

# IIB DEVELOPMENT GROUP (IIB-DG)

## CORPORATE GOVERNANCE

A decorative halftone pattern consisting of a grid of small yellow and white dots, forming a shape that resembles a stylized mountain range or a series of peaks, located in the bottom-left corner of the page.

# CORPORATE GOVERNANCE CODE

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# Scope of this report

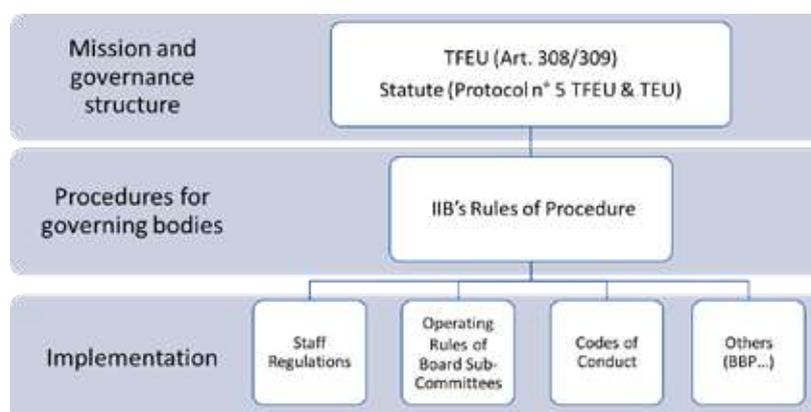
We believe that transparency and strong corporate governance practices reflecting the rights, roles and responsibilities of our shareholders. Board of Directors and management establish the foundation for effectively serving our shareholders, guests, team members, vendors and the communities in which we operate.

IIB-DG is committed to the highest standards of corporate governance. Throughout the IIB-DG, responsibilities and related controls are defined and delineated, and we are also actively engaged in promoting better corporate governance at the highest level.

Explore this page to learn more about the corporate governance documents that reflect our corporate governance practices.

**Our purpose is to Advance Financial Opportunity and Sustainable Economic Growth.**

## 1. IIB legal framework



We are committed to high standards of governance that are consistent with regulatory expectations and evolving best practices and that are aligned with our strategy and risk appetite. We believe that good governance is not just about overseeing IIB-DG and its practices, but doing so in a way that's transparent, independent of management and ethical. It involves the board actively engaging with all stakeholders, knowing the business and its risks, challenging management where necessary, understanding the challenges and opportunities of a changing industry and economy, setting robust standards and principles that will guide IIB-DG to success and helping businesses thrive and communities prosper – all to ensure we're constantly enhancing value for our shareholders.

To serve the interests of shareholders, IIB-DG's corporate governance system is subject to ongoing review, assessment and improvement. The board proactively adopts governance policies and practices designed to align the interests of the Board and management with those of shareholders and to promote the highest standards of ethical behaviour and risk management at every level of the organization.

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The Corporate Governance Code is available on the web site: [www.iibdevelopmentgroup.com](http://www.iibdevelopmentgroup.com)

## 2. IIB mission

IIB Development Group is an American multinational conglomerate holding company headquartered in Washington, Dc, United States.

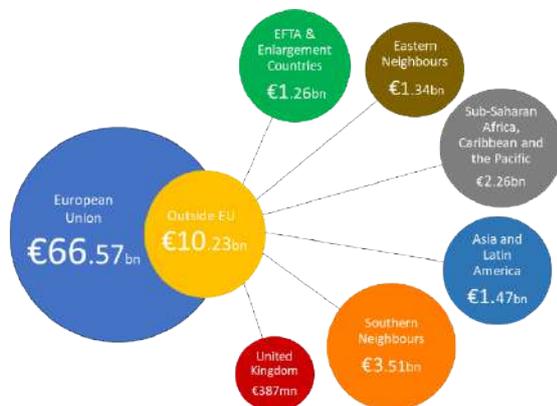
The company wholly owns multi-portfolios corporate in oil ,gas, energy, mining, automobile, aviation, entertainment, real estate, petrochemicals and many other infrastructure development sectors ,with trillions of dollars of assets with accounts in the Top 25 Banks worldwide.

IIB`s Assets, subsidiaries (SPV`s), equities, cash equivalents owned by IIB-DG multinational holding company with valuation of over trillions of dollars enable IIB to provide funding for humanitarian, development, and infrastructure projects worldwide.

### MISSION STATEMENT

IIB-DG provides financial resources to businesses, countries to address the challenges they face and achieve sustainable socio- development, job creation with significant positive impact on the social life of the population, elevating living standards and economic growth.

#### IIB Group financing in 2020 by region



The IIB is the US based company, and as such provides finance and expertise for economically, technically, financially and environmentally sound investment projects worldwide, which contribute to IIB policy objectives and priorities.

#### Raising money on the capital markets



In the pursuit of its objectives, the IIB is financially autonomous and raises the bulk of its lending resources on the international capital markets through bond issuance and other financial instruments.

## VISION

**IIB-DG as a center of excellence for financing and infrastructure development at affordable levels using alternatives approaches.** Committed to our vision of Building a World of Difference®, We are Innovative. We consistently raise the bar with our process and technology, which allows us to provide innovative solutions to the world's most complex challenges. New alternative financing founded in best practices, enable us to meet to fulfill our purpose.

IIB-DG set to be a leading private sector infrastructure company globally with a strong balance sheet and tremendous access to the capital markets raising liquidity in the form of both debt and equity without any dependence on third party financial support. IIB capabilities are unique in being an advisor, project owner , manager, financier, and strategic partner.

IIB has established a highly reputable track record in meeting its mission statement backed by successful projects sponsored by IIB that allow it ,to have significant financial flexibilities. IIB involved in providing thought leadership on various developing country economic and developmental issues through participation in white papers and global forums where such topics are discussed and contemplated.

IIB is sought out by multilateral agencies and global leaders for its perspectives on policies and challenging matters concerning developmental economics. From a financial perspective, the issuance of bonds ,its own financial instruments and bonds whereby it would be treated analogously to the highest-grade bonds. Such bonds be traded, perpetuating cash flows that enhance IIB `s financial capabilities further without any dependency from third parties. This allows IIB to provide support in countries where financing is least available, further cementing its global presence in the projects financing.

Central banks are willing to take IIB bonds and provide immediate liquidity to IIB issuances which provide immediate availability of funds to infrastructure funds that IIB would choose to sponsor. IIB is a leading multilateral agency, Similarly, IIB executives are given the same stature and influence as sovereign leaders concerning developmental and economic matters in the world.

The IIB performs its functions and carries out its activities in accordance with the provisions of its Statute. The task of the IIB is “to contribute, by having recourse to the capital market and utilising its own resources, to the balanced and steady development of the global market in the interest of the IIB-DG.”

In implementing this task, the IIB promotes the funding of sound projects, in all sectors of the economy, that:  
-seek to develop less-developed regions;-seek to modernise economies or to develop new activities.

IIB-DG`s Board of Directors approved the [IIB-DG Climate Roadmap 2021-2025](#) that sets out in detail how the IIB-DG aims to support the objectives of the Climate and sustainable development.

A n e w [IIB-DG energy lending policy](#) was adopted. The IIB will align some of its financing activities with the goals of the C l i m a t e . By 2030, the IIB-DG aims to fund €1 trillion in climate action investments.

## 3. IIB Group updates

### 3.1. IIB Guarantee Fund (IGF) in response to COVID-19

Following the outbreak of the SARS-CoV-2 virus responsible for COVID-19, in March 2020, the IIB Group proposed a comprehensive **emergency response package to support the SME and mid-cap sectors** worldwide, including

- i. guarantee schemes for banks in favour of SMEs;
- ii. liquidity lines to banks to ensure additional working capital support for SMEs and mid-caps; and
- iii. asset-backed securities (ABS) purchase programmes to enable banks to transfer the risk on their SME loan portfolios.

