

**ISLAMIC  
DEVELOPMENT BANK  
INVESTMENT PROMOTION  
TECHNICAL ASSISTANCE  
PROGRAM (ITAP)**

GENERAL  
OVERVIEW

1

ITAP

# INTRODUCTION

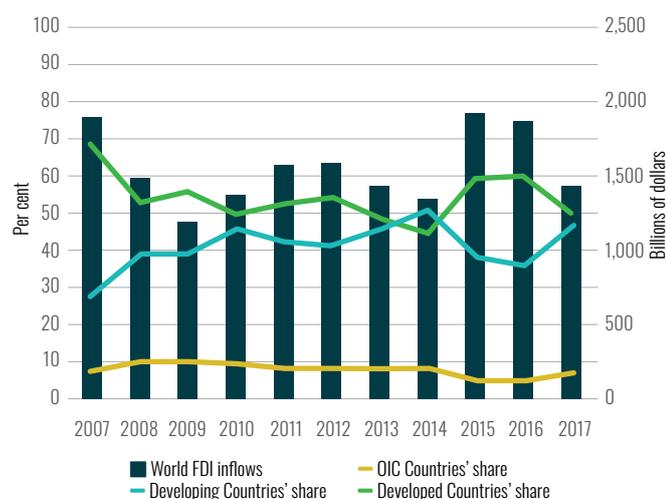
The Investment Promotion Technical Assistance Program (ITAP) is one of the flagship and most successful capacity development initiatives launched by the Islamic Development Bank (IsDB) Group. It was established in 2005 and, since its inception, has managed to design and implement several technical assistance and capacity building programs that provide learning and development opportunities to hundreds of investment promotion professionals in the 57 IsDB member countries spanning Asia, Africa, Europe, and Latin America. ITAP programs are delivered in collaboration with several regional and international partners and stakeholders.

# BACKGROUND

Foreign Direct Investment (FDI) is widely considered as an instrumental driver of economic development, particularly for developing and least developed countries, in which it represents the main source of external finance (25%–30%) as per UNCTAD. FDI plays an important role in transferring both capital and technology to these countries, as well as in boosting export-oriented industries. According to the OECD, “FDI triggers technology spillovers, assists human capital formation, contributes to international trade integration, helps create a more competitive business environment, and enhances enterprise development”. It is also a catalyst for the internalization of local firms, contributing to country export diversification (COMCEC 2018).

IsDB/OIC member countries’ share of global FDI remains low at a ratio below 10% and, at the same time, nearly sluggish in terms of growth over the past decade, as demonstrated in below Chart.

**World FDI Inflows and Shares of Country Groups**

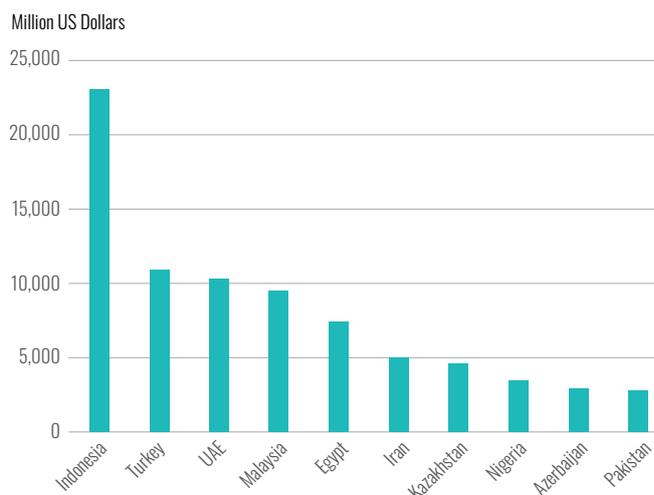


Source: COMCEC 2018 based on the UNCTAD World Investment Report 2018

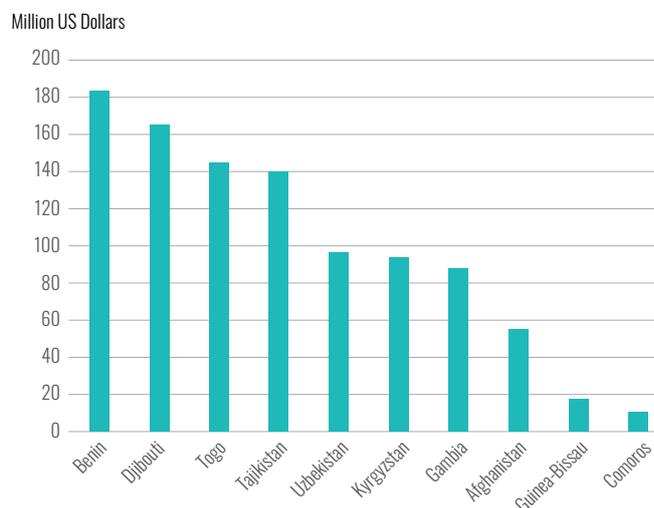
## FOREIGN DIRECT INVESTMENT (FDI) IS AN INSTRUMENTAL DRIVER OF ECONOMIC DEVELOPMENT, PARTICULARLY FOR DEVELOPING AND LEAST DEVELOPED COUNTRIES, IN WHICH IT REPRESENTS THE MAIN SOURCE OF EXTERNAL FINANCE

