



ICD's Progress Report

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Ankara

Brief Information about ICD

The Year of Establishment	1999
Headquarters	Jeddah, Saudi Arabia
Member	The Islamic Development Bank Group
Mandate	<i>Our Vision: To become a leading Islamic multilateral financial institution for the development of the private sector.</i> <i>Our Mission: To complement the role played by the Islamic Development Bank (IsDB) through the development and promotion of the private sector, to boost economic growth and prosperity.</i>
Authorized Capital	US\$4 Billion
Paid-up Capital	US\$1.59 Billion
Cumulative Approved Projects Since Inception	US\$7.61 Billion (till 31/03/2025)
Cumulative Disbursements Since Inception	US\$5.18 Billion (till 31/03/2025)
Cumulative Approvals by Sector (till 31/03/2025)	Finance Sector (SME Financing) = 59.11% Industry and Mining = 14.62% Funds = 7.03% Energy Sector = 6.08% Other Sectors = 13.16%
Total Number of Member Countries	56
Number of Projects	575 (till 31/03/2025)

1. The Islamic Corporation for the Development of the Private Sector (ICD), a member of Islamic Development Bank (IsDB) Group, currently has an authorized capital of \$4 billion and its shareholders feature 56 OIC member states and 5 public financial institutions. The mandate of the ICD is to support the economic development of OIC member states through the provision of finance, advisory and technical assistance to private sector projects in accordance with the principles of Sharia.
2. With twenty-five years record of accomplishment of strong developmental and operational footprint, ICD continues delivering innovative private sector solutions and serves as a bridge between private investment and sustainable development in its 56 member countries. As of the end of first quarter of 2025, ICD's cumulative approvals stand at \$7.61 billion, and cumulative disbursements total \$ 5.18 billion.
3. As per IMF's latest World Economic Outlook in April 2025, global growth is projected at 3.3% both in 2025 and 2026, below the historical (2000–19) average of 3.7%. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook

(WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies.

4. To address the private sector development related challenges facing its member countries in 2024, ICD has approved a total amount of \$663 million financing. In terms of product breakdown, 2024 approvals consisted of line of finance (LoF) (49.02% share), term finance (50.98% share) aligning with ICD's strategic plan towards balanced credit financing.
5. In 2024, in addition to the initiatives mentioned above, ICD achieved a significant milestone by successfully returning to the international Sukuk market. It issued a benchmark five-year USD 500 million senior unsecured hybrid Wakala/Commodity Murabaha Sukuk. Furthermore, ICD launched its first operations with local financial institutions in Benin and Togo, disbursing EUR 29 million and EUR 20 million, respectively to the two financial institutions therein. These funds supported SMEs in sectors such as agribusiness, transport, health, and education. To strengthen its presence in East and Central Africa, ICD also approved over USD 46.6 million in financing, for local financial institutions for onwards support to local SMEs.
6. Sectoral as well as regional ICD project distribution was also in line with ICD's strategic direction. Sectorally, 49% of new project approvals were allocated for the finance sector, followed by non-financial sector investments focusing on high-impact sectors such as industry and mining (20.43%), transportation (12.02%) and energy (11.16%). In terms of regional distribution, around 61% of project approvals were allocated to Europe and Central Asia, followed by Sub-Saharan Africa (15.69%), Asia (15.08%), and the Middle East and North Africa (8.30%).
7. In 2024, disbursements showed a significant increase in efficiency. A total of USD 526.76 million was disbursed, up from USD 438.78 million in 2023. The finance sector received the largest share, making up 75.68% of total disbursements, while the remaining allocations were as follows: 21.36% to the industry and mining sector, 1.94% to infrastructure, and 1.02% to oil & gas storage & transportation. Overall, the disbursement-to-approval ratio reached 79%.
8. On the partnership development front, ICD has been working very closely with other IsDB Group entities, namely ITFC and ICIEC, to foster greater intra-group partnerships and cooperation. This was achieved through regular Technical Coordination Committee (TCC) meetings and Entities' CEOs Meetings. The activities of the TCC were quarterly reviewed by the CEOs of the respective entities, in the dedicated CEOs Forum. In 2024, TCC enabled the entities to approve deals with a total value of \$516 million, facilitated 100+ B2B and B2G Bilateral Business Meetings and Networking, and developed 8 country programs under the Arab Africa Trade Bridges (AATB) program. Accordingly, 2024 was a successful year for TCC in terms of engagements, the shared deal pipeline and approvals.
9. During 2024, ICD also witnessed strong support from its shareholders as evidence of recognition for its imperative role in private sector development. In 2024, an additional around \$2 million (2023: \$0.8 million) was received from the shareholders bringing total payment for the 2nd capital increase close to about \$700 million.