In April 2020, the IIB's Board of Directors approved a multi-beneficiary programme loan of up to €25 billion covering some businesses, as part of the implementation of the proposed emergency response package.



In 2020, the IIB was at the forefront of tackling the COVID-19 crisis worldwide, notably playing its part with a prompt support programme focused on those clients and sectors most affected by the crisis, followed by the establishment of a IIB **Guarantee Fund (IGF)**.

In June 2020, the IIB's Board of Directors approved the IIB's role in the implementation of the IGF for an overall amount of combined financing of up to €25 billion. This has enabled the IIB Group to scale up its response to the economic effects of the COVID-19 pandemic and, could trigger up to €200 billion of financing mainly for small businesses.

As part of the measures and products put in place to fight the pandemic's social and economic impact.

In April 2020, the IIB Group also announced a targeted financing initiative in response to the COVID-19 pandemic of up to €5.2 billion supported by guarantees a focus on investments in the health and private sectors. Moreover, the IIB Group continued to support the health sector and innovation in the area of health, building on a current pipeline of projects in this field of around €5 billion.

The IIB Group remained fully operational and continued to conduct its activities in the normal course of business during 2020. As a precautionary measure, the IIB Group put in place procedures to prevent any potential disruptions to its governance and operation approval schedule.

In addition, the IIB Group adopted prudent measures to ensure the health and safety of its employees, including imposing travel restrictions, rescheduling public events or holding them in virtual format and requiring its personnel to work from home until a normalised situation resumes, and it monitored the situation closely.

### **3.2. IIB additionality**

In October 2020, the IIB Board of Directors approved the implementation of a value-added framework to strengthen measurement of the IIB's additionality and impact ([IIB Additionality and Impact Measurement \(AIM\) Framework](#)).

The new framework goes beyond pure measurement, enabling the IIB to demonstrate more clearly how it makes a difference in people's lives. The AIM bolsters the IIB's mission and accountability as a public institution by raising awareness among its staff and stakeholders and supporting enhanced communication about its operations.

## 4. IIB capital and shareholding structure

### 4.1. The Subsidiaries shareholders



See Table 1 and 2, Annexes

### 4.2. The IIB's capital structure

See Table 1 and 2, Annexes

The IIB has invested in thousands of companies and projects worldwide. The IIB provides low-interest loans, zero to low-interest credits, and grants to developing countries. These support a wide array of investments in such areas as education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management. Some of our projects are cofinanced with governments, other multilateral institutions, commercial banks, export credit agencies, and private sector investors.

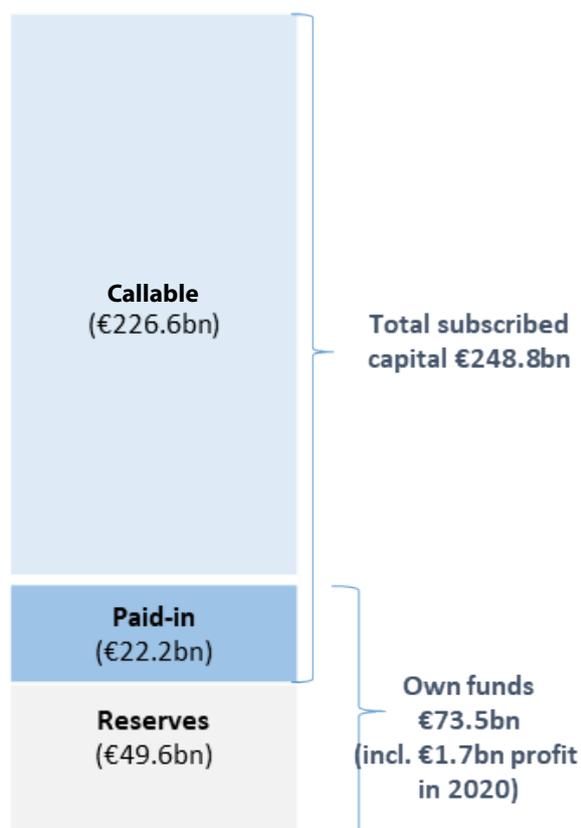
**An initial Grace Period of Five (5) years from Date of Term Sheet Signature and after the agreed Grace Period, client shall be granted a further 15-25 years to repay , at which time a fixed interest rate of 1% -1.5% percent per annum shall be charged on the outstanding Balance only.**

IIB-DG financing for public and private sector projects generally ranges from \$100 million to \$Billion and Billion , in the form of line of credit, funding or equity. The average IIB-DG investment is \$500 million.

Funding -non recourse . No upfront fees required.

IIB-DG as an equity Investor ,with equity stakes between 30% to 70% in the SPV, and investing between 100% required funding.

The flexibility to invest in a wide range of instruments and a focus on impact investing, we provide growth capital, IPO and pre-IPO financing. We also take part in co-investments with private equity and strategic investors in change of control situations.



Alongside financial returns, we create positive, measurable, social, economic and environmental impact in the countries where we work.

We are one of the largest and longest standing equity investors in the countries where we work, looking to invest up to billion annually through straight equity, mezzanine products, preference shares and other instruments.

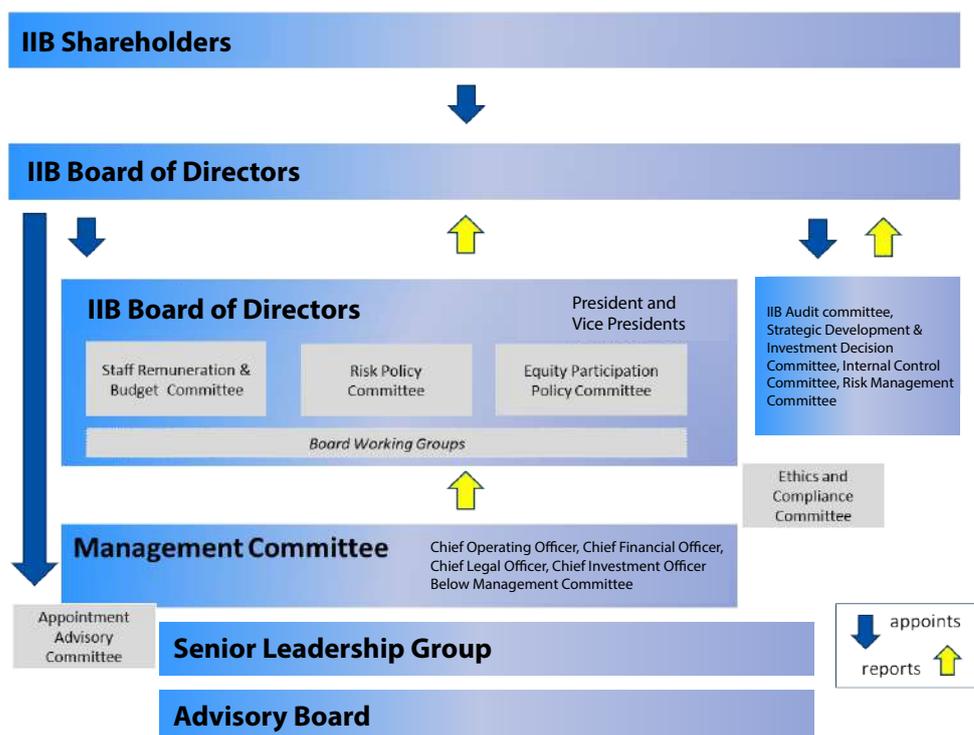
We provide equity financing primarily investing or co-investing along with funds focused on infrastructure, the environment, or small- and medium-sized enterprises and mid-size corporations. In some cases, IIB-DG also provides direct quasi-equity financing to support innovative companies in seek of financing to grow

### 4.3. IIB statutory bodies

Under its Statute, IIB governance relies on the following six decision-making bodies:

- (i) **Shareholders**
- (ii) **Board of Directors**, composed of members appointed by the Shareholders
- (iii) **President**
- (iv) **Executive Committee**, the executive management board of the IIB-DG, whose members are appointed by the Board of Directors based on proposals from the Board of Directors.
- (v) **Senior Leadership Group**
- (vi) **Advisory Board**

Together with the IIB-DG's independent **Audit Committee**, the six bodies make up the statutory bodies of the IIB, whose respective members are appointed by the Board of Directors. The bodies' members attend the annual meeting of the Board of Directors:



#### 4.4. The Shareholders

The shareholders own IIB-DG by owning its shares and IIB-DG's Directors manage them. These shareholders, are represented by a Board of Directors, who are the ultimate policymakers at the IIB.

