



Progress Beyond Borders

> Acknowledgments



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> Abbreviations



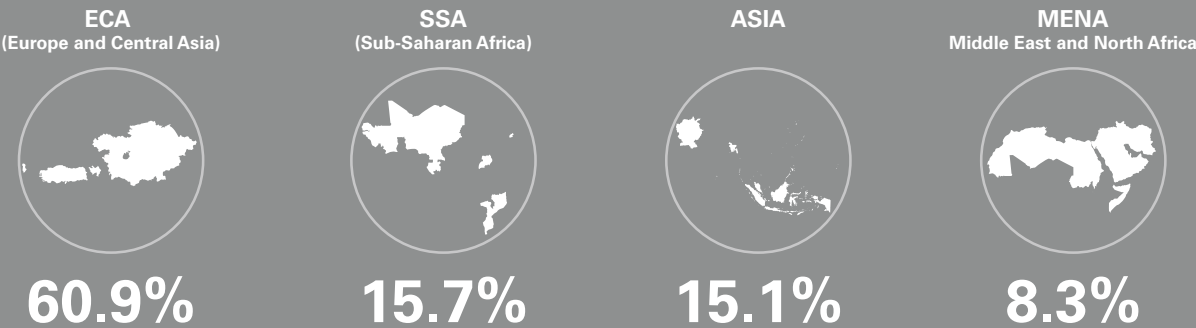
ADER	Annual Development Effectiveness Report
DEO	Development Effectiveness Office
DFI	Development Financial Institution
ESG	Environment, Social and Governance
GDP	Gross Domestic Product
ICD	Islamic Corporation for the Development of the Private Sector
IsDB(G)	Islamic Development Bank (Group)
LoF	Lines of Finance
MCs	Member Countries
MDB	Multi-lateral Development Bank
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
SMEs	Small and Medium Enterprises
SDGs	Sustainable Development Goals
UN	United Nations

> 2024 Highlights: 25 Years of Development

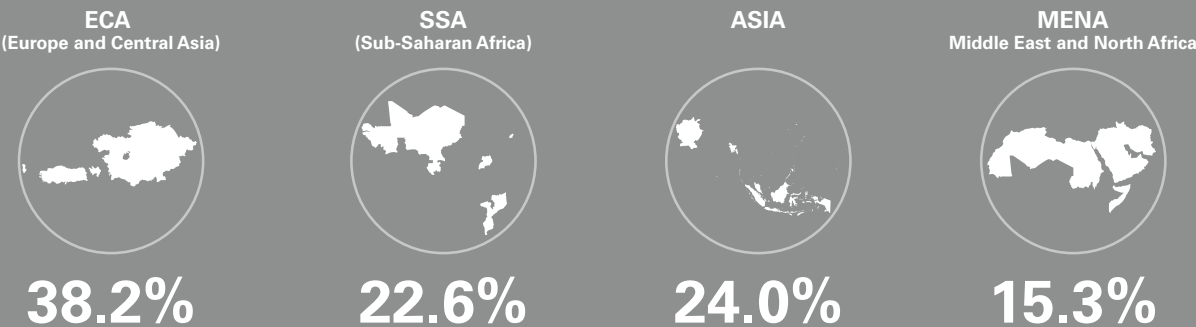
Approvals and Disbursements

As of YE24, ICD has delivered almost **\$7.58 billion** in cumulative approvals and more than **\$5.06 billion** in disbursements since inception for private sector development. In 2024, ICD approved 24 total interventions worth **\$663.0 million** with disbursements for the year totaling **\$526.76 million**.

Total Approvals 2024: By Region



Total Disbursements 2024: By Region



Approvals by Sector



Total Approvals
663.00
USD Million



Total Projects
24
Projects

Approvals by Sector

Finance



325.00
USD Million
14
Projects



Industry and Mining



135.47
USD Million
5
Projects



Transportation



79.71
USD Million
2
Projects



Energy



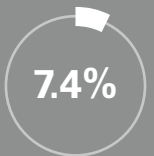
74.00
USD Million
2
Projects



Health



48.82
USD Million
1
Projects



> 2024 Highlights: 25 Years of Development

Disbursements by Sector



Total Disbursements

526.76

USD Million

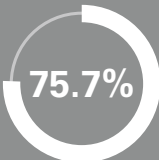
Disbursements by Sector

Finance



398.66

USD Million



Industry and Mining



112.5

USD Million



Energy



5.36

USD Million

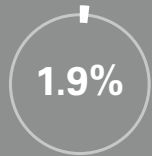


Infrastructure



10.25

USD Million



Highlights of Sectoral Results



Line of Finance (LoF)

– **USD 206.7 million** of new funding provided to **336 SMEs**; **3,847** jobs created (of which **1,518** were women); **USD 75.3 million** of export sales; **USD 98.3 million** of government revenue generation; **USD 16.6 million** spent in community development; **182,737** patients served in supported health facilities.



Direct Financing

– **USD 473.0 million** locally purchased goods and services; **5,492** new direct hires (of which **1,059** were women); **USD 208.9 million** of export sales; **USD 69.67 million** of government revenue generation; **USD 2.36 million** spent in community development.



Equity Financing

– **USD 27.8 million** locally purchased goods and services; **952** new direct hires including **372** women; **125,820** new persons gained access to Islamic Finance of which **34,219** were women; **7,755** patients served by health partners; **799** SMEs funded; **USD 493.4 million** of export sales; **USD 46.0 million** of government revenue generation; **USD 722K** spent in community development.

In 2024, ICD approved 24 total interventions worth **\$663.0 million** with disbursements for the year totaling **\$526.76 million**.



> 2024 Highlights: 25 Years of Development

Annual Development Survey Highlights 2024

83% response rate



Clients who gained access
to Islamic finance since ICD
intervention

909,004



New Islamic
finance clients
in 2024

126,734



Number of
new clients
who are Women

34,219



SMEs supported through
ICD financing

1,529



Women led/managed
SMEs funded

472



Total amount of
funding to SMEs

\$353,011,523



Jobs Supported

189,482



Women Jobs Supported

57,205



New Jobs Created

23,409



New Women
Jobs Created
7,903



Women in senior
management positions
1,985



Domestic
Purchases
\$940,319,488



Export Sales Generated
\$779,045,399



Government Revenues
\$215,528,112



Community Development
\$19,970,422



Total MWatt Energy
Produced
3,747,124,369



Total MW Energy Capacity
Financed
3,529



Total Patients
Served
2,280,653



Total Students Enrolled
46,672



Total Farmers Reached
25,331



Total Housing Units
2,710



Number of people trained
7,781

> CEO Foreword



IN THE NAME OF ALLAH, THE BENEFICIENT, THE MERCIFUL

As we celebrate the 25th anniversary of the Islamic Corporation for the Development of the Private Sector (ICD), I am deeply honored to reflect on our journey and the developmental results of 2024. This milestone offers us an opportunity to look back on two and a half decades of fostering sustainable private-sector growth in our member countries (MCs) and to reaffirm our commitment to creating lasting impact.

2024 has been a year of challenges, growth, and remarkable achievements. Guided by our mission to empower the private sector, we have made significant strides in promoting inclusive economic development, strengthening resilience, and supporting innovation across our MCs. The results of our collective efforts, as detailed in this 11th edition of the Annual Development Effectiveness Report (ADER), are a testament to the hard work, dedication, and partnerships that have driven our success.

In 2024, the ICD partner and client network have achieved notable successes. I am delighted to report that, according to our 2024 Annual Development Effectiveness Survey, ICD has contributed to sustaining employment for roughly 187 thousand men and women, created an additional 23,409 new jobs, generated roughly USD 215 million in government revenues, provided well over USD 353 million in funding to SMEs and helped sectors such as energy and industry in its MCs.

This year, we continued to prioritize financing for small and medium enterprises (SMEs), recognizing their pivotal role in job creation, economic diversification, and social stability. By expanding access to finance, fostering entrepreneurship, and investing in capacity building, we have helped businesses grow and thrive, even in the face of global economic uncertainties. Our focus on Islamic finance solutions has allowed us to support these enterprises in a way that aligns with the principles of fairness, equity, and shared prosperity.

Equally noteworthy are our efforts in promoting sustainability and addressing climate change. ICD has been at the forefront of supporting green projects and encouraging private-sector participation in renewable energy and resource-efficient industries. By facilitating innovative financing models and strengthening partnerships with local and international stakeholders,

we have contributed to the global agenda of achieving a greener, more sustainable future.

As we mark 25 years since our inception, we take immense pride in the impact we have achieved across our MCs. From building essential infrastructure and fostering financial inclusion to supporting women-led businesses and nurturing innovative business solutions, ICD's journey has been one of growth, learning, and transformation. These achievements are not ours alone; they are shared with our partners, governments, and the vibrant private-sector players who continue to inspire us with their resilience and innovation.

Yet, this milestone is also a reminder of the road ahead. The challenges of climate change, inequality, and sustainable development remain urgent, and the role of the private sector is more critical than ever. At ICD, we recognize that our success lies in our ability to adapt to the evolving needs of our MCs while remaining steadfast in our principles. As we look to the future, we are committed to scaling up our efforts, leveraging technology, and deepening our impact to address these pressing challenges.

I would like to extend my heartfelt gratitude to our MCs, stakeholders, and staff for their unwavering support and dedication. It is through their collective efforts that ICD has been able to achieve its mission and celebrate this remarkable milestone.

As you explore this ADER, I invite you to reflect on the stories of impact and transformation it presents. They are a source of inspiration and a testament to what we can achieve when we come together for a shared purpose. Here's to another 25 years of empowering the private sector, fostering prosperity, and making a difference.



Eng. Hani Salem Sonbol

Acting Chief Executive Officer (ACEO)

> DEO General Manager's Message



IN THE NAME OF ALLAH, THE BENEFICIENT, THE MERCIFUL

As we unveil this 11th edition of the Annual Development Effectiveness Report (ADER), I am privileged to reflect on the role of the Development Effectiveness Office (DEO) in capturing, measuring, and reporting the impact of ICD. In this landmark year, marking ICD's 25th anniversary, the developmental results detailed in this report underscore the enduring power of collaboration, innovation, and resilience.

Building on the ACEO's inspiring foreword, this report takes you deeper into the outcomes of 2024, an extraordinary year shaped by challenges and achievements in equal measures. Guided by our commitment to empowering the private sector, we worked tirelessly to create opportunities, enhance livelihoods, and contribute to sustainable growth across our MCs.

At the heart of this year's efforts lies our continued focus on SMEs. In 2024, SMEs remained a cornerstone of our strategy, reflecting their critical role in creating jobs and driving economic diversification. Through innovative financing solutions, capacity-building initiatives, and partnerships, we have empowered entrepreneurs to thrive, despite complex global economic conditions. These efforts, grounded in Islamic finance principles, align not only with our organizational mission but also with the aspirations of our MCs for equitable and inclusive development.

In addition to supporting SMEs, we have scaled up our impact in sustainability and climate action, aligning with global calls for urgent responses to environmental challenges. By championing renewable energy projects, resource efficient processes, and sustainable assets acquisitions, ICD has reinforced its position as a leader in fostering sustainable private sector growth. This report highlights the tangible results of these efforts, including how they contribute to achieving broader global development goals.

Crucially, the stories, data, and insights within these pages reflect the voices and aspirations of those we serve. From entrepreneurs launching transformative businesses to communities benefiting from infrastructure projects, these narratives illuminate the profound and multifaceted impact of ICD's work. Each story represents a collective effort, a testament to the partnerships between ICD, governments, financial institutions, and the private sector.



As we celebrate 25 years of impact, this report also serves as a moment of reflection. Development effectiveness is not static; it evolves as the challenges we face become more complex and interconnected. Our responsibility as the DEO is to continuously refine our methodologies, embrace innovative tools, and strengthen our ability to measure and enhance the impact of every dollar invested. This commitment will guide us as we prepare for the next phase of ICD's journey.