Another observation on the FDI trend in IsDB/OIC member countries is the wide gap between the highest and lowest recipients of FDI, as indicated in the following charts:

**Highest Receipts of FDI**



**Lowest Receipts of FDI**



Source: COMCEC 2018 based on UNCTAD

The low share of IsDB member countries of global FDI flows, combined with the concentration of FDI in a limited number of countries, reflects and necessitates the need of these countries, particularly the least developed ones, for technical assistance and capacity building in the field of investment promotion.



# QUICK TIMELINE OF THE HISTORY OF INTERVENTIONS UNDER THE PROGRAM

ITAP services timeline:



## ITAP OBJECTIVE

The main objective of ITAP is to enhance the capacity of IsDB member countries' investment promotion agencies and intermediaries to improve their countries' investment climate, as well as to attract domestic and foreign investment that contribute to their sustainable development.

## CORE FUNCTIONS

- Provide advisory services to interested IsDB member countries in order to improve their investment climate
- Enable the capacity building of the investment promotion agencies of IsDB member countries
- Give technical assistance to selected member countries
- Promote IsDB member countries as attractive investment destinations
- Facilitate knowledge transfer of investment promotion best practices, strategies, and techniques among IsDB members and with external entities.

## MODES OF INTERVENTION

### CAPACITY BUILDING PROGRAMS

These programs are training courses organized for building the capacity and upskilling of investment promotion officials in IsDB member countries. The programs could be for sharing experiences and best practices among IsDB members, such as ITAP joint programs with local agencies in Malaysia and Turkey; alternatively, the programs could aim to enhance the knowledge of the participants in relevant areas, such as the international investment agreements training course organized by ITAP in collaboration with UNCTAD.

### COUNTRY TECHNICAL ASSISTANCE PROGRAMS (TA)

These programs are conducted for a specific IsDB member country to support its investment promotion agency in different areas, such as institutional capacity building, staff capacity building, sector analysis, and investment opportunities profiling, as well as investment promotion and marketing campaigns. The program could be long-term full-fledged ones (two to three years) or short-term ones (three to six months).

ITAP has delivered over 30 capacity development programs on different investment promotion-related themes that provided learning and development opportunities for over 1,000 investment promotion professionals and officials from different career levels from most of the IsDB member countries. Moreover, the ITAP has conducted more than 10 long- and short-term technical assistance programs for IsDB member countries. These programs comprise a wide array of components, such as sector studies, investment project profile preparation, development of printed and digital marketing materials, inward and outward investor missions, and investment conferences. The following are examples of the programs mentioned above:

- 12 capacity building programs in partnership with UNCTAD (2007–2018)
- 8 experience sharing programs with Turkey (2008–2018)
- 10 experience sharing programs with Malaysia (2005–2015)
- Technical assistance to Uganda (2010–2012)
- Technical assistance to the Gambia (2012–2016)
- Technical assistance to Sierra Leone (2012)

# KEY PARTNERS

One of the ITAP's key strengths is creating and establishing partnerships with both local entities in IsDB member countries and international organizations, as well as with other stakeholders in the field of investment promotion, in order to transfer state-of-the-art knowledge to program beneficiaries. Here are examples of the ITAP's key partners:



1 UNCTAD



2 WORLD BANK GROUP



World Association of  
Investment Promotion  
Agencies

3 WORLD ASSOCIATION  
OF INVESTMENT  
PROMOTION AGENCIES



4 ARAB BANK FOR ECONOMIC  
DEVELOPMENT IN AFRICA  
(BADEA)



5 UNITED NATIONS INDUSTRIAL  
DEVELOPMENT ORGANIZATION  
(UNIDO)



6 MINISTRY OF INDUSTRY AND  
TECHNOLOGY OF TURKEY



7 MALAYSIAN INVESTMENT  
DEVELOPMENT AUTHORITY

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