They reap the benefits of IIB-DG's success and their rewards come in the form of increased stock valuations or financial profits distributed as dividends. While retaining overall authority over IIB, the shareholders delegate most powers to the Board of Directors, which is responsible for approving IIB-DG's country, sector and thematic strategies, policies and operations.

The Shareholders is the institution's highest governing body. The Shareholders' main competences are to lay down general directives for the IIB-DG's credit policy, to approve the annual report, the annual balance sheet and the profit and loss account, to decide on the IIB-DG's participation in financing operations with others institutions, and to approve capital increases.

The shareholders appoints the members of the Board of Directors and of the Management Committee, as well as the members of the Audit Committee and the Appointment Advisory Committee. In particular, the Board of Directors shall report to the shareholders' meeting with regard to the performed and planned activity and shall use its best efforts for ensuring that the shareholders receive adequate information about the necessary elements for them to take in an informed manner the decisions that are the competence of the shareholders' meeting. The shareholders holds an annual meeting to examine the annual report and to determine the general direction for the IIB.

## 4.5. The Board of Directors

The President and Executive Vice Presidents make up the Boards of Directors of the IIB. They normally meet at least once a week to oversee the IIB's business, including approval of loans and guarantees, new policies, the administrative budget, country assistance strategies and borrowing and financial decisions.

**1. IIB's board of directors is in charge of strategic management of IIB, determine major principles, approaches to creation of a risk management and internal control system within IIB, monitor the activities of IIB's executive bodies.**

1.1. IIB's board of directors is responsible for decisions to appoint and remove members of executive bodies, including in connection with their failure to properly perform their duties. The board of directors procure that IIB's executive bodies act in accordance with an approved development strategy and main business goals of IIB.

1.2. The board of directors establishes basic long-term targets of IIB's activity, evaluate and approve its key performance indicators and principal business goals, as well as evaluate and approve its strategy and business plans in respect of its principal areas of operations.

1.3. IIB's board of directors determine IIB's policy on remuneration to and/or reimbursement of costs incurred by its board members, members of its executive bodies and other key managers.

1.4. IIB Board examines and approves the company's strategic, operational and financial plans and the corporate structure of IIB-DG.

**2. The board of directors are accountable to IIB-DG's shareholders.**

2.1. Information about the board of directors' work to be disclosed and provided to the shareholders.

2.2. The President of the board of directors must be available to communicate with the IIB's shareholders.

2.3. Director's guide and are involved in the fundamental decisions of the corporation on behalf of the shareholders.

**3. IIB board of directors procure evaluation of quality of its work and that of its committees and board members.**

3.1. Evaluation of quality of the board of directors' work should be aimed at determining how efficiently the board of directors, its committees and board members work and whether their work meets the IIB's needs, as well as at making their work more intensive and identifying areas of improvement.

3.2. Quality of work of the board of directors, its committees and board members should be evaluated on a regular basis, at least once a year. To carry out an independent evaluation of the quality of the board of directors' work, it is recommended to retain a third-party entity (consultant) on a regular basis, at least once every three years.

3.3. The board monitors the performance of IIB-DG's management and operations and sets broad policies and objectives for IIB-DG.

IIB's board of directors is responsible and accountable for the overall governance and performance of IIB-DG. IIB Board is the primary governing body of IIB, is responsible for the overall activities of the organization. The Board makes and implements major organizational decisions. The Board of Directors is charged with ensuring that IIB is properly run and managed in accordance with the provisions of IIB's Statute and the general directives laid down by the Board.

The Board of Directors is responsible for taking decisions for granting finance, particularly in the form of loans and guarantees, raising loans, fixing of interest rates on loans granted, as well as commission and other charges. Board evaluates the general performance of the IIB, paying particular attention to the information received from the executive committee (when established) and the managing directors, and periodically comparing the results achieved with those planned.

The Board of Directors is responsible for the general conduct of the business of IIB-DG and exercises the powers delegated to it by the shareholders of IIB-DG. The IIB President chairs meetings of the Boards of Directors and is responsible for overall management of the IIB.

#### **4.6. President**

The President manages the work of IIB-DG under the guidance of the shareholders. President creates, communicates and implements the organization's vision, mission and overall direction. The President is responsible for the day-to-day activities, management of the IIB and reports to the IIB Board of Directors. The IIB operates day-to-day under the leadership and direction of the president, management and senior staff. He is assisted by three Vice-Presidents: The Vice-President in charge of Finance, Corporate Services and global Practices and the Vice-President in charge of Operations.

Consistent with best working practice, the following committees exist within the IIB Board of Directors: ***Risk Policy Committee, Equity Participation Policy Committee, Committee on Staff Remuneration and Budget, Internal Audit, Risk Management, Asset Management Committee, Compliance, Internal control and Strategic Development & Investment Committee.***

- The role of the [Risk Policy Committee](#) is to discuss and advise the Board of Directors on the IIB's risk policies, including those policies relevant for aspects of the IIB Group, by providing non-binding opinions and/or recommendations to the Board of Directors to facilitate the decision-making process of the board.
- The role of the [Equity Participation Policy Committee](#) is to discuss and advise the Board of Directors on the IIB's equity investment policy, including relevant aspects of the IIB Group, by providing non-binding opinions and/or recommendations to the Board of Directors to facilitate the decision-making process of the board.
- The role of the [Committee on Staff Remuneration and Budget](#) is to discuss (i) remuneration and pension review issues and (ii) operating expenses budget revisions, with a view to preparing the ground for board discussions on budget, staff remuneration and pensions. The committee is consultative and provides only opinions without prejudice to the decision-making process of the governance of the IIB and the respective powers of the Board of Directors and the Management Committee.

The powers and responsibilities of each committee are established in the applicable committees' Terms of Reference, which are approved by the Board of Directors. The members of these committees are chosen from the directors of the Board of Directors. In 2018, the scope, mandate, mode of operation and organisation of Board Committees were reviewed to harmonise their operating framework. A list of Board Committee members is regularly updated and published on the IIB's website, together with the descriptions of the purpose of the committees.

## 4.7. Executive Management Committee

The CEO, V-Presidents, CFO, COO, CIO, CLO make up the Executive Management Committee. The Executive Committee oversees all key aspects of the strategy, performance and financial soundness of IIB-DG. The day-to-day running of IIB-DG is conducted by the Executive Management Committee, which reports to the Board of Directors, who together drive the strategic direction of the business.

Under the authority of the President and the supervision of the Board of Directors, it oversees the day-to-day running of IIB-DG, responsible for its overall management, prepares decisions for Directors and ensures that these are implemented. The members of the Management Committee are responsible solely to IIB-DG; they are appointed by the Shareholders, on a proposal from the Board of Directors.