The 2024 ADER is more than a record of outcomes; it is a blueprint for progress. It illustrates how strategic investments in the private sector can transform lives and strengthen economies. It is also an invitation to our MCs, partners, and stakeholders, to continue working with us in creating opportunities and overcoming challenges in pursuit of shared prosperity.

I want to express my gratitude to the ICD team and our partners for their unwavering dedication to delivering results and achieving meaningful impact. Together, we have built a legacy of resilience, innovation, and hope that it will guide us into the future.

I hope you find this report insightful, inspiring, and reflective of the commitment that has defined ICD's work over the past 25 years. Let it serve as a reminder of what we have achieved together and as motivation for the work that lies ahead.

Warm regards,

Dr. Mohammed Alayami

General Manager,
Development Effectiveness Office
(DEO)

> Executive Summary



By doing so, we can ultimately accelerate progress by ensuring the proper support- both financial and non-financial- reaches the right people at the right time.

**ICD Chairman,
H.E. Dr. Muhammad Al Jasser.¹**



¹ Islamic Development Bank News

Celebrating 25 Years of Development Impact

ICD marks its 25th anniversary with significant milestones in private sector development across its member countries (MCs). The 11th edition of the ADER 2024 highlights ICD's transformative role in fostering inclusive economic growth, financial empowerment, and sustainability. Over the years, ICD has provided nearly USD 7.58 billion in cumulative approvals and disbursed over USD 5.06 billion, reinforcing its commitment to economic progress in its MCs.

Key Achievements in 2024

1. Economic and Financial Contributions:



ICD supported **1,529** SMEs with **USD 353 million** in financing, including **472** women-led businesses.



126,734 new clients gained access to Islamic finance in 2024.



USD 215 million in government revenue was generated through ICD's initiatives.

2. Employment and Social Impact:



189,482 jobs were supported, including **57,205** for women.



23,409 new jobs were created, with **7,903** being women's employment opportunities.



1,985 women held senior management positions in supported businesses.

ICD supported
1,529 SMEs
with **USD 353**
million in financing,
including **472**
women-led
businesses



3. Infrastructure and Sustainability:



USD 940 million in domestic purchases and **USD 779 million** in export sales were generated.



3.7 billion kWh of energy was produced, with **3,529 MW** of financed capacity.



2,280,653 patients received healthcare services, **46,672** students were enrolled in educational programs, and **2,710** housing units were developed.

ICD's Strategic Focus Areas



ICD's mission is to support economic diversification by strengthening private sector investments. With a focus on private sector support, the organization has

facilitated access to capital for businesses across various industries, including manufacturing, agriculture, and healthcare. As a leader in Islamic finance, ICD has promoted ethical and Shariah-compliant financial solutions, including Sukuk, Murabaha, and Ijara. In 2024, ICD successfully issued a USD 500 million Sukuk, oversubscribed by 4.2 times, mobilizing resources for impactful development projects. ICD's financing has supported renewable energy, green infrastructure, and sustainability-driven projects. The organization continues to prioritize gender equity by financing women-led enterprises and increasing female workforce participation.

Success Stories: Transforming Economies



ICD enabled Taiba Finance in Uzbekistan with USD 5.1 million equity investments which in turn provided well over USD 50 million in funding for more than 500 leasing transactions, creating over 5,000 jobs, of which 33% were for women. Uzbek Leasing, also in Uzbekistan obtained USD 15 million Line of Finance (LoF) from ICD which enabled 17 SMEs to access funding, sustaining 3,587 jobs and generating USD 536,000 in



government revenues. And in Nigeria, ICD and its partner Jaiz Bank through USD 25 million LoF supported SMEs, driving financial inclusion and economic diversification beyond Nigeria's traditional oil sector.

The Road Ahead



As ICD looks to the future, it remains committed to scaling up its development impact by expanding financial access, fostering innovation, and addressing climate change challenges. With a focus on technology-driven solutions and strategic partnerships, ICD aims to continue shaping a resilient and prosperous future for its MCs. The next phase of development will require deeper collaboration, innovative financing mechanisms, and stronger private sector engagement to meet the evolving needs of global economic transformation.

The ADER 2024 underscores ICD's unwavering dedication to private sector-driven development. Through strategic financial interventions, impactful partnerships, and sustainability-driven investments, ICD continues to play a pivotal role in empowering businesses, creating economic opportunities, and driving positive change. As it embarks on the next chapter, ICD reaffirms its mission of fostering shared prosperity across its MCs, building a future that is inclusive, sustainable, and resilient.



Through strategic financial interventions, impactful partnerships, and sustainability-driven investments, ICD continues to play a pivotal role in empowering businesses, creating economic opportunities, and driving positive change.

A black and white photograph of a woman wearing a black hijab and a long black robe, standing in a large, open chicken coop. She is holding a yellow egg tray filled with green eggs. The coop is filled with many chickens, and the structure has a wooden frame with a corrugated metal roof. The background shows a bright, open area with some structures and more chickens.

We begin this edition of the ADER by exploring the evolution of the global development agenda, highlighting key milestones, emerging trends, and the pivotal role of institutions like the ICD in shaping and implementing these initiatives.

CHAPTER 1

> Reflections over the past 25 years



1. Evolution of the Global Development Agenda

The global development agenda has undergone significant transformation since the turn of the millennium. Driven by a blend of international cooperation or lack thereof, to changing socioeconomic dynamics, geopolitical shifts, environmental imperatives, and the evolving priorities of nations.¹ From early frameworks that primarily targeted poverty alleviation to the current focus on holistic and sustainable development, the agenda has grown in scope and complexity.² We begin this edition of the ADER by exploring the evolution of the global development agenda, highlighting key milestones, emerging trends, and the pivotal role of institutions like the ICD in shaping and implementing these initiatives. Moreover, an attempt will be made to trace the trajectory of this evolution, from the Millennium Development Goals (MDGs) to the Sustainable Development Goals (SDGs) and anticipated future directions in the context of a rapidly changing world.

As it sits today, the 2030 Agenda is a plan of action for People, Planet, and Prosperity. It provides, along with the SDGs, a guideline to achieve a better and more sustainable future for all of mankind.³ With its significant role in driving inclusive and dynamic growth, private sector progress and growth has been the primary focus of ICD since its inception in November 1999. ICD's mission is to complement the role played by the Islamic Development Bank (IsDB) through the development and promotion of the private sector as a vehicle for boosting economic growth and prosperity, with a vision to become a premier Islamic multilateral financial institution for this very purpose.

As a Development Finance Institution (DFI), ICD recognized early on the importance of the 2030 Agenda and has ensured that its operations and interventions are purposeful and help contribute to the SDGs, thereby securing a better future for the societies

of its Member Countries (MCs). That was insured by incorporating the relevant SDGs within ICD's strategic objectives and mandates. ICD advocates the use of sustainable development in providing for the needs of today all the while ensuring tomorrow's generational needs are protected.

Highlighting ICD's commitment to the Global Development Agenda, ICD Chairman, Dr. Muhammad Al Jasser stated: "We are committed to working with our member countries and development partners to achieve the 2030 Agenda for Sustainable Development."⁴

This commitment stems from the recognition of ICD's management to the myriads of developmental challenges facing ICD MCs. These challenges impact MCs economic growth, social equity, and environmental sustainability. Although these challenges are diverse across MCs, they share common threads that underscore the urgency for comprehensive, sustainable, and inclusive development strategies. Challenges faced by ICD MCs include:



1. Poverty and Inequality: Many ICD MCs continue to grapple with high poverty rates and growing income disparities. In rural and underserved areas, limited access to basic services such as healthcare, education, and clean water exacerbates inequality, hindering economic and social progress.



2. Infrastructure Deficits: Insufficient infrastructure, including energy, transportation, and digital connectivity, remains a significant barrier to development. These deficits limit productivity, deter investment, and perpetuate economic stagnation in many MCs.



3. Youth Unemployment: With a predominantly young population, MCs face high levels of youth unemployment. This not only wastes potential human capital but also poses risks to social stability and cohesion.

¹ <https://www.sciencedirect.com/science/article/pii/S258981162030046X?via%3DIhub>

² <https://sdgs.un.org/2030agenda>

³ UN Department of Economic and Social Affairs

⁴ <https://www.isdb.org/news/statement-by-he-dr-muhammad-al-jasser-chairman-isdb-group-on-the-un-day-for-south-south-cooperation>



4. **Climate Change and Environmental Degradation:**

Climate-related risks, such as desertification, water scarcity, and extreme weather events, disproportionately affect ICD MCs, many of which rely heavily on agriculture. Environmental degradation further compounds vulnerabilities, threatening livelihoods and food security.



5. **Weak Private Sector Development:**

The private sector in many MCs is underdeveloped, often constrained by limited access to finance, lack of infrastructure, regulatory hurdles, and weak governance. This stifles entrepreneurship and job creation, which are critical for sustainable development.



6. **Health and Education Gaps:**

The lack of access to quality healthcare and education limits human capital development. These gaps hinder economic productivity and perpetuate cycles of poverty, particularly in regions affected by conflict or political instability.

The frameworks of the MDGs and the SDGs provided valuable pathways to address these challenges, offering a structured approach to creating transformative change. The MDGs (2000-2015) laid the foundation for global development efforts, focusing on eradicating poverty, improving health and education, and ensuring environmental sustainability. While ICD MCs made notable progress under the MDGs, challenges persisted, particularly in achieving equity and addressing systemic issues. Building on the MDGs, the SDGs (2015-2030) offer a more comprehensive and ambitious framework, with 17 goals that encompass economic, social, and environmental dimensions of development. The SDGs emphasize inclusivity, sustainability, and partnerships, making them highly relevant for addressing the challenges faced by ICD MCs.



An attempt will be made to trace the trajectory of this evolution, from MDGs to SDGs and anticipated future directions in the context of a rapidly changing world.

a. From MDGs to SDGs

In the decades preceding the introduction of the MDGs, the international development agenda primarily focused on the economic performance of (mainly developing) countries.⁵ As such, and at the dawn of the 21st century, the global community sought a unified framework to address pressing human development challenges. In 2000, the United Nations (UN) General Assembly adopted the Millennium Declaration, which led to the establishment of the eight MDGs:⁶

- 

1 Eradicate extreme poverty and hunger.
- 

2 Achieve universal primary education.
- 

3 Promote gender equality and empower women.
- 

4 Reduce child mortality.
- 

5 Improve maternal health.
- 

6 Combat HIV/AIDS, malaria, and other diseases.
- 

7 Ensure environmental sustainability.
- 

8 Develop a global partnership for development.

The MDGs were universal in scope but largely focused on developing countries, with specific targets set for each goal. They were underpinned by the notion

that economic growth and development, paired with international aid and cooperation, could eliminate poverty and improve living standards. The MDGs represented a milestone in multilateralism, offering a results-based framework that rallied governments, development institutions, and the private sector. They emphasized quantifiable targets, including halving extreme poverty and reducing child mortality by two-thirds, to be achieved by 2015.

Achievements and Challenges

Using the MDGs as a developmental compass, the global community had several notable successes following the MDGs. Global poverty rates were reduced, access to education expanded, and there were significant improvements in health indicators, particularly regarding child mortality, HIV/AIDS treatment, and malaria prevention. The MDGs helped to set a global agenda and generated a large amount of international attention and resources toward development. By 2015, notable progress had been made on the following fronts:⁷



Globally, the number of people living in extreme poverty has declined by more than half, falling from 1.9 billion in 1990 to 836 million in 2015.



The number of out-of-school children of primary school age worldwide has fallen by almost half, to an estimated 57 million in 2015, down from 100 million in 2000.



In 2015, 91 % of the global population is using an improved drinking water source, compared to 76% in 1990.