10. In order to better serve its member countries, ICD has prepared its 2025 Operations Plan designed around three strategic pillars: in three major areas (the Triple Es): Endurance (business and financial resilience), Efficiency (process efficiency and excellence in delivery), and Effectiveness (inclusive and innovative operations)
11. During the first quarter of 2025, ICD achieved robust progress in the implementation of its Operations Plan. In particular, the approvals and disbursements for promoting the private sector in ICD member countries stood at \$32.56 million and \$142 million, respectively.
12. In the area of core mandate realignment, ICD has developed more than \$500 million worth of pipeline of line of finance and term finance transactions in Sub-Saharan Africa, Asia, MENA and Europe Regions. In addition, the Corporation achieved good progress in the rehabilitation & restructuring of legacy portfolio. As for enhancing the governance, ICD has achieved good progress in enhancing its key policies and procedures.
13. In terms of development outcomes, ICD's interventions in 2024 have led to substantial social and economic benefits. Through its financing interventions, the Corporation has supported the creation and sustainability of approximately 189,482 jobs and has extended significant financial assistance to over 1,529 SMEs, summing up to USD 353 million. These efforts are strategically aligned with the SDGs, particularly those related to economic growth, industry innovation, and infrastructure development. ICD's focus extends beyond financial inputs to include the enhancement of capacities and frameworks that support sustainable and inclusive economic expansion.
14. In 2024, ICD endeavored to pursue its developmental goals as prescribed by its Islamic Finance development mandate. A total of 909,004 clients gained access to Islamic finance due to ICD interventions. Additionally, there were 126,734 new Islamic finance clients, out of which 34,219 were women. For small and medium-sized enterprises (SMEs), 1,529 were supported through ICD financing, and out of these, 472 were led or managed by women. Employment-wise, the interventions helped sustain 189,482 jobs and specifically sustained 57,205 jobs for women. Moreover, the efforts led to the creation of 23,409 new jobs, out of which 7,903 are new women jobs.
15. Looking ahead, ICD continues to face the challenge of scaling up its contributions to meet the ambitious targets of the SDGs amid fluctuating global economic conditions and ongoing geopolitical tensions. The organization is committed to strengthening its role as a facilitator of sustainable development through strategic partnerships, innovative financial products, and a concerted focus on sectors and regions that are pivotal for holistic development. The overarching goal remains to not only bridge financial gaps but also to foster a conducive environment for sustainable development across its member countries.
16. The following section highlights notable success stories that demonstrate the transformative impact of ICD's investments in the private sector. These case studies illustrate how strategic financial support can drive economic growth, create jobs, and foster sustainable development in member countries.

Each story showcases a different sector emphasizing the diverse ways in which ICD's interventions contribute to closing the Sustainable Development Goals (SDGs) gap and promoting prosperity.

- a. Project Abul Khair: Strengthening Bangladesh's Steel Industry**
In 2012, Abul Khair Group (AKG), a leader in Bangladesh's steel industry, launched Abul Khair Steel Melting Limited (AKSML) to enhance backward integration and reduce reliance on imports. The project aimed to build the country's largest billet plant with a 1 million MT annual capacity. HSBC, as lead arranger, invited the ICD to co-finance the USD 290 million project. ICD, along with HSBC and Prime Bank, provided long-term financing, while a reputable provider supplied the plant's advanced equipment.