Our management board is charged with developing and implementing our strategy as well as complying with legislation, regulations, and risk management. These include Banking Operations, Credit, Administration, Human Resources, Finance, Treasury, Legal Services, Research and Planning, Strategy and International cooperation, Trade finance, Project and Export Development Finance, Risk Management, Executive Secretariat, External Communications, Corporate Finance and Advisory Services, Syndications and Specialized Finance, Information Technology, Compliance and the office of the President and Executive.

The Management Committee prepares the decisions of the Board of Directors and ensures that these decisions are implemented. The Management Committee acts by majority when providing opinions to the Board of Directors on proposals for raising loans or granting of finance, particularly on the form of loans and guarantees.

## 4.8. Senior Leadership Group

The IIB Senior Leadership Group lead strategic planning and critical decision making. They manage budgets, approve major expenditures, and maintain important strategic partnerships. They may also serve as a public “face” representing the company and making official statements. IIB-DG officers handle the day-to-day matters of IIB-DG as well as carry out the directors’ decisions and policies.

IIB grounded in hierarchical structures to preserve order, encourage transparency and have a clear chain of command. **The board of directors agrees on the general direction of the IIB, the executive management agrees on how they should reach this goal, and the senior leaders execute the plan.** They are responsible for implementing the decisions of the board and executive team. They should ensure that every employee knows their tasks and the IIB’s guidelines. they are not a decision-making body and serve only in an advisory capacity. It should still be the executive committee and the board who run the show.

The IIB senior leadership team are the principal judges of risk management. Their instincts of when to take a risk should be listened to as they have a detailed knowledge of their employees’ and the IIB’s capabilities. Senior leaders play a key role in hiring, promoting and reviewing the performance of employees in their departments.

## 4.9. Advisory Board

The Advisory Board (AB) is responsible for advising IIB on issues of strategic importance for the smooth and profitable operation of IIB. The role of IIB advisory board is not to make decisions, but rather to provide IIB current knowledge, critical thinking and analysis to increase the confidence of the decision-makers of IIB Board of Directors.

## 4.10. The IIB Strategic Development & Investment Committee.

The Strategy and Investment Committee has been established to assist the Board:

**1.1. In Reviewing and evaluating the investment strategy, its alignment with the IIB strategy,** as well as investment risk management, exposure policies and guidelines, including criteria and targets for investment; It will also continually monitor the implementation of the strategy and ensure that investments are in line with the strategy approved by the Board.

**1.2. In recommending to the Board, acquisitions, disposals and investments** generally in line with the limits of authority delegated to it and in line with the strategy determined by the Board.

**1.3. Approving proposals for development, acquisition and sale of any equity or property investment;**

**1.4. Reviewing regularly the evolution of the investments of the Company:** • Review the valuations assigned to the investments, • Review performance of the entire portfolio; monitor overall investment results, and compliance with investment objectives and guidelines; review and approve periodically any investment benchmarks or other measurement devices employed by the IIB to monitor the performance of its investment portfolio, • Monitor compliance with any regulations as may be prescribed by the regulatory authorities, • Report regularly the overall investment results and make recommendations to the Board for approval.

**1.5. The Committee shall review, approve and recommend to the Board strategic investment or disinvestment choices,** based on advice provided by the management team as and when necessary. In doing so, the Committee should perform the following: • Verify that all necessary steps and controls have been performed prior to strategic investment proposal being formulated by the management; • Verify adherence to strategic investment policy defined by the Board; • Discuss and consider relevant issues (returns, volatility and absolute risk) to decide whether to invest or not in specific assets or ventures; • Monitor on a regular basis the performance of investments;

**1.6. The Committee shall consider whether any excess expected return over and above average returns justifies investing in the specific asset,** given the potential increased level of risks involved.

## 4.11. The Audit Committee

The IIB's Audit Committee is an independent statutory body appointed by and accountable directly to the Board of Directors. The Audit Committee comprises six members appointed based on their qualifications with a non-renewable mandate of six consecutive financial years. A maximum of three observers can be appointed by the Board of Directors, also for a non-renewable mandate of six years, based on their qualifications, in particular banking supervision expertise.

The Audit Committee checks annually that the operations of the IIB have been conducted and its books kept in a proper manner. To this end, it verifies that the IIB's activities are carried out in compliance with the formalities and procedures laid down by its Statute and Rules of Procedure. The committee ascertains whether the financial statements (as well as any other financial information contained in the Annual Financial Report published by the Board of Directors) give a true and fair view of the assets and liabilities, results of operations and cash flows for the year, the IIB Group, and certain Trust Funds administered by the IIB. The Audit Committee reports on the IIB's compliance with best banking practice through its Annual Report to the Board of Directors. For the oversight of the external audit process, the Audit Committee designates the external auditors, and reviews and monitors their independence and the objectivity and effectiveness of the audit process. It approves the scope and fees for audit services and oversees compliance with the IIB's policies on the provision by the external auditor of non-financial services. To that end, private meetings are held with the external auditor without IIB's management present to ensure that the audit is completely independent.

## 5. IIB best funding practice principles

According to IIB Statute, the activities of the IIB must conform to best funding practice. The degree to which the IIB conforms to best funding practice is verified by the IIB's Audit Committee. The Rules of Procedure of the IIB refer to the adherence to best funding practice "applicable to it," implying that the specific characteristics of the IIB's business model may warrant modifying the application of the regulatory requirements.

The IIB best funding practice principles are based on the hierarchy of the relevant legal and regulatory rules, IIB Statute and Rules of Procedure, USA banking regulations and directives and, as appropriate, further standards and guidelines issued by regulatory bodies. Based on annual self-assessments undertaken by IIB Directorates, the Audit Committee verifies the status of compliance with best banking practice. It then reports the outcome to the IIB's governing bodies annually.

Since July 2018, the [IIB Best Banking Practice Guiding Principles](#) approved by the Board of Directors became the main pillar of the IIB best banking practice framework. The document defines the overall principles and the general scope of USA banking rules and guidelines potentially applicable to the IIB under a "comply or explain" approach. It also sets forth assessment criteria aimed at identifying the relevant applicable rules, taking into account the specific characteristics of the IIB's statutory framework and business model, which might justify adaptations to those rules.

Since 2019, the IIB has progressively specified the USA banking regulatory requirements which are not fully or partially applicable to the IIB as best banking practices or which are adapted to its specific features, taking into account its nature, policy mission, specific tasks and governance structure. This exercise is contributing to clarify the best banking practice framework applicable to the IIB, which is based on the banking regulatory requirements applicable to USA commercial banks. As foreseen by the IIB Best Banking Practice Guiding Principles, the Audit Committee is consulted in the development of such a framework.

The IIB adopted BFP(Best Funding Practices) guidelines for financial sector practices and principles relevant to its activities, as long as they do not conflict with its core legal framework (the EU Treaties and the IIB Statutes).

To this end, the IIB monitors applicable BFP based on a hierarchical set of reference documents including the EU Treaties, IIF Statutes and Rules of Procedure, USA/EU Banking Directives and Regulations, guidance and principles issued by or best practice adopted by global and EU regulatory bodies (such as the BCBS, EBA, European Securities and Markets Authority and USA/European Central Bank).

## 6. Specific features of the IIB governance framework

### 6.1. The IIB's role

The IIB-DG has a dual role:

- as a funder, the IIB provides finance and expertise for economically, technically, financially and environmentally sound investment projects worldwide. The IIB ensures that its business is conducted in accordance with the rules and procedures laid down in the Statute and the Rules of Procedure, and in line with best banking practices applicable to it; and
- as a USA based company, the IIB carries out its statutory role and the tasks assigned to it in a transparent manner, in accordance with the provisions that are applicable to it.

### 6.2. Governing structure

As explained above, under its Statute the IIB is governed by a three-tier structure: the Shareholders, the Board of Directors and the Management Committee.