5 <https://www.sciencedirect.com/science/article/pii/S258981162030046X?via%3Dihub>

6 <https://research.un.org/en/docs/dev/2000-2015>

7 [https://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20\(July%201\).pdf](https://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf)



Global poverty rates were reduced, access to education expanded, and there were significant improvements in health indicators, particularly regarding child mortality, HIV/AIDS treatment, and malaria prevention. The MDGs helped to set a global agenda and generated a large amount of international attention and resources toward development.

However, the MDGs also faced criticism, particularly regarding their narrow focus and one-size-fits-all approach. Some of the key shortcomings included:⁸



Lack of inclusivity: The MDGs did not adequately address issues of inequality or the interconnected nature of social, environmental, and economic challenges.

While they focused on outcomes like poverty reduction and education, they did not address the structural drivers of inequality, such as social exclusion or environmental degradation.



No universal framework: Although the MDGs were global in their intent, the targets were not sufficiently adapted to the specific contexts of different countries or regions.

Developing nations found that the MDG targets were too rigid, often ignoring their unique development challenges.



Sustainability concerns: While Goal 7 on environmental sustainability was an important step, the MDGs did not fully integrate environmental issues into the

broader development framework. This limitation became increasingly apparent as the global community faced issues like climate change, resource depletion, and biodiversity loss.

The MDGs also lacked a clear commitment to monitoring progress through reliable data and accountability mechanisms, which often led to uneven and incomplete implementation. Likewise, the MDGs faced criticism for their narrow focus, limited emphasis on inequality, and omission of systemic issues such as governance, climate change, and economic resilience. The top-down approach often overlooked the unique contexts and priorities of developing nations.⁹

Transition from the MDGs to the SDGs

As the 2015 deadline for the MDGs approached, it became clear that a more ambitious and



comprehensive framework was needed to tackle the increasingly complex and interconnected global challenges. The post-2015 development agenda evolved through an inclusive, multilateral process that involved governments, civil society, the private sector, and other stakeholders. The SDGs were born out of this process.¹⁰ Recognizing the limitations of the MDGs, the global community embarked on formulating a more comprehensive and inclusive agenda. The 2030 Agenda for Sustainable Development, adopted by the UN in 2015, introduced the SDGs, a set of 17 interlinked goals with 169 associated targets.¹¹

These goals built upon the MDGs but expanded their scope to address economic, social, and environmental sustainability. The transition from the MDGs to the SDGs marked a pivotal moment in global development policy. This shift reflected the evolving understanding of what it meant to achieve human progress, emphasizing not only poverty reduction but also the importance of sustainability, equity, and inclusivity. The 17 SDGs represented a significant departure from the MDGs, expanding the scope of the global development agenda and emphasizing the need for a more integrated and holistic approach to development.¹²

⁸ http://www.mdgfund.org/sites/default/files/MDGs_and_Inequalities_Final_Report.pdf

⁹ [https://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20\(July%201\).pdf](https://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf)

¹⁰ <https://press.un.org/en/2015/ecosoc6708.doc.htm>

¹¹ <https://sdgs.un.org/goals>

¹² https://unsceeb.org/sites/default/files/2021-09/Transitioning%20from%20the%20MDGs%20to%20the%20SDGs%20%7C%20United%20Nations%20Development%20Programm_1.pdf

Key Features of the SDGs



Universality: The SDGs apply to all countries, emphasizing shared responsibilities across developed and developing nations.



Integration: They emphasize the interconnectedness of goals, ensuring that progress in one area complements advancements in others.



Inclusivity: The framework prioritizes reducing inequality and leaving no one behind, addressing the needs of marginalized groups.



Sustainability: Environmental concerns, including climate action (Goal 13) and life below water (Goal 14), are at the forefront.

The SDGs galvanized global action, with significant investments in renewable energy and education. However, progress has been uneven, with persistent challenges such as:



Rising inequality within and among nations.



Escalating climate change impacts, including extreme weather events and biodiversity loss.



Financial gaps in achieving SDG targets, particularly in low-income countries.

The MDGs, consisting of eight goals and 18 targets, were primarily focused on addressing basic needs in developing countries, such as eradicating extreme poverty, achieving universal primary education, improving maternal health, and combating diseases like HIV/AIDS and malaria. The focus was heavily on outcomes



that could be achieved by 2015, with an emphasis on measurable indicators and national-level commitments.¹³ In contrast, the SDGs are broader and more integrated, aiming to address the root causes of poverty and inequality, while also protecting the planet. The 17 SDGs cover a wide range of interconnected issues, including economic growth, sustainable infrastructure, climate action, reduced inequalities, peace and justice, and partnerships for development. The SDGs are designed to be universal, applying to all countries, both developed and developing, and encourage a focus on long-term development and environmental sustainability.

This expanded scope necessitated a rethinking of how development finance is mobilized and allocated. It required not only addressing the financial gaps that existed under the MDGs but also the creation of innovative financial solutions to tackle the complex challenges of sustainable development. Achieving the SDGs will require concerted efforts from all sectors of society, continued political will, and a commitment to long-term, transformative change. The SDGs offer a historic opportunity to create a more just, equitable, and sustainable world, ensuring that no one is left behind. As we move further into the 21st century, the SDGs provide a shared vision and framework for building a future that works for all.

¹³ [https://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20\(July%201\).pdf](https://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf)



b. What would come Next?

The transition from the MDGs to the SDGs represents a shift in how the international community approaches development. While the MDGs set the foundation for global cooperation and made notable strides in reducing poverty, the SDGs build on this success by adopting a more integrated, inclusive, and sustainable development agenda. The SDGs reflect a deeper understanding of the complexity of global challenges and the need for collective action.

However, this transition in shifting from the MDGs to the SDGs created some challenges that stemmed from the increased ambition, complexity, and universality of the SDGs compared to the MDGs. The SDGs expanded from eight goals to 17, addressing a wide range of interconnected economic, social, and environmental challenges. This broadened focus made implementation and prioritization more complex. Moreover, the MDGs primarily targeted developing countries, the SDGs apply to all nations. This required more nuanced strategies to address diverse national contexts and challenges. Other challenges related to the financing gap, data quality, data monitoring, overall stakeholder coordination, and nation capabilities and human talent needed to implement the SDGs highlighted the need for innovative solutions, robust and inclusive investments and overall governmental commitments.¹⁴

This shift presents both opportunities and challenges for DFIs. As key players in global development finance, DFIs have a central role in supporting the SDG agenda by mobilizing private capital, facilitating investment in sustainable projects, and aligning their operations with the objectives of the SDGs.¹⁵

One of the biggest challenges of the SDGs is the financing gap. According to estimates from the UN and the World Bank, the annual financing needs to achieve the SDGs in developing countries are in the trillions of dollars. Mobilizing financial resources is crucial for driving global recovery and achieving the SDGs. The annual SDG



investment gap in developing countries was estimated at about USD 4 trillion, with over half, or USD 2.2 trillion, needed for the energy transition alone. The current investment gap is 60% higher than the USD 2.5 trillion estimated in 2019. The increase results from shortfalls since 2015, compounded by multiple global challenges, including the pandemic and the food, fuel and financing crises.¹⁶

Public sector funding alone is insufficient to meet these needs, and therefore, private sector capital is needed to bridge the gap. DFIs play a critical role in this context. As entities designed to promote development through financial support, DFIs mobilize private capital, de-risk investments in developing countries, and provide long-term financing to infrastructure and development projects. They are uniquely positioned to leverage public funds to attract private investment, create catalytic partnerships, and support projects that contribute to the achievement of the SDGs.

¹⁴ <https://unsdg.un.org/sites/default/files/Guidelines-to-Support-Country-Reporting-on-SDGs-1.pdf>

¹⁵ https://unsceb.org/sites/default/files/2021-09/Transitioning%20from%20the%20MDGs%20to%20the%20SDGs%20%7C%20United%20Nations%20Development%20Programm_1.pdf

¹⁶ <https://unstats.un.org/sdgs/report/2024/Goal-17/>

The SDGs' emphasis on inclusive growth, environmental sustainability, and resilience presents both opportunities and challenges for DFIs. Their role in providing patient capital, investing in high-impact sectors, and supporting socially and environmentally responsible projects is more crucial than ever. While DFIs are well-placed to contribute to the SDGs, they face several challenges in this evolving landscape. These include¹⁷:



Need for More Innovative Financing

Models: Traditional financing models, such as loans and equity investments, may not be sufficient to address the complexity of the SDGs. DFIs must innovate by creating new financial instruments (e.g., social impact sukuks/bonds, blended finance) and by leveraging digital technologies to unlock new sources of capital.



Risk Management: Investing in developing countries involves various risks, political, economic, and environmental. DFIs need to continually assess and manage these risks

while ensuring that their investments remain aligned with SDG goals.



Aligning with SDG Metrics: Measuring impact in relation to the SDGs is complex. DFIs must adopt rigorous frameworks for monitoring and evaluating projects'

contributions to SDG targets. This requires aligning investment strategies with clear, transparent metrics.

However, these challenges also present opportunities for DFIs to lead the way in innovative financing, impact measurement, and the promotion of sustainable and inclusive investment strategies. Achieving the SDGs will require concerted efforts from all sectors of society, continued political will, and a commitment to long-term, transformative change. The SDGs offer a historic opportunity to create a more just, equitable, and sustainable world, ensuring that no one is left behind.¹⁸

As we move further into the 21st century, the SDGs provide a shared vision and framework for building a future that works for all, and it is crucial to remember that the journey



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¹⁷ <https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf>

¹⁸ https://unsceb.org/sites/default/files/imported_files/CEB%20equality%20framework-A4-web-rev3.pdf

is just as important as the destination. The transition from the MDGs to the SDGs marks a paradigm shift in global development. For DFIs, the SDGs offer both a call to action and an opportunity to reimagine their roles in financing sustainable development. By leveraging private sector capital, promoting inclusive growth, fostering green finance, and facilitating partnerships, DFIs can make a significant contribution to the achievement of the SDGs. While challenges remain, DFIs are uniquely positioned to drive impactful, scalable solutions to the world's most pressing problems, ultimately helping to build a more sustainable, equitable, and prosperous future for all.

2. ICD's Aligned Development Evolution

ICD was established in 1999 during the embarkment of the MDGs. ICD was founded with a clear vision to foster private sector development and to enhance the role of the private sector in contributing to the socio-economic growth of MCs. In its first annual report published in 2001, but encompassing the first 18 months of operation, it was clearly stated then, that "*ICD focuses on projects that have a significant developmental impact on the beneficiary country.*"¹⁹ Owing to the vision of the founders of ICD to ensure that it is indeed aligned with the overall development finance industry, creates positive developmental impact in MCs and helps to complement the activities of its parent company, the IsDB.

ICD's mission was and remains to:



Promote investments that generate socio-economic benefits in MCs.



Support private sector initiatives by providing financing solutions that are aligned with Islamic principles.



Encourage innovation and the adoption of sustainable business practices across key sectors.