Following successful completion and on-time repayment, AKSML merged with Abul Khair Steel and approached ICD again in 2023 for EUR 27 million to expand capacity. With ICD's continued support, AKSML aims to reach 2.6 million MT in billet production. **The project showcases ICD's role in supporting strategic industrial growth and fostering local expertise in its member countries.**

- b. Palestine Ijara Company: Resilience Through Innovation**
Founded in 2013 through a partnership between **ICD**, the Palestine Investment Fund (PIF), and Palestine Islamic Bank (PIB), Palestine Ijara Company (PIC) leads in Shari'ah compliant leasing, addressing financial gaps for SMEs in Palestine's challenging environment.

With USD 12 million in capital, PIC has financed over 2,900 clients across key sectors like healthcare and manufacturing, reaching USD 101 million in cumulative leases and holding 73% of the leasing market.

Despite ongoing external challenges, PIC has enabled SME growth, job creation, and sector modernization. **ICD's strategic support—especially in governance and risk management—has been instrumental to PIC's resilience and impact.** PIC continues to advance inclusive, ethical finance, expanding its reach to empower SMEs and foster sustainable development.

- c. Maldives Islamic Bank: Redefining Ethical Finance with ICD's Support**
Established in 2011 through a partnership between **ICD** and the Government of Maldives, Maldives Islamic Bank (MIB) is the country's first fully Shari'ah-compliant bank. With ICD's backing, MIB introduced Islamic finance in a post-crisis economy and has since become a trusted institution for over 100,000 customers. It has played a key role in advancing financial inclusion, supporting housing, small businesses, and renewable energy, while navigating challenges with resilience and innovation—including the launch of Islamic treasury bills and eco-friendly products.

MIB's digital transformation has broken access barriers with platforms like FaisaNet 2.0 and eFaas-enabled account opening. It promotes sustainability through renewable energy financing, near gender parity in its workforce, and strong community engagement. **ICD's strategic support has been instrumental to MIB's growth,**

innovation, and alignment with the SDGs, positioning the bank as a model for ethical and inclusive finance in the region.

17. Overall, ICD has achieved solid progress in all its strategic targets for promoting the private sector in its member countries including operational growth through core mandate realignment, enhancing the governance framework, and promoting the organizational excellence.

Proposed Recommendations by ICD to be captured in the Report.

- **Taking into consideration** to the crucial role of private sector financing in mobilizing private investments and ensuring sustainable economic growth of the Member States, the Committee invited the Member States to better utilize the facilities of the ICD through the solid projects aimed at creating competition, entrepreneurship, and employment opportunities.
- The Committee **took note with appreciation** that as of end of first quarter of 2025, ICD's gross cumulative approvals stand at \$7.61 billion, and cumulative disbursements totals \$ 5.18 billion.
- The Committee **took note with appreciation** that in 2024, ICD endeavored to pursue its developmental goals as prescribed by its Islamic Finance development mandate. In total, 909,004 clients gained access to Islamic finance due to ICD interventions. Additionally, there were 126,734 new Islamic finance clients, out of which 34,219 were women. For small and medium-sized enterprises (SMEs), 1,529 were supported through ICD financing, and out of these, 472 were led or managed by women. Employment-wise, the interventions helped sustain 189,482 jobs and specifically sustained 57,205 jobs for women. Moreover, the efforts led to the creation of 23,409 new jobs, out of which 7,903 are new women jobs.
- The Committee **took note with appreciation** the dedicated cooperation efforts of ICD to develop more than 9 joint transactions worth over \$516 million where ICD partnered with ITFC and ICIEC during last year to capture synergies across Islamic Development Bank Group Entities for private sector development.
- The Committee **took note** of ICD's contribution to address the private sector development including Lines of Finance, Direct Finance, and Equity projects in OIC member countries through its \$663 million approvals allocation during 2024 and **takes note with appreciation** of its outstanding accomplishments in Q1 2025.