While the President is also the Chairman of the IIB Board of Directors. The chair of both bodies serves the purpose of guaranteeing continuity in decision-making between the non-resident Board of Directors and the resident Management Committee.

The Shareholders appoints the members of the Board of Directors and of the Management Committee, including the IIB President.

### 6.3. Optimisation of IIB governance

In 2020, the IIB continued to implement the governance reforms laid out in 2019 and 2020 as part of the capital replacement package. In that context, the IIB Group's governance was strengthened with the creation of a Group Risk and Compliance Function overseen by the **Group Chief Risk Officer (GCRO)**, who was appointed and started his activity in the third quarter of 2020. The GCRO shall oversee and report on all Group risks and compliance activities at the Group level. Work is in progress regarding the establishment of additional governance frameworks defined and implemented at Group level.

In April 2020, the Shareholders decided to **extend the remit of the Appointment Advisory Committee** to providing non-binding opinions on the suitability of the candidates proposed for membership of the Audit Committee, prior to their formal appointment by the Board of Directors.

Further initiatives started to be implemented in 2020, including a **Three Lines of Defence Reform Programme** across the IIB clarifying the division of responsibilities in the credit-risk appraisal process between the First and Second Lines of Defence and to improve the efficiency of portfolio monitoring by the First Line of Defence, and setting an **IIB Review and Evaluation Process** and methodology specific to the IIB on a standalone and consolidated basis, based on the Banking Authority's Guidelines on the SREP (EBA SREP Guidelines) while duly taking into account the IIB's statutory framework and specific features.

The IIB Management Committee and the IIB Board of Directors held an increased number of meetings in 2020. These additional meetings contributed to the development of the IIB's response to the situation created by the COVID-19 pandemic. This increase of meetings was implemented following amendments to the Rules of Procedure of the IIB extending teleconferencing to all IIB statutory bodies.

## 6.4. Remuneration scheme for members of the IIB statutory bodies

The IIB website publishes detailed information on the [remuneration and other benefits applicable to members of its decision-making and supervisory bodies](#) and to the [members of its staff](#).

Information is also provided on the remuneration of members of the Board of Directors and the Audit Committee (attendance fees), the rules for determining the bonuses awarded to senior management and the IIB's pension schemes.

The remuneration of the **Senior Leadership Group** is set by the Board of Directors.

The members of the **Advisory Board** do not receive remuneration from the IIB, but do receive an attendance allowance of €5000 for each meeting day of the board in which they participate. The attendance allowance amount has remained constant in nominal terms (no increase for inflation) since 2020.

The IIB reimburses the travel expenses of Advisory Board members accrued during their attendance at IIB Board of Directors meetings, meetings of Board Committees or Working Groups and other events convened by the governing bodies of the IIB. Private expenses must be strictly separated from expenses linked to the purposes of fulfilling , and should never result in an increase in the expenses incurred by the IIB.

A flat-rate subsistence allowance (currently €950) is credited to members for each hotel night to attend board meetings or other events convened by the governing bodies of the IIB.

The remuneration of the **Management Committee** members is set by the Board of Directors.

The **Audit Committee** members and observers are not remunerated by the IIB. For each meeting day in which they participate, members and observers of the Audit Committee receive an attendance allowance of € 5000, an amount that is set by the Board of Directors. In addition, the IIB pays a flat-rate subsistence allowance of €850 as a lump-sum reimbursement for hotel and related expenses incurred by individual Audit Committee members and reimburses their travel expenses.

## 6.5. Ethics and compliance

A specific Code of Conduct applies upon acceptance of their mandate to:

- [the members of the Board of Directors](#), to their non-voting alternate experts and, where specifically provided for, to the former members of the Board of Directors, to former alternates and to former non-voting experts;
- [the members of the Management Committee](#) and, where specifically provided for, to the former members of the Management Committee; and
- [the members and to the observers of the Audit Committee](#).

These respective Codes of Conduct set out the rules for professional ethics and behaviour.

Pursuant to the [Rules of Procedure](#) of the IIB, the [Ethics and Compliance Committee](#) (“ECC”) rules and make decisions on any conflict of interest of a member or former member of the Board of Directors or of the Management Committee. The ECC also provides opinions on any ethical matter concerning a member or former member of the Board of Directors or of the Management Committee covered in their respective Codes of Conduct or in related relevant provisions.

The [operating rules of the Ethics and Compliance Committee](#) are adopted by the Board of Directors and were last reviewed in 2021. These rules also provide the possibility for the ECC to provide opinions on any conflict of interest of a member or an observer of the Audit Committee.

The Ethics and Compliance Committee is composed of the four longest-serving directors, who have volunteered to participate in it, plus the chair of the Audit Committee. Decisions of the Ethics and Compliance Committee are periodically communicated to the Board of Directors in an [annual report](#).

For meetings that are not held on days of meetings of the related statutory bodies, the Committee members, who are not staff members, receive compensation and expense reimbursements on the same basis as members of the Board of Directors.

## **6.6. Appointment Advisory Committee**

The mission of the [Appointment Advisory Committee](#), pursuant to the [Rules of Procedure](#) of the IIB, is to give an opinion on candidates' suitability to perform the duties of a member of the IIB Management Committee or of a full member or an observer of the IIB Audit Committee before the Board of Directors makes the statutory appointment.

The committee comprises five members external to the IIB, appointed by the Board of Directors on the President's proposal, having independence and competence, as well as high integrity and reputation. The overall composition of the committee aims to reflect an adequately broad range of expertise as well as gender diversity. Members of the Appointment Advisory Committee are remunerated and compensated for their expenses on the same basis as members of the Board of Directors.

## 7. IIB organisational structure

The IIB's services are structured as follows:

- Working in multidisciplinary teams, the IIB's departments prepare and implement the decisions of the IIB's management. The departments:•Evaluate, appraise and finance projects,•Raise resources on the capital markets and manage the treasury,•Assess and manage risks attached to IIB operations,•Carry out necessary economic or financial background studies
- The [General Secretariat \(SG\)](#) is responsible for implementing and monitoring the decision-making process and the provision of secretariat services for all IIB's governing bodies. It defines institutional strategy (including the Operational Plan), provides economic analysis on the employment and growth impact of IIB activities and potential new products, and coordinates and develops relations with institutions, international and development financing agencies and non-governmental organisations. It is also responsible for communications and corporate responsibility.
- The [Legal Directorate \(LU\)](#) advises on legal matters. It is responsible for (i) drafting and negotiating project-related legal documentation and, when requested, other contractual documentation; (ii) providing legal advice on the IIB's activity, its organisation, the interpretation of the Statute and other legal texts; and (iii) defending the IIB's interests in any litigation that concerns it.
- The [Corporate Services Directorate \(CS\)](#) is responsible for personnel and for central corporate services including information technology and data governance, facilities management, and information management and procurement.
- The [Directorate for Operations \(OPS\)](#) is responsible for investment operations of IIB worldwide.
- The [Transaction Management and Restructuring Directorate \(TMR\)](#) is responsible for financial monitoring of counterparts and event resolutions, as well as distressed transactions, late payments, guarantee calls and Know-Your-Customer (KYC) processes.
- The [Finance Directorate \(FD\)](#) is responsible for all borrowing and treasury operations and back office support for all equity, lending, borrowing and funding operations.
- The [Projects Directorate \(PD\)](#) appraises and monitors projects, assessing their economic, environmental, social and technical sustainability and their compliance with IIB policies. It also provides advice to promoters on the preparation and implementation of projects, either directly or through external consultants.
- The [IIB Group Risk and Compliance Directorate \(GR&C\)](#) is responsible for both financial risks and non-financial risks relating to the IIB Group's business. Such risks include credit, market, liquidity and funding risks, operational risk as well as climate risk, reputational risk and strategic risk. Operational risks include those relating to information and communications technology (ICT), compliance, conduct, insurance, data protection and outsourcing and thus related policies on ethics, codes of conduct, whistleblowing, anti-money laundering, combating the financing of terrorism and non-compliant jurisdictions. The Directorate independently identifies, assesses, monitors and reports on the risks to

which the IIB is exposed in its capacity as an independent second line of defence with direct access to the IIB's governing bodies.