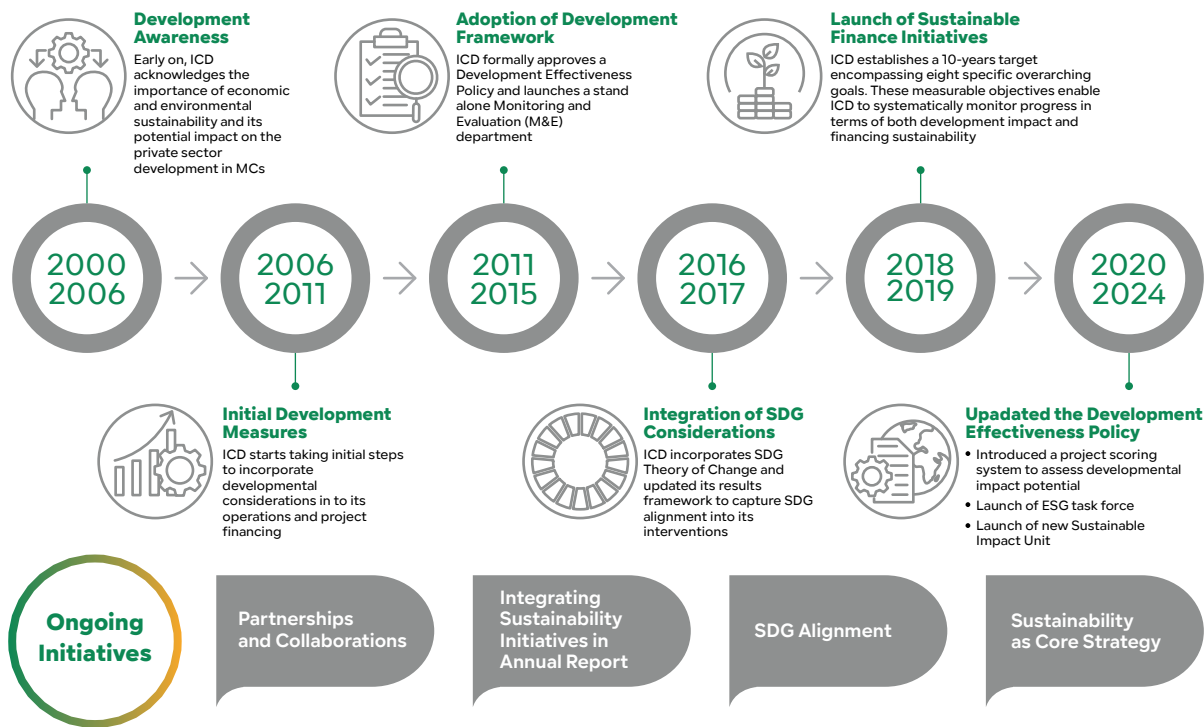
Act as a strategic partner to businesses and development institutions to stimulate economic growth and diversification.

In early 2011, the ICD launched the Monitoring and Evaluation (M&E) Department. To strengthen the mandate of the newly launched department, in November of 2011, ICD Board approved the "Development Effectiveness Policy" and in February 2012 the ICD Development Effectiveness Framework was approved to have a robust monitoring and evaluation function necessary for full integration of development in all aspects of its operations. Key roles of the department were to measure, assess and report on ICD's developmental results using international best practices. In 2014, and in concert with other multilateral institutions focused on private sector development, ICD put in place a harmonized results framework to increase its development effectiveness.²⁰



¹⁹ https://icd-ps.org/uploads/files/Annual%20Report%2020001566471213_3834.pdf

²⁰ https://icd-ps.org/uploads/files/50a2738f-bfb7-40e9-8a40-416efa05f45d1522757320_409.pdf



With the adoption of the SDGs in late 2015, the ICD revisited its strategy and introduced the ICD SDGs Theory of Change. Achieving the SDGs became an important part of ICD's strategic framework. In 2017, the ICD updated its results framework to ensure the SDGs agenda was fully embedded in all its development work, from project design to performance assessment. ICD is inherently aligned with the global development agenda, particularly the SDGs. Its focus on fostering private sector growth in its MCs contributes directly to the economic, social, and environmental pillars of sustainable development.

That same year, in 2017, the M&E Department, was renamed the Development Effectiveness Department (DED) with the launch of the Innovation and Knowledge Management Unit. The new DED was tasked with measuring of ICD's development effectiveness and ensuring accountability of its interventions in MCs. Its mandate included generating lessons learned from past successes and failures to guide future investment decisions. In 2022, the

DED was upgraded to the Development Effectiveness Office (DEO) and in 2024 the newly launched Sustainable Impact Unit (SIU) was launched under the DEO.

Below is an overview of how ICD aligns with and contributes to the global development agenda:



1. Promoting Economic Growth and Job Creation (SDG 8)

ICD's mandate to promote private sector development directly supports and aligns closely with SDG 8 (decent work and economic growth), by fostering inclusive and sustainable economic opportunities. Key contributions include a strong focus on financing small and medium-sized enterprises (SMEs), which are critical for job creation and economic diversification. ICD provides both direct financing and credit lines through partner financial institutions. Likewise, it supports industrial and economic development by fostering key industries such as manufacturing, agribusiness, and

technology, thereby driving industrialization and economic transformation in its MCs.



2. Mobilizing Islamic Finance for Development (SDGs 1, 7, and 9)

ICD leverages Sharia-compliant financial instruments to provide sustainable and ethical financing aligned with SDG 1 (no poverty), SDG 7 (affordable and clean energy), and SDG 9 (industry, innovation, and infrastructure). ICD structures and facilitates sukuk (Islamic bonds) for MCs, enabling them to finance large-scale infrastructure and energy projects in a sustainable manner. ICD is working on introducing green sukuk to finance renewable energy projects, supporting the transition to clean energy while addressing climate change.



3. Supporting Climate Action and Environmental Sustainability (SDG 13)

ICD contributes to SDG 13 (climate action) by financing projects that mitigate climate risks and promote environmental sustainability. ICD has funded several renewable energy projects, including solar and wind, helping MCs reduce reliance on fossil fuels.



4. Enhancing Regional Integration and Partnerships (SDG 17)

Partnerships and collaborative approaches are central to the ICD's operations, aligning with SDG 17 (partnerships for the goals). ICD collaborates with DFIs, regional organizations, and the private sector to amplify its impact and mobilize resources. ICD supports regional integration projects, such as global lines of finance and syndication programs, fostering economic cooperation among MCs towards the benefits of leading financial partners and to the overall private sector. ICD also helps encourage knowledge sharing, through technical assistance and capacity-building programs, this leads to the strengthening of institutional frameworks and policy environments in its MCs.

Key contributions include a strong focus on financing small and medium-sized enterprises (SMEs), which are critical for job creation and economic diversification.



a. The Launch and Early Development Framework

The establishment of ICD in 1999 marked a significant milestone in the evolution of Islamic development finance within the MCs of the IsDB Group. Created under the umbrella of the IsDB Group, ICD was designed to support the growth of the private sector in its MCs, in line with the principles of Islamic finance. The initial years of ICD's existence, from 1999 to 2004, were foundational for setting the organizational structure, defining its strategic focus, and establishing a solid operational framework that would sustain its long-term success. In its early years, ICD focused on building the institutional capacity required to support private sector development and attract investments. During this period, ICD focused on:



Institutional Framework: ICD established its operational guidelines and began setting up a robust risk management framework to support its financing activities.



Capitalization and Resources: In the early stages, ICD received substantial backing from its parent organization, IsDB, as well as from MCs. This ensured a strong foundation for its financing capabilities.



First Investments: ICD made its first investments, primarily in infrastructure projects and in financial institutions that aimed to support economic growth in MCs.

From the outset, ICD placed a strong emphasis on measurable impact. Its development impact framework was designed to ensure that investments directly contributed to economic growth, job creation, and poverty alleviation. Key focus areas included:



SME Financing: Recognizing that SMEs are the backbone of most economies, ICD prioritized financing for SMEs. Early initiatives targeted sectors with high growth potential, such as manufacturing, agriculture, and services, enabling these businesses to expand and create employment opportunities.



Entrepreneurship Support: ICD's programs sought to foster a culture of entrepreneurship by providing access to capital, technical assistance, and market access to emerging businesses.



Infrastructure Development: Investments in infrastructure projects, particularly those that facilitated access to markets and resources, were a cornerstone of ICD's early impact strategy.

ICD's commitment to sustainability was integral to its early development strategy. The organization adopted a holistic approach to sustainability, addressing economic, social, and environmental dimensions. ICD's mandate was to always balance economic growth with its ethical Islamic values. This was both a challenge and an opportunity for ICD. It managed this by ensuring economic and social sustainability was a prerequisite in its investment decisions. Investments were chosen to be financially viable while delivering long-term value to stakeholders. ICD prioritized projects that could generate sustained economic growth without compromising future development prospects. Likewise, ICD aimed in promoting socially inclusive development by supporting projects that empowered women.

To ensure that sustainability goals were consistently met, ICD developed a rigorous evaluation and monitoring framework. This included tracking key performance indicators (KPIs) such as job creation, financial inclusion, and SMEs financed, as well as regularly engaging with stakeholders to gather feedback and refine its approach.

Guided by a strong vision, clear objectives, and a robust framework for impact and sustainability, ICD successfully established itself as an Islamic DFI that promotes private sector development in its MCs. By aligning its efforts with Islamic principles and prioritizing inclusive, sustainable growth, ICD not only delivered tangible economic benefits but also set a benchmark for ethical and impactful development finance. These early foundations continue to inform ICD's strategies and initiatives, ensuring its ongoing contribution to the prosperity of the Islamic world. By focusing on these areas, ICD was able to generate immediate and sustainable economic benefits for its MCs, reinforcing its reputation as a trusted development partner.

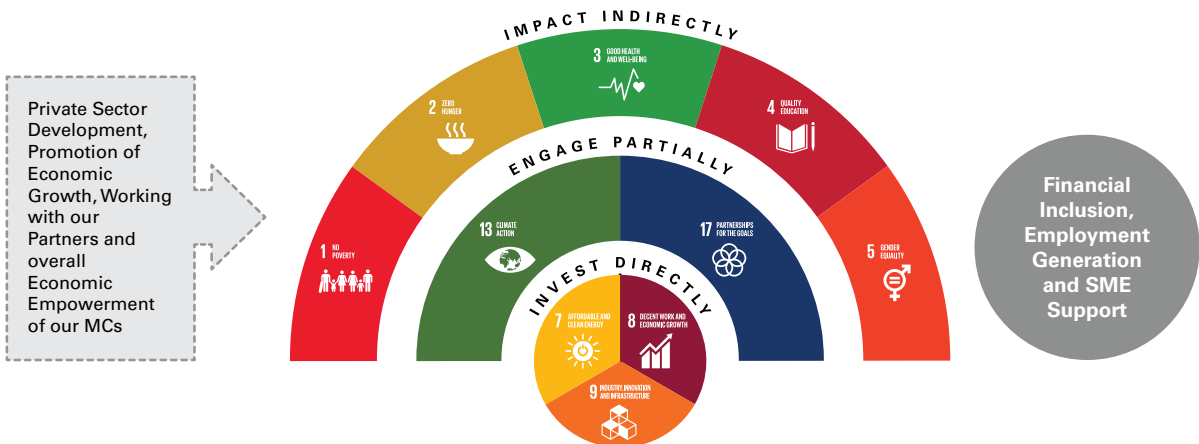


ICD's mandate was to always balance economic growth with its ethical Islamic values. This was both a challenge and an opportunity for ICD. It managed this by ensuring economic and social sustainability was a prerequisite in its investment decisions.

b. ICD's Contribution to "What would come Next"

ICD plays a very important role in energizing the private sector in its MCs to help contribute to the SDGs. Ten (10) SDGs are well aligned with ICD's current strategy: SDG 1 (no poverty), SDG 2 (zero hunger), SDG 3 (good health and well-being), SDG 4 (quality education), SDG 5 (gender equality), SDG 7 (affordable and clean energy), SDG 8 (decent work and economic growth), SDG 9 (industry,

investments through mechanisms such as guarantees, co-financing, and credit enhancement. By offering guarantees or providing equity financing, ICD can reduce the perceived risk for private investors, enabling them to invest in SDG-aligned projects that they might otherwise avoid. Furthermore, ICD can help create favorable policy environments through services to governments, helping to establish regulatory frameworks that encourage sustainable investment.



innovation, and infrastructure), SDG 13 (climate action) and SDG 17 (partnerships for goals).

Key areas suggested for ICD to continue its support for the private sector and engage the SDGs, at the while, help to contribute to the Next phase of the Developmental Agenda includes:



Leveraging Private Sector Capital

ICD can play a key role in channeling private capital into SDG-related sectors. Many development challenges, such as building resilient infrastructure, promoting renewable energy, and fostering sustainable agriculture, require significant private investment. However, these sectors often involve higher risks and longer timelines that deter private investors. ICD should consider de-risking these



Promoting Green Finance and Climate Action

Climate change is one of the most pressing challenges of our time and is central to the SDGs. Goal 13 (climate action) emphasizes the need to mitigate and adapt to the effects of climate change, which requires massive investment in green technologies and sustainable practices. ICD should continue facilitating climate-related investments by supporting the development of renewable energy, energy efficiency projects, and green infrastructure. In addition, ICD can consider promoting green sukuk, a growing asset class designed to finance environmentally sustainable projects. ICD can also consider providing technical assistance and financial support to build the green finance ecosystem in emerging markets, ensuring that the transition to a low-carbon economy is inclusive and just.



