



# OCIS NEWS

OXFORD CENTRE FOR ISLAMIC STUDIES

## Sultan of Brunei Prize in Islamic Finance awarded to The IDB and its Founding President

On 5th April the Centre hosted the ceremony for the award of the Sultan of Brunei International Prize. This Prize was created by HM Sultan Hassanal Bolkiah in 1992, and the Centre was greatly honoured to be entrusted with its administration. The award recognises excellence and achievement in different areas of academic activity. This year it focussed on outstanding contributions to the development of the theory and practice of Islamic finance. At the ceremony, the Centre's Director explained how an international jury of eminent persons, convened by the Centre in Oxford, came to the unanimous conclusion that the prize should be awarded to the Islamic Development Bank for its outstanding contribution to the development and practice of Islamic finance and economics over more than forty years. The jury also concluded that a special award should be made, in a personal capacity, to HE Dr Ahmad Mohamed Ali Al-Madani, the Bank's founding Director, who had led the institution with great distinction until his retirement in 2016. His Royal Highness Prince Abdul Mateen presented the awards on His Majesty's behalf at a special ceremony in the Centre's auditorium. Dr Ahmad Mohamed Ali Al-Madani was in Oxford to receive the award in person and spoke in his address of his experiences in developing the IDB and his appreciation of the distinction. The award to the IDB as



*HRH Prince Abdul Mateen presenting the award to HE Dr Ahmad Mohamed Al-Madani*

an institution was received by its Vice President, HE Dr Zamir Iqbal, on behalf of the IDB and its current President, HE Dr Bandar Al Hajjar.

**Dr Ahmad Mohamed Ali** studied commerce and law in Cairo, then public administration and financial management in Michigan and New York universities. He worked as an academic and also held senior positions in government before his appointment as the IDB's founding President in 1975. His vision, wisdom and consistent leadership over forty years have made the IDB the most important financial institution in the Islamic world. The IDB had to be built from the ground up with little in the way of established Islamic models to follow. Its success is a tribute to the steadiness of purpose of its founders. Under their guidance the IDB has enjoyed unprecedented growth in the volume, scale, and geographical spread of its funds and projects. The Director noted Dr Ahmed Ali's consistency of good judgement with which he picked and inspired the colleagues and partners who helped him deliver success on such a scale. The most enduring of his achievements was to have established an institution that could continue his legacy. Many people, inspired by him, have contributed to the success of the IDB, which as an institution, was a joint-winner of the Sultan of Brunei Prize.

On Dr Ahmed Ali's retirement the mantle passed to



*Dr Zamir Iqbal, IDB receiving the award from HRH Prince Abdul Mateen on behalf of the IDB*



*HE Dr Ahmad Mohamed Al-Madani addressing the audience*

another most distinguished public servant, HE Dr Bandar Al Hajjar whose own distinguished career is evidence that the legacy is in excellent hands and that the IDB will go from strength to strength in the years ahead.

The **Islamic Development Bank** was founded in August 1974 specifically to foster the economic development and social progress of member countries and of Muslim communities in non-member countries. The present membership consists of 57 countries of the Organisation of Islamic Cooperation that contribute to the Bank's subscribed capital. The Bank participates in equity capital, grants loans for productive projects, and facilitates trade among member countries. It also manages special funds and trusts for specified objectives that include assisting Muslim communities in non-Muslim countries.

In all of its activities, the IDB has adopted, encouraged and tested the principles of Islamic economics. In so doing it has played a major role in developing the field theoretically while growing the range and scale of Islamic financing within financing activity as a whole.

The IDB is Islamic in that it is oriented to achieving public good, directly and deliberately. The easiest examples of investment for public good have followed disasters such as the work done in Indonesia following the Indian Ocean earthquake and tsunami in 2004. In the aftermath of the disaster, the IDB teamed up with local government agencies to build schools and clinics and re-build roads and bridges. Its partners knew where the soft loans provided could be applied to benefit the local economy in the long term. In this and many similar cases, the IDB assessed immediate needs and built the partnerships and protocols through which those needs could be met in timely and transparent ways.

Larger scale projects are managed on the basis of profit-loss sharing or leasing contracts. One example is the

provision of equipment and infrastructure to the health service in Tunisia. In this case, the IDB loans were coordinated with loans from the EU Investment Bank. The project has enjoyed phenomenal success with benefits in all areas of the Tunisian economy. Another phenomenal success is the IDB's investment in wind, solar and hydro energy production in Turkey. The willingness of IDB to work with partners, Muslim and non-Muslim, is also a crucial factor in promoting the trust that can sustain a goodwill economy. These are high purposes, high achievements.

The award of the Sultan of Brunei International Prize on this occasion will further encourage the Centre's growing research interest in Islamic finance. In recent years the establishment of its Islamic Finance Unit has consolidated the Centre's past efforts and helps to orient future initiatives through the development of an international platform for debate, dialogue, research and publication. The aim of the Unit is to bring together specialists and reach out to stakeholders worldwide, building networks at all levels. Since 2010 the Centre has partnered with the Securities Commission Malaysia to run an annual Islamic finance conference on topics such as the post-global financial crisis, endowments, liquidity management, sustainability, public policy, Islamic finance and the public good, and enhancing the value of Islamic capital. This is complemented by seminars and publications. Additionally, since 2012, a visiting fellowship 'Scholar in Residence' programme has brought Islamic finance specialists to Oxford from around the world to extend and deepen this important area of research.



*HRH Prince Abdul Mateen with the Director in the Prince of Wales Garden*

In this context the Trustees were pleased and honoured that His Majesty supported this research initiative by agreeing to award the Sultan of Brunei International Prize to such worthy recipients in the field – the Islamic Development Bank and its founding President, HE Dr Ahmad Mohamed Ali Al-Madani.