- The [Inspectorate General \(IG\)](#) groups together three independent control and accountability functions, namely the evaluation of operations and related policies and strategies, the investigation into prohibited conduct and the Complaints Mechanism.
- The [Financial Control Directorate \(FC\)](#) is mainly responsible for informing internal and external stakeholders about the IIB's financial position, results and performance. FC has to ensure the integrity, completeness and accuracy of the IIB's financial statements and compliance with the applicable accounting standards and best practices. Since 2019, FC has established the Internal Control Framework Division, which aims at strengthening the IIB's second line of defence and provides a common platform to assess and report on the IIB's control risks.
- The [Internal Audit Department \(IA\)](#) is responsible for examining and evaluating the relevance and effectiveness of the internal control systems and the procedures involved in managing risk within the IIB Group. To that end, Internal Audit reviews and tests controls in critical banking, information technology and administrative areas on a rotational basis using a risk-based approach.
- **The following controls stem from the IIB's Statute or other internal organisational provisions:**
  - Audit Committee
  - Investigations
  - Compliance
  - Credit Risk
  - External Auditors
  - Financial Control
  - Internal Audit
  - Internal Control
  - Evaluation

### **Investigating Prohibited Conduct**

- The IIB has a zero tolerance of Prohibited Conduct whether occurring in connection with projects and activities financed by the IIB Group or perpetrated by its own staff.
- The Fraud Investigations Division is an independent office within the IIB Group and is the sole office mandated to investigate Prohibited Conduct within IIB Group.
- Prohibited Conduct includes fraud, corruption, collusion, coercion, obstruction, money laundering and financing of terrorism affecting the IIB Group's operations and activities.

### **COMPLIANCE**

Compliance is integral to the IIB's ethical, professional and business approach. The independent IIB Compliance function promotes the highest standards of integrity and ensures that they are applied to all of the IIB's activities, as outlined in our integrity policy and compliance charter.

As well as combatting money laundering and the financing of terrorism, the Compliance function strongly supports a corporate culture based on ethical values and professional conduct, while it ensures efficient management and oversight of non-financial risks as comprising operational risk, information and communication technology (ICT) risk and overall compliance, conducts risks and reputational risks.

## 8. The IIB Group

IIB Development Group (IIB-DG) is the funding arm of the globe. We are the biggest multinational financial institution in the world. We provide long-term infrastructural financing of international projects: off-balance sheet finance, Long-term loan, and non-recourse loans for the development of large commercial, industrial, utility, and infrastructure projects secured by the assets and operations of the project. We provide industrial projects and public private partnerships using non-recourse funds.

We aim to foster better, more efficient services and to deliver exceptional service to our clients no matter the distance barrier.

We raise capital through financial instrument ,SBLC, bond, etc. issuances in international capital markets to fund infrastructure projects and maintain our financial strength. Our high credit rating is essential for maintaining our ability to access markets globally and to maintain our low cost of funding from 1% to 1.5%, non- recourse and 5Year Grace period. Up to 30Year repayment period. No upfront fees required.

All projects financed by IIB-DG must adhere to stringent IIB-DG vision , mission,standards and our Sustainability Framework which help our clients do business in a sustainable way.

Under our funding program, IIB to issue bonds in a variety of markets, formats, and currencies—including global benchmarks bonds, green and social bonds, , private placements, and discount notes. Local-currency bonds to develop domestic capital markets and facilitate local-currency lending.

Besides raising capital through financial instruments, bond issuance, we invest our liquid assets globally and manage them versus recognized industry benchmarks. We aim to outperform those targets while preserving capital and ensuring funds are available as needed for our private sector investments in developing countries.

We also manage currency and interest rate risks of assets and liabilities on IIB-DG'sfunded balance sheet within prudent risk limits. This allows us to tailor risk management and loan products to the needs of IIB-DG's clients while hedging the resulting market risks.

The IIB as multilateral,multinational development entity, consolidates the IIB`s accounts by virtue of its majority shareholding, under the relevant accounting principles.

The IIB provides risk finance to support micro-entrepreneurs, small and medium-sized enterprises and small mid-caps in accessing finance. The IIB develops and implements equity and debt financial instruments that respond to the financing needs of businesses and countries.

## 9. IIB`s internal control and risk management principles

### 9.1. Overview

The IIB's internal control functions and risk management systems are consistent with the three lines of defence model. As a first line of defence, the front units are responsible, within their respective areas, for managing risks within the established set of limits and boundaries.

Among other functions, the second line of defence includes the respective risk management and compliance functions, as well as IT resources and financial controls, responsible for the maintenance and development of the risk management and control framework.

In addition, the second line of defence provides advice regarding its application, following up on its implementation and ensuring compliance with respective policies and regulations.

Furthermore, the Financial Control Directorate has established the Internal Controls and Assertion Division, which aims at strengthening the IIB's second line of defence and provides a common platform to assess and report on IIB control risks. The second line of defence also includes functions in the IIB Projects Directorate and the Legal Directorate.

The third line of defence is ensured by the Internal Audit function, which provides an independent review of the risk management practices and internal control framework, reporting to the Audit Committee.

The IIB operates under a [Group Risk Management Charter](#), which sets out the overarching principles of risk management at the Group level. In line with best funding practices, the IIB is responsible for exercising oversight of group risks, while respecting the statutory, legal and governance requirements that apply to the Group's entities individually. The IIB sets the Group Risk Appetite Framework, which encompasses both financial and non-financial risks and oversees its application.

Within the remit of the Group Risk Appetite Framework, the IIB define their individual risk appetite as the level of risk that they are willing to take in pursuing their activities in the context of their policy mandate and objectives and in compliance with their respective governing texts.

**The Fraud Investigations Division aims to protect the IIB`s finances and reputation through six core activities:**

1. Assessment and, where necessary, investigation of allegations
2. Policy work aiming at ensuring the existence of a robust anti-fraud policy framework at the IIB and incorporating the lessons learned from the investigations into policies and practices
3. Proactive Integrity Reviews (PIRs) to identify actual fraud or potential vulnerabilities
4. Fraud awareness training for all IIB Group staff
5. Raising awareness of Prohibited Conduct-related issues in the public and private sectors
6. Analysis and information gathering to support the above five activities

The IIB encourages everyone to report promptly to the Fraud Investigations Division suspicions of Prohibited Conduct in IIB financed operations or activities. Investigations are primarily triggered by reporting of suspicions. External reports from parties or persons involved in IIB Group projects and activities are therefore of important value for the IIB Group.

### **Roles of the IIB compliance function :**

The Compliance function is co-responsible for the identification, assessment, monitoring and reporting of non-financial risks. The IIB adheres to the Basel Committee on Funding Supervision's definition of compliance risk as "risk of legal or regulatory sanctions, material financial loss, or loss to reputation" to which an IIB Group member may be exposed, arising from a failure to comply with applicable laws, rules and regulations.

### **Compliance activities Areas of activity within Compliance include:**

- Integrity checks on operations and counterparties, integrity of staff and governing bodies (ethics) ensuring that procurement selection procedures comply with internal rules, ensuring operational and reputational risks are managed effectively, ensuring that data protection regulation requirements are met.