Fostering Inclusive and Sustainable Economic Growth

Economic growth is a critical driver of poverty reduction, but growth must be inclusive and sustainable to truly contribute to achieving the SDGs. Goal 8 (decent work and economic growth) focuses on promoting inclusive and sustainable economic growth, full and productive employment, and decent work for all. ICD can catalyze inclusive growth by investing in SMEs, which are often the backbone of developing economies. SMEs play a key role in job creation, innovation, and poverty reduction. By providing access to finance, capacity building, and market linkages, ICD can help SMEs grow and contribute to SDG targets related to employment (Goal 8), inequality reduction (Goal 10), and innovation (Goal 9). Moreover, ICD can support sectors such as agriculture, healthcare, education, and technology, which directly contribute to poverty alleviation and social inclusion. These sectors are often underserved by commercial banks due to perceived risks or low returns. ICD can play a crucial role in filling this gap by providing financing for impactful projects in these areas.



Strengthening Governance and Institutions

Effective governance and strong institutions are central to the SDGs. Goal 16 (peace, justice, and strong institutions) calls for the promotion of peaceful and inclusive societies, access to justice for all, and the building of effective, accountable institutions at all levels. ICD can support the strengthening of governance structures in MCs through investments in capacity building, institutional reform, and technical assistance. By partnering with governments and civil society organizations, ICD can help improve service delivery, enhance transparency, and foster greater accountability, which are essential for achieving the SDGs. ICD can also play a key role in supporting the development of financial systems and infrastructure in emerging markets, creating an enabling environment for private sector growth and attracting foreign direct investment (FDI).

As we look to charter our future, and on an operational level, ICD will continue to define targets and measure contributions to the SDGs in focus and steer investment decisions based on development effectiveness considerations. ICD will do this by the continuous application of a dedicated development effectiveness

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assessment process implemented in its investment decision analysis by applying a holistic view on an investment's (i) strategic alignment to ICD's mandate, (ii) contribution to SDGs as well as (iii) ICD's additionality, both financial and non-financial.

The aim is that these efforts will have a positive impact on ICD's business model by ensuring continued SDG alignment. This will require development of human capabilities and awareness of the SDGs. On the other hand, challenges abound both internally and externally, yet ICD has a unique set of advantages by ensuring overall SDG alignment and this includes serving the developmental need and agendas of our MCs. Lastly, ICD will continue its on-going initiatives and overall work to further align financial flows with the SDGs. To this regard, ICD will drive towards effective SDG alignment by:



Making sure that every facet of ICD activities or operations do not directly or indirectly hinder progress towards the SDGs;



Financing activities and entities that contribute substantially to meet the 2030 targets;



Enhancing its partnerships and collaborations with different stakeholders;



Integrating SDGs reporting into its overall reporting and publications;



Upgrade its SDG frameworks to ensure alignment with overall IsDB SDG strategy.

ICD's strategic focus on fostering private sector development, advancing Islamic finance, and supporting sustainable and inclusive growth places it at the heart of the global development agenda. By aligning its operations with the SDGs and leveraging partnerships, ICD plays a pivotal role in addressing the pressing challenges of its MCs while contributing to the broader goals of poverty eradication, environmental sustainability, and global prosperity. Through its innovative and ethical approach, ICD continues to demonstrate its commitment to building resilient and equitable economies across the Islamic world.





By aligning its operations with the SDGs and leveraging partnerships, ICD plays a pivotal role in addressing the pressing challenges of its MCs while contributing to the broader goals of poverty eradication, environmental sustainability, and global prosperity



The Corporation embodies the principle that development is not merely a mandate but an intrinsic part of its identity, making “Development is our DNA” a fitting reflection of its commitment.

CHAPTER 2

> Development is our DNA



2.1 Overview

Established in 1999, ICD is driven by its core mission to promote economic growth and development in its MCs through the empowerment of the private sector. The Corporation embodies the principle that development is not merely a mandate but an intrinsic part of its identity, making “Development is our DNA” a fitting reflection of its commitment. This commitment to development shapes every aspect of the organization’s operations, from its strategies and financial products to its partnerships and long-term vision.

From its inception, ICD’s mission has been centered on enabling the private sector to serve as an engine of economic development. Recognizing that vibrant private sectors are essential for creating jobs, fostering innovation, and improving livelihoods, as such, ICD’s development efforts focus on empowering businesses and entrepreneurs in MCs. This commitment is grounded in Islamic finance principles, which emphasize ethics, social equity, and shared prosperity. By promoting private sector growth, ICD directly addresses critical development challenges, including poverty, unemployment, and inequality. Its work aligns with the global sustainable development agenda, particularly the UN SDGs. ICD achieves this by offering Shariah-compliant financial products and services, facilitating access to finance, and encouraging entrepreneurship and innovation.



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The organization’s mandate revolves around:



Promoting Inclusive Economic Growth:
Supporting industries and sectors that drive job creation and improve living standards.



Expanding Access to Finance: Providing capital to underserved business segments, particularly for SMEs.



Catalyzing Sustainable Development:
Encouraging projects aligned with environmental sustainability, social equity, and economic resilience.



Enhancing Regional Integration:
Strengthening economic ties and fostering partnerships.

a. Development Through Financial Access

Development permeates ICD’s DNA through its financial offerings, which are designed to address specific gaps and challenges in MCs. These Shariah-compliant instruments provide businesses with access to much needed capital while adhering to ethical and socially responsible financing principles. A cornerstone of ICD’s development agenda is ensuring that SMEs have access to financial services. Through its partnerships with banks and financial institutions, ICD expands financial services, enabling individuals and SMEs to participate in the economy.

ICD is a pioneer in advancing Islamic finance as a tool for development. Through its innovative financial products, such as Murabaha (cost-plus financing) and Sukuk (Islamic bonds), ICD has broadened the appeal and applicability of Islamic finance, enabling MCs to access new funding sources for their development agendas.

Supporting SMEs

SMEs are believed to be key to economic development as they may serve as a source of entrepreneur skills, innovation and employment. They also can stimulate competition for prices, product design and efficiency, yet they often face barriers in accessing finance¹. ICD

¹ Source : <https://www.avekon.org/papers/2265.pdf>

prioritizes SME development by providing tailored financing solutions, enabling these businesses to grow, create jobs, and contribute to local economies. This focus on SMEs exemplifies ICD's belief in fostering grassroots development.

Promoting Resiliency

ICD's financial interventions support innovation in sectors such as agriculture, healthcare, renewable energy, and infrastructure. These investments not only drive economic growth but also enhance the resilience of economies to external shocks, such as those caused by climate change or global pandemics.

Partnerships as a Pillar of Development

ICD operates in 56 MCs, spanning Asia, South America, the Middle East, Africa, and Europe. Its diverse membership includes developing nations with varying levels of economic maturity, united by a shared commitment to the values of Islamic finance. This wide geographical scope enables ICD to address challenges specific to different regions while fostering a sense of unity and shared growth. As such, with a wide array of needs within its MCs, ICD recognized that development cannot be achieved in isolation, and ICD's partnership-driven approach is a testament to its commitment to collaboration. By working with semi-government entities, MDBs, and private sector actors, ICD amplifies its impact and leverages additional resources for development.

For example, ICD's role as a co-financier allows it to bring together stakeholders to tackle complex development challenges, such as financing large-scale infrastructure projects or fostering regional integration. These partnerships also enable ICD to share knowledge and best practices across its MCs, promoting collective progress. By fostering collaboration, ICD ensures that its interventions are well-coordinated, impactful, and aligned with the broader development goals of its MCs.

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b. Development Impact

ICD measures its success through tangible development outcomes, including job creation, poverty reduction, and social progress. Since its inception, ICD has financed over 575 interventions, contributing to the establishment of businesses, infrastructure development, and the empowerment of local communities. ICD's effectiveness as a development institution is reflected in the measurable outcomes of its interventions. These include:



Job Creation: Interventions funded by ICD have generated thousands of direct and indirect employment opportunities, particularly in underserved sectors. Serving to reducing unemployment and improving

household incomes.



Infrastructure Development: ICD's investments in energy, transportation, and healthcare have improved access to essential services in MCs.



Economic Diversification: By investing in traditional sectors, such as agribusiness, ICD helps MCs diversify their economies and reduce dependence on volatile industries.



Economic Resilience: ICD's support for SMEs and financial institutions has enhanced economic diversification and resilience against external shocks.



Improved Living Standards: Through infrastructure investments in sectors like healthcare, transportation, and energy, ICD directly improves the quality of life in its MCs.

A Focus on Sustainability and Inclusive Growth

ICD's understanding of development encompasses not only economic growth but also environmental sustainability and social equity. Its interventions are designed to achieve long-term benefits for communities while preserving natural resources and promoting fair treatment of all stakeholders.



Environmental Sustainability: ICD invests in renewable energy projects, such as solar and wind power, to address climate change and reduce reliance on fossil fuels. These projects contribute to global sustainability goals while providing clean energy.



Social Equity: ICD supports interventions that promote equality and empowerment. By financing women-led businesses, ICD helps create more inclusive economies where all individuals have opportunities to thrive.

As a development institution grounded in Islamic finance, ICD embodies the ethos of ethical, inclusive, and sustainable growth. For ICD, development is not just a goal, it is its essence. Every aspect of ICD's work, from its financial products to its partnerships and strategic priorities, reflects a deep commitment to fostering economic growth, sustainability, and social progress. Its unwavering commitment to empowering the private sector and driving socioeconomic progress reinforces the belief that development is indeed its DNA. By embedding development in its DNA, ICD continues to empower MCs, create opportunities for their people, and build a future defined by shared prosperity. With an adaptive and forward-looking approach, ICD continues to be a catalyst for transformation, fostering prosperity and resiliency.



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2.2 Promoting Development Effectiveness

In 2024, ICD reinforced its mandate to foster inclusive economic growth and private sector development in its 56 MCs. ICD pursued multi-faceted strategies to promote development effectiveness by enhancing financial inclusion, enabling access to sustainable financing, and catalyzing cross-border investments in alignment with Islamic finance principles. ICD's development effectiveness strategy is centered on five interlinked priorities:



Empowering SMEs: SMEs are the backbone of economies, driving innovation, creating jobs, and reducing poverty. ICD prioritizes SME development by providing tailored financial solutions and technical support to enhance their productivity and competitiveness.



Fostering Innovation and Technology: ICD actively supports ventures that leverage technology and innovation to address development challenges, including fintech solutions that expand financial inclusion.



Promoting Sustainability: Environmental, Social, and Governance (ESG) considerations are integral to ICD's operations. By funding renewable energy and sustainable infrastructure projects, ICD contributes to global efforts to combat climate change and promote sustainable development.



Enhancing Financial Inclusion: ICD works to bridge the financing gap for underserved communities.



Strengthening Regional Cooperation: ICD facilitates cross-border investments and partnerships that promote regional integration, economic stability, and shared prosperity.

