachi, Pakistan, thus enhancing trade and flow of passenger and freight traffic between Tajikistan and its neighbouring countries: Afghanistan, Kyrgyz, Uzbekistan and China.		
<b>Total Cost</b>	US\$ 92.90 million		
<b>Implementation Period</b>	2009 – 2012		
<b>Co-financier</b>	1- Government of Kazakhstan (GOK)	7.90	(8.5%)
	2- Saudi Fund for Development (SFD)	20.00	(21.5 %)
	3- Kuwait Fund for Arab Economic Development (KFAED)	17.00	(18.3%)
	4- OPEC Fund for International Development (OFID)	13.00	(14.0%)
	5- Abdu Dhabi Fund for Development (ADFD)	15.00	(16.2%)
<b>IDB Financed Components</b>	(i) Civil Works; (ii) Road Maintenance Equipment; (iii) Project Management Unit; and (v) Financial Audit		
<b>Mode of Procurement</b>	Civil Works through a prequalification process on the basis of International Competitive Bidding (ICB) limited to IDB member countries, Road Maintenance Equipment on ICB basis, Financial Audit from among a shortlist of local, certified auditing firms and Equipment for PMU through national shopping.		
<b>Beneficiary</b>	Government of Tajikistan		
<b>Executing Agency</b>	Ministry of Transport and Communication (MOT&C)		
<b>Address</b>	(Name): Ministry of Transport and Communication (Postal Address): Dushanbe, Republic of Tajikistan		
<b>Tel.</b>	(992-44) 600-32-27	<b>Fax</b>	(992-44) 600-32-35

## DEVELOPMENT PROJECTS

<b>DEVELOPMENT PROJECTS</b>			
<b>Name of Project</b>	<b>Qom Water Supply Project, Islamic Republic of Iran</b>		
<b>Country</b>	Islamic Republic of Iran	<b>Mode of Financing</b>	Istisna'a
<b>Date of Approval</b>	5 July 2009		
<b>Scope of Work</b>	The project scope encompasses the following components: (i) Land Acquisition for Pipeline System; (ii) Water Treatment Plant Expansion; (iii) Pipeline System from Kuchery Dam to Qom City; (iv) Main Distribution Pipeline System; (v) Consultancy Services; (vi) Project Management Consultant ; (iv) Financial Auditing; and Project Start-up Workshop and Familiarization Visit.		
<b>Sector</b>	Public Utilities	<b>Sub Sector</b>	Water
<b>Location</b>	Qom City		
<b>Project Objectives</b>	The objective of the proposed project is to improve the quality of life by securing and supplying 142.5 MCM of safe drinking water to Qom and its neighbouring villages. The water will be supplied through a 175 km pipeline system from Kouchery dam to Qom after treatment through the Qom Water Treatment Plant (WTP). The project objectives will be achieved by (a) the treatment of water to national and WHO standards, (b) additional volume of 142.5 MCM water transmitted, and (c) increased access to water.		
<b>Total Cost</b>	Euro 345.40 million		
<b>Implementation Period</b>	2010 – 2014		
<b>Co-financier</b>	Government of Iran	Euro 253.46 million (73.4%)	
<b>IDB Contribution</b>	Euro 91.94 million (26.6%)		
<b>IDB Financed Components</b>	<ul style="list-style-type: none"> <li>(i) Water Treatment Plant Expansion;</li> <li>(ii) Main Distribution Pipeline System;</li> <li>(iii) Project Management Consultant;</li> <li>(iv) Financial Audit; and</li> <li>(v) Project Start-up Workshop &amp; Familiarization Visit</li> </ul>		
<b>Mode of Procurement</b>	The construction work for the expansion of water treatment plant and main distribution pipeline system shall be awarded through International Competitive Bidding (ICB) limited to IDB member countries. The financial audit services shall be procured on the basis of proposals from a short-list of national reputable audit firms, and project management consultants/experts will be procured from short-listed consultants/experts from IDB member countries.		
<b>Beneficiary</b>	Qom Regional Water Authority (QRWA)		
<b>Executing Agency</b>	Qom Regional Water Authority (QRWA)		
<b>Address</b>	(Name): Qom Regional Water Authority (Postal Address): Corner of Yekom Alley, Shahid Fatemi Street, P.O Box 37185-497, Qom, Iran		
<b>Tel.</b>	(98-251) 783-9090	<b>Fax</b>	(98-251) 783-9000