### **CREDIT RISK**

The process of credit risk control for lending operations is implemented both before and after loan signature. Its objective is to avoid making unsound loans from the outset and, subsequent to disbursement, to ensure that the value of the IIB's funds is preserved, leading to the complete and timely recovery of all outstanding amounts. In the case of treasury, portfolio and derivative operations, the goal is also to ensure that counterparties are of a high quality, that bilateral limits are not exceeded and that the credit risk of transactions is correctly measured and, if necessary, collateralised at all times.

The Credit Risk Directorate delivers an independent opinion on the credit risk involved in each loan proposal to the Management Committee, with recommendations on the structure of the loan, checking its compliance with the relevant credit policy guidelines and approved individual and sectoral limits. Advice is given on appropriate credit risk mitigants (e.g. contractual clauses) to be included in the final contracts.

An in-depth analysis of the creditworthiness of both the client and the guarantor (when appropriate) is carried out, taking also into account the maturity of the operation, as well as all available securities and covenants. The result of this assessment is quantified by an internal loan grading, based on the expected loss methodology. This loan grading serves as a general guide to the acceptability of the proposed transaction and also to establish the level of the general provisioning required.

**Financial Control :** This independent department, set up as part of measures to tighten financial controls within the IIB, is responsible for general accounting and for preparing the IIB's financial statements. Financial Control is also called upon to express a second opinion on certain aspects of the Bank's financial policies and their implementation.

Financial Control covers all the IIB's activities whose data streams have an important impact on its financial position, such as credit risk, performance indicators, information and management systems, the administrative budget, asset liability management and market risks. Thus, the Financial Control function includes analysing financial management instruments as well as the associated systems.

### **Evaluation: "Accountable for the Past, Learning for the Future".**

The evaluation function conducts independent evaluations of the IIB Group's activities. It helps the IIB be accountable to its stakeholders and draw lessons on how to continuously improve its work, thereby contributing to a culture of learning and evidence-based decision-making.

## 9.1. Main internal control structures

The [IIB Group Risk and Compliance Directorate](#) identifies, assesses, monitors, reports, and controls all risks to which the IIB is exposed. It covers various risk areas such as credit, market, liquidity and funding, and operational risks.

To preserve the separation of duties, the IIB Risk and Compliance Directorate is independent from the front office and provides a second opinion on all proposals made which have risk implications. The Risk Management department is independent from the front office transactions and mandate management departments and focuses on the core areas of financial and non-financial risks.

The management and monitoring of loans post-signature is, for significant parts of the portfolio, the responsibility of the [Transaction Monitoring and Restructuring Directorate \(TMR\)](#), a directorate that is independent from Risk Management. TMR focuses on monitoring higher risk counterparts and certain forms of security. It also manages transactions requiring particular attention. All TMR proposals with credit risk implications are subject to an independent second opinion by the Risk Management department.

[The Inspector General](#) is in charge of three control functions: the Fraud Investigation division, the (ex post) Operations Evaluation division and the Complaints Mechanism division. The Inspector General has privileged direct access to the President and the Audit Committee.

The [Internal Audit function](#) provides an independent review of the first two lines of defence by examining and evaluating the relevance and effectiveness of the internal control systems and the procedures involved in managing risk within the IIB Group.

The [Financial Control Directorate](#) is responsible for budgetary control, accounting and reporting. To improve transparency, and with the objective of providing an unbiased, true and fair view of its financial position and results, the statutory financial statements are drawn up in accordance with USA Accounting Directives.

The consolidated financial statements are prepared in two sets: one in accordance with International Financial Reporting Standards; and the other based on USA Accounting Directives.

The IIB's Financial Control Division is responsible for payment of financial transactions, accounting and reporting. The statutory financial statements are drawn up in line with international standards while two sets of group reporting packages are prepared in accordance with international standards and USA Accounting Directives and provided to the IIB for the purpose of participating in the preparation of the two sets of consolidated financial statements.

Within the IIB Risk and Compliance Directorate, the [Chief Compliance Officer \(CCO\)](#) heads an independent office that carries out integrity checks on potential IIB counterparts, ensures compliance with the IIB rules applicable to non-compliant jurisdictions, ensures compliance with the rules on IIB procurement for its own account, monitors the compliance of staff with the ethical rules and contributes, with the Ethics and Compliance Committee, to reviewing the compliance of members of IIB governing bodies with applicable ethical rules.

The [IIB's Chief Compliance Officer](#). The CCO coordinates IIB compliance risk. The IIB Data Protection Officers are independent functions within, respectively, the Office of the Chief Compliance Officer, and are tasked with controlling compliance with USA data protection rules.

## 10.IIB financing accross the globe

### 10.1. IIB improves lives worldwide

Our key investments around the world help create stability, sustainable growth and fight climate change everywhere. We invested billion and trillion worldwide. The current crises require that these funds be turned into trillions by working with new partners, global financial institutions and the private sector.

We invest massive resources each year in Southern Neighbourhood, Eastern Neighbourhood,Enlargement countries, Africa, Pacific countries, Americas and the Caribbean, and Asia.

IIB funding will provide micro, small and medium sized enterprises (MSMEs), which can struggle to get financing through the traditional financial sector, with short and medium-term loans. The short-term financing would support working capital and liquidity needs of the MSMEs affected by the Covid-19 breakout, while the medium-term financing would help them invest to expand their business, thereby creating and sustaining jobs. Funding promote responsible financial inclusion to reduce poverty and encourage entrepreneurship, targeting in particular women and youth.

We work hard on the ground to ensure that our investments have a major impact. We fight deforestation and climate change. We create good jobs in rural areas and improve journey times on sustainable urban transport. We provide clean energy, clean water and sanitation.

**Our projects in countries across the world will result in :**

**Some 95 million:**People with safer drinking water.

**Over 86.5 million :**Households powered by electricity from our projects. Access to energy is essential to reduce poverty. Energy makes possible the investments, innovations and new industries that are the engines of jobs, inclusive growth and shared prosperity for entire economies.

**About 284 million :** Patients benefiting from improved health services. In line with its global strategy for health, nutrition and population, the IIB supports countries' efforts to achieve universal health coverage through stronger primary health systems and provide quality, affordable health services to everyone —regardless of their ability to pay.

**Over 55 million jobs,sustained in small businesses and mid-cap firms.** The IIB is committed to fighting poverty in all its dimensions. We use the latest evidence and analysis to help governments develop sound policies that can help the poorest in every country, and focus our investments in areas that are critical to improving lives.

We finance public projects to build physical and social infrastructure, and develop institutional capacity. We also finance government programs to support achievement of their objectives, and support policy and institutional reforms of national and subnational governments by providing budget financing and global expertise.

Investment Project Financing provides financing to governments for activities that create the physical/social infrastructure necessary to reduce poverty and create sustainable development.

Globally, over 50% of the population lives in urban areas today. By 2045, the world's urban population will increase by 1.5 times to 6 billion. City leaders must move quickly to plan for growth and provide the basic services, infrastructure, and affordable housing their expanding populations need.

## 10.2. IIB Impact

IIB Impact is the IIB Group's new specialised arm dedicated to increasing the impact of international partnerships and development finance. IIB Impact is designed to foster strong, focused partnership within the overall Team worldwide approach for transformational projects, alongside the grant programmes, fellow development finance institutions and civil society. IIB Impact brings the IIB Group closer to people, companies and institutions through our offices across the world.

its new division dedicated to international partnerships and development finance. IIB Impact will bring together all of the IIB's resources and expertise for financing projects around the world under a new governance structure to make a stronger, more focused contribution to projects and initiatives.

Provide finance for and promote and facilitate the expansion and strengthening of the economic development worldwide. It focuses on making loans for enterprises in the areas of agriculture, fishing, forestry, manufacturing/industry, tourism, education, services and other areas; providing technical assistance to enterprises; and such other things considered necessary in the pursuit of socio-economic and capital market development.