The year saw the issuance of a USD 500 million Sukuk, oversubscribed by 4.2 times with a USD 2.2 billion order

book. This successful venture not only underscored investor confidence in ICD's financial stewardship but also mobilized resources for impactful development projects across MCs. Proceeds were channeled into development assets, expanding ICD's capacity to drive socio-economic progress.²

ICD also secured agreements that bolstered financial inclusion, particularly for SMEs. Noteworthy examples included a Euro 15 million facility for Banque de l'Union in Côte d'Ivoire and a USD 15 million line of financing for Rabitabank in Azerbaijan, targeting local businesses to stimulate job creation and economic growth. ICD also provided a Line of Finance facility worth USD 30 million to Uganda Development Bank Limited (UDBL) for the purpose of onward financing and support to private sector enterprises, including SMEs, in the Republic of Uganda. The ICD's partnerships in 2024 highlighted its commitment to regional collaboration. For instance, in Saudi Arabia, ICD and the National Development



2 <https://icd-ps.org/en/news/icd-returns-to-the-dollar-market-with-tight-five-year-print>



ICD's focus extended to advancing Islamic financial systems. In Uzbekistan, it signed agreements with multiple financial institutions to transform conventional entities into Islamic banks, marking a significant stride toward financial inclusion towards Islamic finance. Similarly, technical assistance programs were implemented to enhance local financial institutions' capacities, including training on financial management and the diversification of Shariah-compliant products.

Fund signed agreements to explore Shariah-compliant investments in infrastructure, leveraging innovative technologies to maximize development impact. Similar efforts were mirrored in the Maldives and Uzbekistan, where agreements aimed at establishing Islamic banks and expanding Tier 1 capital to support financial resiliency.³

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advanced assessment tools, the organization ensured projects aligned with SDGs. Collaborations, such as those with the Economic Community of West African States (ECOWAS) through the ECOWAS Bank for Investment and Development (EBID) and other regional bodies, fostered economic resilience in underserved markets.⁴

ICD's 2024 initiatives underline its dedication to promoting sustainable economic growth through innovative financing, strategic partnerships, and capacity-building measures. By remaining steadfast in its commitment to Islamic finance principles and the development aspirations of its MCs, ICD continues to enhance its role as a catalyst for economic transformation, resiliency and overall, the promotion of development effectiveness practices and interventions.

³ <https://icd-ps.org/en/news/islamic-corporation-for-the-development-of-the-private-sector-icd-signs-11-transformative-agreements-aimed-at-spearheading-private-sector-expansion-in-member-countries>

⁴ <https://icd-ps.org/32/news/the-islamic-corporation-for-the-development-of-the-private-sector-icd-signs-13-landmark-agreements-to-promote-private-sector-growth-in-its-member-countries>



ICD has been instrumental in enabling the private sector to drive economic progress across its MCs. Recognizing the critical role of SMEs as engines of growth, ICD has prioritized SME empowerment, deploying resources and expertise to unlock their potential.

2.3 Celebrating 25 years of Development

In 1999, after extensive consultations with stakeholders from both the public and private sectors, the IsDB formally established ICD as a subsidiary institution within the IsDB Group. ICD's mandate was clearly defined: to contribute to the economic development of MCs by promoting private sector investment, providing financial products aligned with Islamic principles, and facilitating the transfer of knowledge and best practices to local businesses.

Since its inception, ICD has been instrumental in enabling the private sector to drive economic progress across its MCs. Recognizing the critical role of SMEs as engines of growth, ICD has prioritized SME empowerment, deploying resources and expertise to unlock their potential. Through innovative financial products and services, ICD has provided businesses with the tools to expand, create jobs, and build resilient economies.

a. ICD's Legacy

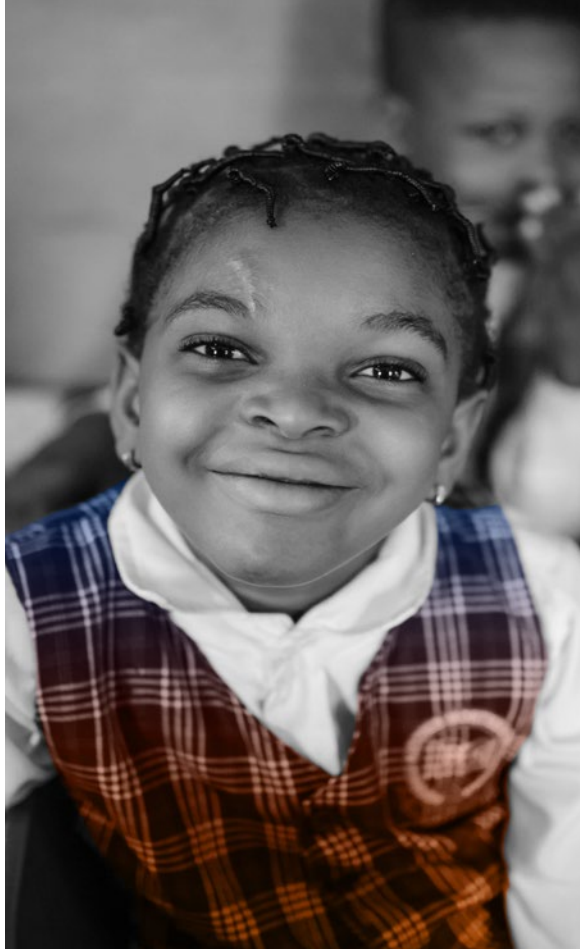
As ICD celebrates its 25th anniversary, it is an opportune moment to reflect on the journey, achievements, and enduring commitment that have shaped its role as a catalyst for private sector-driven development. Over the past quarter-century, ICD has evolved into a trusted partner for economic transformation in its MCs, steadfastly adhering to its mission to foster inclusive growth, sustainable development, and prosperity in alignment with the principles of Islamic finance. Building its legacy as a partner with developmental impact as its aim.

Key highlights of this legacy include:



SME Development: ICD has supported thousands of SMEs, fostering entrepreneurship and innovation in industries ranging from pharmaceuticals to agriculture.

These businesses have become vital contributors to economic diversification and community well-being.



Access to Finance: By addressing financial inclusion gaps, ICD has empowered underserved populations to participate in economic activity and improve their livelihoods.



Regional Integration: ICD's cross-border initiatives have strengthened regional economic ties, paving the way for shared prosperity and stability.

ICD has, over the past 25 years, played a vital role in fostering economic development across its MCs. This journey has been marked by significant milestones that highlight its contributions to private sector growth, Islamic finance innovation, and sustainable development. Below is a detailed account of the key contributions that have defined ICD's legacy and shaped its trajectory as a leading development institution.

1. Catalyzing Private Sector Growth

The private sector is the engine of economic development, driving job creation, innovation, and productivity. ICD's focus on fostering private enterprise has significantly contributed to the economic transformation of its MCs.



Support for SMEs: SMEs form the backbone of economies, particularly in developing countries. Over the past 25 years, ICD has provided targeted financial support to thousands of SMEs, enabling them to expand operations, innovate, and contribute to national GDPs. SMEs supported by ICD have created thousands of jobs, reducing unemployment and boosting household incomes.



Encouraging Entrepreneurship: By addressing barriers to entrepreneurship, such as access to finance and technical knowledge, ICD has cultivated a culture of innovation in MCs. This has been especially impactful in sectors like pharmaceuticals, manufacturing, and agriculture.



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2. Advancing Financial Inclusion

ICD has been a key player in expanding access to finance, particularly for underserved populations and regions. Through its network of partnerships and its innovative financial instruments, ICD has bridged critical gaps in financial inclusion.



Partnerships with Local Financial Institutions: ICD has provided lines of credit to financial institutions, enabling them to extend Shariah-compliant financial products to SMEs and individuals in rural and underserved areas. Over 100 partner institutions have collaborated with ICD since inception.



Promotion of Islamic Finance: As a champion of Islamic finance, ICD has introduced innovative products, such as Sukuk (Islamic bonds), Ijara (leasing), and Murabaha (cost-plus financing). These instruments have enabled financial institutions and businesses to access ethical financing solutions.

3. Enhancing Sustainability and Resiliency

ICD's commitment to sustainability and resiliency is a cornerstone of its development effectiveness. Its interventions are designed to deliver long-term benefits while addressing environmental and social challenges.



Green Financing: ICD has significantly increased its investments in renewable energy projects, including solar and wind. These projects contribute to reducing

greenhouse gas emissions, improving energy access, and supporting global climate goals. For example, in 2024 ICD provided financing of EURO 15 million to Türkiye's Sampa Otomotiv Sanayi ve Ticaret A.Ş. (SAMPA) to support the development and construction of a 21 MW captive solar energy capacity. This solar plant will reduce energy costs, lower CO2 emissions, and ultimately support Türkiye in achieving its net-zero targets.



Economic Diversification: By investing in non-traditional sectors, such as agribusiness and healthcare, ICD has helped MCs reduce dependence on volatile sectors like oil and gas. Diversification efforts have strengthened economic resilience and reduced vulnerability to external shocks.



Focus on Social Equity: ICD has prioritized projects that empower women, recognizing their potential as drivers of sustainable growth. Women led businesses have

received significant support, leading to more inclusive economies. ICD's targeted programs for women have created opportunities for women to thrive as entrepreneurs, leaders, and contributors to their economies. A prime example is the Business Resilience Assistance for Value-Adding Enterprises (BRAVE) program which was designed to enhance the resilience of private enterprises in fragile contexts and serve as a catalyst for innovation, employment, and improved quality of life. BRAVE provides specialized business training and grant-matching support to help businesses maintain operations and create new employment opportunities. The program was originally implemented in Yemen in 2016 by the IsDB/ICD, funded by the MENA Transition Fund, and has since been replicated in Nigeria, Burkina Faso, and Yemen through the Women Entrepreneurs Finance Initiative (We-Fi).

4. Facilitating Regional Integration and Trade

Regional integration is critical for economic stability and shared prosperity. ICD has played an active role in fostering cross-border investments and trade within its MCs.



Cross Border Projects: ICD has financed regional infrastructure projects, such as transportation and energy interconnections, to facilitate trade and economic cooperation.



Investment Promotion: By acting as a co-financier, ICD has attracted international investors to MCs, leveraging its credibility and expertise to catalyze additional funding.



5. Measurable Development Outcomes

ICD's effectiveness is best reflected in the tangible outcomes of its initiatives:



Job Creation: Interventions financed by ICD have directly and indirectly created thousands of jobs, improving living standards and reducing poverty levels.



Infrastructure Development: ICD has financed critical infrastructure in healthcare, energy, and transportation, enhancing access to essential services for millions of people.



Knowledge Transfer: Through its services, ICD has helped MCs strengthen regulatory frameworks, improve governance, and adopt best practices in Islamic finance and private sector development.

6. Resilience Amid Challenges

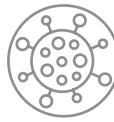
The resilience of ICD's development model was tested during global crises such as the COVID-19 pandemic. Amid unprecedented disruptions, ICD rose to the challenge by providing emergency financing, north of



Spanning sectors such as energy, healthcare, finance and manufacturing, these interventions have directly contributed to job creation, poverty reduction, and improved infrastructure.



USD 250 million supporting struggling businesses, and contributing to recovery efforts. This adaptability underscored ICD's unwavering dedication to its MCs, even in the face of adversity.



COVID-19 Response: ICD provided emergency financing to SMEs and healthcare projects, ensuring that businesses could sustain operations and countries could strengthen their pandemic response. Hundreds of businesses were supported, preserving jobs and economic stability during a critical period.



Post-Pandemic Recovery: ICD has actively participated in rebuilding efforts, prioritizing projects that enhance resilience and future-proof economies against similar shocks.

7. Strengthening Institutional Capacity

ICD's role extends beyond financing to building institutional capacity. Its past advisory services have enabled private sector actors to access Islamic finance



Capacity Building for Financial Institutions: ICD has trained local financial institutions to develop and deliver Shariah-compliant products, expanding their market reach and improving financial inclusion. Thereby enhancing their operational efficiency and product portfolios.

8. Innovations in Development Financing

ICD's 25-year journey is also a testament to its pioneering role in advancing Islamic finance as a tool for development. By introducing innovative financing instruments, such as Sukuk (**Islamic bonds**) and Shariah-compliant equity investments, ICD has broadened access to ethical and socially responsible financing. These initiatives have not only supported development projects but also strengthened the appeal of Islamic finance on the global stage. ICD's innovative approach to development financing has amplified its impact:



Sukuk Issuances: ICD has facilitated Sukuk issuances for MCs, providing an alternative to conventional debt financing. Funds raised through Sukuk have financed critical infrastructure and development projects.



Syndicated Finance: ICD has combined its resources with those of international partners to maximize development outcomes.

b. Key Achievements at 25 Years

Cumulative Impact Metrics



Over 575 interventions: Spanning sectors such as energy, healthcare, finance and manufacturing, these interventions have directly contributed to job creation, poverty reduction, and improved infrastructure.



USD 758 Billion in Approvals: ICD has leveraged its resources towards the betterment of its beneficiaries thereby amplifying its development impact.



Enhanced Financial Inclusion: Through its partnerships, ICD has expanded access to finance for SMEs and underserved populations in MCs.



Promotion of Islamic Finance: ICD has advanced Islamic finance globally, positioning it as a viable and ethical alternative to conventional financing.

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c. The Road Ahead: Scaling Impact for the Future

As ICD marks its 25th anniversary, it looks to the future with a renewed vision to scale its impact. The next phase of ICD's journey will focus on leveraging digital technologies, addressing climate challenges, and fostering stronger regional cooperation. By deepening its partnerships and continuing to innovate, ICD aims to remain a driving force for development in its MCs. ICD's vision for the future builds on its deep-rooted commitment to development. As it navigates evolving global challenges, ICD plans to scale its impact by:



Leveraging Technology: Embracing digital transformation to enhance efficiency and expand its reach.



Tackling Climate Change: Increasing investments in sustainable projects and supporting green finance initiatives.



Strengthening Regional Cooperation: Promoting cross-border trade and investments to create integrated regional economies.



Enhanced Partnerships: Deepening collaboration with international development partners and private investors.



Empowering the Next Generation: Expanding programs for youth entrepreneurship and education to prepare future leaders.

The 25th anniversary of ICD is not merely a milestone; it is a celebration of progress, resiliency, and shared achievements. Over the past quarter-century, ICD has demonstrated that development is indeed its DNA, empowering the private

sector to transform lives, create opportunities, and build a foundation for sustainable growth. As ICD embarks on the next chapter of its journey, it does so with the same unwavering commitment to development that has defined its first 25 years. This celebration is a testament to the power of collaboration, vision, and innovation in building a brighter future for all.

d. A Legacy of Development

The past 25 years of ICD's journey reflect its unwavering commitment to fostering sustainable and inclusive development across its MCs. From empowering SMEs and pioneering Islamic finance to addressing climate change and promoting regional integration, ICD has consistently demonstrated that development is its DNA. As it celebrates this milestone, ICD remains poised to tackle emerging challenges and seize new opportunities, ensuring a legacy of impact and transformation for decades to come. As it looks to the future, ICD's proven track record ensures that its role as a catalyst for development will remain central to the aspirations of its MCs.

ICD has spent the last 25 years advancing its mission to promote sustainable economic growth and development through the private sector. Its effectiveness as a development institution is evident in its measurable contributions to job creation, poverty reduction, financial inclusion, and sustainable development. By focusing on innovation, inclusivity, and sustainability, ICD is poised to continue playing a pivotal role in shaping the future of the private sector in MCs for the next 25 years and beyond.



The past 25 years of ICD's journey reflect its unwavering commitment to fostering sustainable and inclusive development across its MCs. From empowering SMEs and pioneering Islamic finance to addressing climate change and promoting regional integration, ICD has consistently demonstrated that development is its DNA.



The Annual Development Survey results demonstrate that while there are numerous opportunities for private sector growth within ICD MCs, the path forward is not without its challenges.

CHAPTER 3

> ICD's Development Impact



3.1 Annual Development Effectiveness Survey Results

The Annual Development Survey serves as a critical tool in assessing the progress and challenges of private sector clients and partners of the ICD. Through comprehensive data collection, this survey aims to provide strategic insights that will inform ICD's future programs, financing, and development initiatives.

The private sector remains a pivotal force in driving economic development within ICD MCs. The results of this year's survey demonstrate that ICD has made commendable strides in encouraging entrepreneurship, fostering innovation, and improving access to financing. However, challenges persist, particularly in ensuring that private sector growth is inclusive and sustainable. As the private sector expands, there is an increasing emphasis by government officials, regulators, policy makers and businesses on sustainability and the social impact of business activities. The results of this year's survey reflect a growing awareness of the need for businesses to align their operations with ESG principles. This includes a growing push for private companies to adopt greener technologies, reduce their carbon footprints, and contribute positively to their communities.

The Annual Development Survey results demonstrate that while there are numerous opportunities for private sector growth within ICD MCs, the path forward is not without its challenges. The need for enhanced financial inclusion, improved access to technology, and the adoption of sustainable business practices remains paramount. In response to these findings, ICD will continue to focus its efforts on fostering a conducive environment for private sector development. This includes enhancing financial support for SMEs, facilitating digital transformation, and ensuring that private sector growth contributes to the broader social and environmental goals of MCs. A concerted effort shall also be made to mainstream ESG principles across the organisation and to engage with clients and partners on an ESG-compliant basis. By addressing these key issues, the ICD aims to ensure that the private sector remains a central driver of economic growth and development.



The private sector remains a pivotal force in driving economic development within ICD MCs. The results of this year's survey demonstrate that ICD has made commendable strides in encouraging entrepreneurship, fostering innovation, and improving access to financing.

a. Aggregate Survey Findings

Below can be found a detailed summary of the 2024 Annual Development Survey results. The table provides aggregate results of the survey based on 83% client response rate.

ADER Full Highlights	2024
Clients who gained access to Islamic finance since ICD intervention	909,004
New Islamic finance clients	126,734
Number of new clients who are Women	34,219
SMEs supported through ICD financing	1,529
Women led/managed SMEs funded	472
Total amount of funding to SMEs	\$353,011,523
Jobs Supported	189,482
Women Jobs Supported	57,205
New Jobs Created	23,409
New Women Jobs Created	7,903
Women in senior management positions	1,985
Domestic Purchases	\$940,319,488
Export Sales Generated	\$779,045,399
Government Revenues	\$215,528,112
Community Development	\$19,970,422
Total KWhs Energy Produced	3,747,124,369
Total MW Energy Capacity Financed	3,529
Total Patients Served	2,280,653
Total Students Enrolled	46,672
Total Farmers Reached	25,331
Total Housing Units	2,710
Number of people trained	7,781

ICD will continue to focus its efforts on fostering a conducive environment for private sector development. This includes enhancing financial support for SMEs, facilitating digital transformation, and ensuring that private sector growth contributes to the broader social and environmental goals of MCs.



b. Development in Numbers

A critical objective of ICD's interventions is expanding access to Islamic finance, particularly for the non-banked members of society. In 2024, 126,734 new clients accessed Islamic finance for the first time, with 34,219 of these clients being women, underscoring the importance of gender-inclusive financial inclusion.

SMEs are a cornerstone of private sector development, and ICD has continued its focus on enabling their growth. Through direct financing and support, 1,529 SMEs benefited from ICD's financing facilities in 2024, contributing to the diversification of local economies and fostering entrepreneurial spirit across the region. Of the SMEs supported, 472 were women-led or women-managed, showcasing ICD's commitment to empowering women entrepreneurs and ensuring their access to the resources needed for business growth. The total amount of financing allocated to SMEs was USD 353,011,523.

ICD's support to the private sector seems to have had a direct impact on employment generation as well. In 2024, 189,482 jobs were supported through ICD-backed businesses and projects. Of these, 57,205 jobs were allocated for women, reflecting the increasing participation of women in the workforce. Additionally, 23,409 new jobs were created, with 7,903 new jobs specifically for women. These figures emphasize the importance of ICD's commitment to enhancing women's economic participation, with 1,985 women occupying senior management positions across supported companies, showcasing potential progress in gender equality at the leadership level.

The wider economic impact of ICD's interventions is also evident in the performance of businesses and industries funded by ICD. Domestic purchases totaled USD 940,319,488, demonstrating the considerable contribution of supported businesses to national economies. Additionally, USD 779,045,399 in export sales were generated, highlighting the growing international competitiveness of businesses within ICD's portfolio.

ICD's support not only helped to generate significant revenue but also contributed to USD 215,528,112 in government revenues, helping to finance public goods and services in MCs.

ICD's initiatives also focus on ensuring that the growth of the private sector translates into positive community outcomes. In 2024, USD 19,970,422 was channeled into community development projects. These efforts have possibly had a tangible impact on social well-being, particularly through improved access to essential services. Notably, 2,280,653 patients were served by healthcare facilities supported by ICD's financing, and 46,672 students were enrolled in educational programs funded through ICD's initiatives.

Moreover, ICD's commitment to sustainability was underscored by the 3,747,124,369 KWh of energy produced and the 3,529 MW of energy capacity financed, reinforcing its role in promoting clean and sustainable energy. These initiatives align with global efforts to reduce carbon emissions and contribute to climate resilience in MCs.

The agriculture sector, another key focus area for ICD, has seen notable achievements. In 2024, 25,331 farmers were reached with support aimed at enhancing agricultural productivity, improving livelihoods, and ensuring food security. Similarly, 2,710 housing units were built, in effort to contribute to urban development.

Lastly, ICD has consistently prioritized skills development and capacity building to enhance human capital. In 2024, 7,781 individuals received training, equipping them with the necessary skills to succeed in various sectors. This focus on education and training ensures that businesses and communities have the talent and expertise required to foster sustainable growth.



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c. Addressing Sustainability and SDGs

The results of our survey provided valuable insights into the status of SDG alignment and sustainability efforts among our partners and clients. Here are the key findings:

A significant 88% of respondents reported having a Board-approved policy to ensure fair and equitable treatment of employees. This reflects a strong commitment to fostering a just and positive work environment, aligning with ICD’s emphasis on employee rights.

Do you have a Board approved policy to compensate employees fairly and equitably?	Yes	88%
	No	6%
	Not this time 1-2 years	6%
	Not this time 3-5 years	0%

Additionally, when asked “What approach to Environmental, Social and Governance (ESG) are you taking? Over half of the respondents (53%) have implemented an ESG policy, reflecting the growing recognition of the importance of sustainability. Among those without an ESG policy, 28% plan to introduce one within the next 1-2 years.

What approach to Environmental, Social and Governance (ESG) are you taking?	We currently have an ESG policy	53%
	We do not have an ESG policy but use a CSR policy	9%
	We do sustainability themed investing and/or have a negative/exclusion screening	3%
	No (1-2 yrs)	28%
	No (3-5 yrs)	6%

The survey indicated that nearly 38% of respondents currently track their GHG emissions. Meanwhile, 33% stated that they currently do not track these emissions. Likewise, 22% are planning to start tracking their GHG emissions within the next 1-2 years.

Do you track Green House Gas (GHG) emissions or any other carbons resulting from your business activity?	Yes	38%
	No	33%
	No (1-2 yrs)	22%
	No (3-5 yrs)	8%



The main motivation for contributing to the SDGs, as identified by 52% of respondents, is the opportunity to align their core business activities with societal needs. Additionally, 14% see it as an opportunity to grow revenue or enter new markets. This suggests a growing awareness of the business value in supporting the SDGs.

The survey shows that 38% of respondents are at the “Basic” stage of SDG alignment, indicating that many institutions are still in the early phases of integrating SDGs into their business operations. Additionally, 23% are in the “Beginning” phase, reflecting efforts to incorporate SDGs into corporate literature and operations over the past year.

Which stage would you classify your institution in terms of alignment with SDGs?	No Alignment	16%
	Beginning	23%
	Basic	38%
	Alignment	19%
	Advanced	5%

The main motivation for contributing to the SDGs, as identified by 52% of respondents, is the opportunity to align their core business activities with societal needs. Additionally, 14% see it as an opportunity to grow revenue or enter new markets. This suggests a growing awareness of the business value in supporting the SDGs.