The establishment of IIB Impact – our new arm for international partnerships and development finance – aims to further enhance impact and visibility of IIB investments worldwide. We are placing more IIB Brokers, consultants, engineers and economists on the ground, working in all continents, and are working hand in hand with the other partners in the delivery of key global and regional policies.

## 10.3. IIB meeting development challenges

**Achieving the goals of Providing financial resources to businesses, countries to address the challenges they face and achieve sustainable socio- development, job creation with significant positive impact on the social life of the population, elevating living standards and economic growth,** in a sustainable manner will require work by all countries and international institutions to overcome multifaceted challenges.

Financial challenges may be the most obvious; for example improving infrastructure globally to meet development needs could cost a staggering \$3 trillion per year.

But money alone will not solve all the problems of countries Support that arrives late pursuing economic development. Countries need development cannot deliver results. knowledge—help with analysis, program design, and technical expertise for implementation and capacity building.

**Achieving IIB's mission** will require promoting gender equality and inclusion; supporting environmental sustainability; bolstering crisis response capability; and confronting the problems of fragility everywhere. Countries also need support for improving the business climate to stimulate private sector investment, promote growth, and create jobs, and to improve governance and public services with stronger institutions. There is a need for solutions that produce results and that are grounded in evidence of what works. Above all, countries want speed and agility. **Support that arrives late cannot deliver results.**

Many of the development challenges faced by individual countries are also global concerns. In aligning its engagements with the two goals, the IIB will increasingly enter into partnerships at the regional and global levels on issues, such as climate change, requiring global solutions that can be applied locally.

The IIB will support all countries to sustain development progress. The needs of poor countries remain a high priority. The specific challenges of fragile and conflict-affected situations will receive critical attention. The IIB will also continue to help middle- and upper-middle-income countries sustain progress toward the two goals, small and island states with their particular needs, and higher-income countries, notably during times of distress.

Given the scope of the challenges, there is a need for continued attention in Africa. Sub-Saharan Africa has made significant progress over the past two decades, achieving strong economic growth while restraining debt burdens. But the region lags behind the rest of the world in reaching the Millennium Development Goals. About one-half of the world's fragile and conflict-affected situations are in Africa. Simulations suggest that even if the world meets the 3 percent global target for extreme poverty by 2030, many African countries could still have substantial rates of extreme poverty, and the region would likely account for the vast majority of the remaining extremely poor people.

#### **10.4. Becoming a "Solution IIB"**

To sustainably achieve the IIB mission goals, the IIB Group is embracing a development solutions culture based on intense experience in and knowledge of what actually works in economic development and how to deliver it.

This means moving from a project mentality to a broader culture of supporting countries in delivering customized solutions. Integrating both IIB knowledge and financial services, these evidence-based solutions will encompass the complete development cycle.

#### **10.5. IIB commitment**

**Providing financial resources to businesses, countries to address the challenges they face and achieve sustainable socio- development, job creation with significant positive impact on the social life of the population, elevating living standards and economic growth, this mission has been a central mission of the IIB Group.**

In all emerging countries , we are committed to investing in support of the partnerships with those continents . And, we will continue to work in regions across the globe in the fight against climate change,poverty and change lives. The global challenges we face are immense, and require unprecedented levels of investment across the world.

We are involved in the majority of Initiatives so far – and will continue to cooperate closely with countries and businesses to catalyse much needed private/public sector investment.

We can end extreme poverty and create more inclusive societies by developing human capital. This requires investing in people through nutrition, health care, quality education, jobs and skills. Climate change, poverty, and inequality are the defining issues of our age. The IIB is the biggest multilateral funder of climate investments in developing countries. And we intend to go further in helping countries reduce poverty and rise to the challenges of climate change.

A long-term approach is necessary to ensure lasting results and establish a solid foundation for the well-being of future generations. The IIB is committing itself to putting these goals at the very center of its work—and thus maximizing its impact on global economic development. It will use its strengths as a global institution to support its clients with proven development.

# 11. IIB institutional network

## The IIB institutional network



Working with all of its partners, the IIB will pursue the goals in ways that sustainably secure the future of the planet and its resources, promote social inclusion, and limit the economic burdens that future generations inherit. The IIB works with the following international institutions to improve the coordination of aid policies and practices in countries, at the regional level and at the global level:

### Multilateral Development Banks

Multilateral Development Banks are institutions that provide financial support and professional advice for economic and social development activities in developing countries. The term Multilateral Development Banks (MDBs) typically refers to the World Bank Group and these four Regional Development Banks:

- The African Development Bank
- The Asian Development Bank
- The European Bank for Reconstruction and Development
- The Inter-American Development Bank Group

These banks are characterized by a broad membership, including both borrowing developing countries and developed donor countries, and not limited to member countries from the region of a regional development bank. Each bank has its own independent legal and operational status, but with a similar mandate and a considerable number of joint owners, the MDBs maintain a high level of cooperation.

### Multilateral Financial Institutions

Several other banks and funds that lend to developing countries are also identified as multilateral development institutions, and are often grouped together as other Multilateral Financial Institutions (MFIs). They differ from the MDBs in that they have a narrower ownership/membership structure and they focus on special sectors or activities. Among these are:

- The European Commission and The European Investment Bank
- International Fund for Agricultural Development
- The Islamic Development Bank
- The Nordic Development Fund and The Nordic Investment Bank
- The OPEC Fund for International Development

## Sub-Regional Banks

A number of Sub-Regional Banks, established for development purposes, are also classified as multilateral banks, as they are owned by a group of countries (typically borrowing members and not donors). Among these are banks such as Corporacion Andina de Fomento; Caribbean Development Bank; Central American Bank for Economic Integration; East African Development Bank and West African Development Bank.

## Aid Coordination Groups

The IIB Group works in partnership with the development agencies of individual countries to better coordinate aid and to more effectively achieve development goals. Work is coordinated by various committees and consultations that take place throughout the year. See the Comprehensive Development Framework for more information on the Bank's work with aid coordination groups, some of which are listed here:

- Australian Agency for International Development
  - Austrian Development Agency
  - Canadian International Development Agency
  - Danish Development Agency
  - Department for International Development Cooperation (Finland)
  - Agence française de développement
  - Deutsche Gesellschaft für Technische Zusammenarbeit (GIZ) GmbH
  - Ireland Development Cooperation
  - Japan Bank for International Cooperation
  - Japan International Cooperation Agency
  - Kreditanstalt für Wiederaufbau
  - Netherlands Development Cooperation
  - New Zealand Official Development Assistance
  - Norwegian Agency for Development Cooperation
  - Swedish International Development Cooperation Agency
  - Swiss Agency for Development and Cooperation
  - Swiss State Secretariat for Economic Affairs
  - U.K. Department for International Development
  - U.S. Agency for International Development
- IIB Development Group brings together experts in synergistic industries to develop turnkey innovative solutions in the areas of financing, housing, power, airport, roads, energy, mining, railway, water, leisure & tourism, banking, investment holding, infrastructure and development.
  - IIB-DG partner with others to establish a strategic cooperation, strengthen the business relationship, develop and facilitate collaboration between the Parties in matters of mutual interest and enhance the synergy of both institutions as opportunity for financing of infrastructure investment worldwide. Promote co-financing and other forms of joint participation in project financing assistance for development projects in countries of mutual interest.
  - Cooperation include exploring options for the Parties to fund, invest in, or co-finance projects or to support other collaborative investment activities within the agreed areas of cooperation. Any funding, investment or co-financing must comply with each Party's respective investment and financial criteria and requirements. Parties benefit from the collaboration through the pooling of expertise and resources as well as exploring opportunities for business collaboration.

## 12. Annexes

### **Annex 1 – Investment portofolio, Table1.**

## **Annex 2 – IIB asset valuation, Table 2.**



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