What is the main reason your company is contributing to (or is planning to contribute to) the implementation of the Sustainable Development Goals (SDGs)?	Opportunity to align core business activities with society's needs	52%
	Opportunity to grow revenue / enter new markets	14%
	Opportunity for collaborations and partnerships	17%
	Pressure from external stakeholders / competition	0%
	Importance of SDGs to national agenda	17%

The primary barrier to benchmarking investments against the SDGs, cited by 42% of respondents, is the difficulty in measuring progress due to a lack of data. Another 25% cited potential cost and financial return implications.

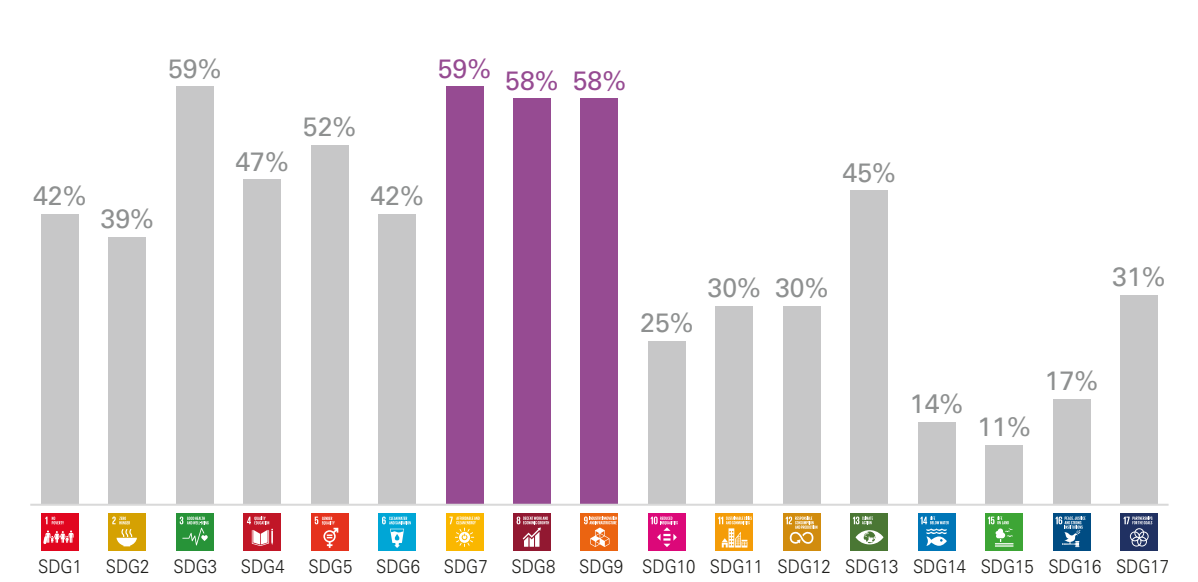
What are the main barriers to benchmark investments against SDGs?	SDGs are not relevant to our financing/investment decisions	6%
	Cost and financial return implications to our bottom line	25%
	It is difficult to measure / lack of data	42%
	Lack of knowledge about the topic	11%
	Complex frameworks, increasing standards and regulation	16%

Interestingly, 42% of respondents stated that their customers are “neutral” in their perception of the company’s efforts towards the SDGs. This may suggest that the general public remains unaware of the specific SDG initiatives being implemented by these institutions.

Do your customers think your business is doing enough to support the SDGs?	Yes	25%
	Yes, most likely	28%
	Neutral	42%
	No, not likely	2%
	No	3%

Approximately 80% of respondents reported that 0-25% of their annual investments over the last three years were directed toward SDG or ESG-related themes. This indicates a relatively modest allocation of resources to SDGs, highlighting room for further growth in these areas.

What share of your total annual investments and commercial transactions the past three years (on average) were allocated to an SDG or ESG related theme?	0-25%	80%
	26-50%	14%
	51-75%	5%
	76-100%	2%



The survey also highlighted a strong alignment of ICD partners and clients with ICD’s priority SDGs: SDG7 (affordable and clean energy), SDG8 (decent work and economic growth), and SDG9 (industry, innovation, and infrastructure). When asked “Which SDGs are you currently or planning to target?” Most respondents (59%) stated that they are focused on SDG7, with 58% are targeting SDG8 and SDG9.

And lastly, in looking ahead, when asked “How likely will your institution consider enhancing its SDGs framework over the short term (1-2 years)?”, 53% of respondents stated that they are “**Likely**” to consider enhancing their SDGs framework, illustrating the importance of SDG alignment towards the 2030 Sustainability Agenda.

How likely will your institution consider enhancing its SDGs framework over the short term (1-2 years)?	Highly likely	31%
	Likely	53%
	Neutral	11%
	Not likely	2%
	Highly unlikely	3%

The survey results reflect a positive shift toward greater alignment with SDGs and sustainability initiatives, with significant progress already made in areas such as fair employee treatment, ESG policies, and SDG-related investments. However, challenges remain, particularly around data measurement and customer awareness. ICD remains committed to supporting its partners and clients in advancing the SDGs and will continue to monitor and foster these efforts as we move towards the 2030 sustainability agenda.

d. Contributions in 2024: By Business Lines

Line of Finance (LOF)

In 2024, as in previous years, ICD’s portfolio was predominantly driven by the Line of Finance (LOF) facilities. LOFs continue to be especially crucial for economies with limited access to Islamic and/or affordable financing, playing a vital role in fostering economic development and enhancing financial inclusion. The following are the notable results from ICD’s LOF partners, based on reports from responding clients financed through these facilities:



Employment

- A total of 3,847 new full-time employees were hired across SMEs financed by our LOF partners, of which 1,518 were women
- ICD LOF partners directly hired 8,708 individuals, including 2,729 women
- 1,760 women held senior leadership positions among ICD LOF partner organizations
- 90% have an approved policy to fairly compensate its employees





Financial Output

- 336 SMEs funded directly through ICD sponsored financing facilities, of which 91 were women led/managed SMEs
- USD 206.7 million of new funding to SMEs
- USD 399.0 million was spent on locally sourced goods and services
- USD 75.3 million of export sales were generated
- USD 98.3 million raised in government revenues
- USD 16.6 million spent in community development



Social Impact

- A total of 5,567 individuals were provided with training opportunities
- In healthcare, 182,737 patients received medical services
- In education, 6,750 students were enrolled in programs supported by LOF-funded SMEs
- 2,855 farmers received support, fostering growth in the agricultural sector
- 1,850 new housing units were either mortgaged or financed, contributing to the housing sector

These results reflect the continued success and impact of ICD's LOF initiatives, demonstrating significant contributions to employment, economic growth, and social development across various sectors.

Direct Financing

ICD has strategically focused its efforts on high-value sectors that align with its mission of fostering developmental impact in MCs, promoting Islamic finance, and establishing a foundation for self-sustainability. Below are the key outcomes reported by ICD partners benefiting from direct financing:



Employment

- 5,492 new direct hires of which 1,059 were new women employment opportunities
- 124 opportunities for women to hold senior management positions
- 94% have an approved policy to fairly compensate its employees



Financial Output

- USD 473.0 million of goods and services purchased locally
- USD 208.9 million of export sales
- USD 69.6 million accrued in government revenues
- USD 2.36 million spent on community development



Energy: The responding partners produced approximately 2.35 billion Kilo Watt Hours of energy from a total of 2,888 Mega Watts financed by ICD.

Equity Financing

Equity financing is a cornerstone of ICD's strategy to promote Islamic finance practices, while also fostering the growth of SMEs. ICD facilitates financing for SMEs through direct investments in domestic financial institutions, namely banks, thereby maximizing development potential by encouraging job creation, and the transfer of knowledge and technology. ICD's equity investments also support the establishment and strengthening of non-bank financial institutions (NBFIs) such as Ijara (leasing), mortgage, and other financial entities.

The development results reported by ICD's clients receiving equity financing in 2024 include:



Employment

- 952 new direct hires including 372 women
- 90 women in senior lead positions
- 100% of equity partners have an approved policy to fairly compensate its employees



Financial Output

- 799 SMEs funded directly of which 130 were led by women
- USD 27.8 million of goods and services purchased locally
- USD 493.5 million of export sales
- USD 46.0 million of government revenue generation
- USD 722 thousand spent in community development



Financial Inclusion: 125,820 gained access to Islamic Finance including 33,909 women



Health: 7,755 patients served



Housing: 795 new housing units either mortgaged or financed



A total of 1,500 individuals were offered training

These results highlight the substantial impact of ICD's equity financing initiatives, driving both economic growth and social development, while expanding financial inclusion and supporting sustainable practices across its MCs.

Equally, the 2024 Annual Development Survey reflects the substantial progress made by ICD in promoting private sector development, creating jobs, and improving the quality of life for individuals across its MCs. With a focus on inclusivity, sustainability, and economic diversification, ICD's efforts continue to empower women, support SMEs, and drive impactful community development. As the private sector grows and evolves, ICD's continued support and innovative financing mechanisms will remain critical in ensuring that the benefits of economic development are widely distributed and aligned with the broader goals of sustainable and inclusive growth.





ICD's equity investment of USD 5.1 million in Taiba Finance reflects its commitment to fostering sustainable economic growth, financial inclusion, and ethical finance in emerging markets.

3.2 Success Stories

Success Story 1

Taiba Finance - Uzbekistan

Taiba Finance, formerly known as Taiba Leasing, represents a significant milestone in the development of Islamic finance in Uzbekistan. As an institution focused on providing Sharia-compliant financial services, it has had a notable developmental and financial impact on the local economy. ICD's equity investment of USD 5.1 million in Taiba Finance reflects its commitment to fostering sustainable economic growth, financial inclusion, and ethical finance in emerging markets.

Launched on May 20, 2010, ICD, Taiba is a pioneering Shariah-compliant leasing company. This initiative was part of ICD's strategy to promote Islamic finance and provide accessible, ethical financing to SMEs. Taiba plays a pivotal role in advancing Uzbekistan's economic diversification and private sector development while aligning its efforts with global SDGs.

Developmental Impact

Uzbekistan's financial system has historically faced challenges in providing equitable access to financial services, particularly for SMEs and rural communities. Taiba has played a pivotal role in addressing this gap by offering Sharia-compliant financing solutions tailored to the needs of SMEs. Its Islamic leasing (Ijara) and other products enable businesses to acquire necessary equipment and assets without resorting to conventional interest-based loans.

By targeting underserved segments, Taiba has empowered numerous entrepreneurs to expand their operations, create jobs, and contribute to the local economy. This aligns with ICD's broader mission of supporting the private sector as a driver of inclusive growth.



SME Financing: Over 60% of Taiba Finance's portfolio is directed toward supporting SMEs, particularly in underserved sectors such as agriculture, manufacturing, and trade.



Over USD 50 million funding for more than 500 leasing transactions supporting 450 clients since inception.



Directly and indirectly contributed to creating over 5,000 jobs since its inception, with 33% of those jobs allocated to women.



Geographical Reach: Taiba Finance has expanded its services beyond urban centers, reaching rural communities where conventional financing

options are scarce. This has provided critical support to farmers and small business owners who previously lacked access to capital.

Moreover, the operations of Taiba have significantly contributed to raising awareness about Islamic finance principles in Uzbekistan. The company has not only served as a financial institution but also as a promoter of ethical and responsible financing. By introducing innovative products rooted in Islamic principles, such as Ijara and Murabaha, Taiba has built trust among stakeholders and increased the acceptability of Sharia-compliant financial solutions in the country. This effort supports the government's strategic goal of making Uzbekistan a hub for Islamic finance in Central Asia, encouraging the adoption of these principles in other sectors.

Additionally, Taiba has made significant contributions to private sector development, particularly in agriculture, manufacturing, and trade. By providing tailored financing solutions, the company has enabled businesses to modernize operations, adopt advanced technologies, and improve productivity. This, in turn, has increased the competitiveness of Uzbek businesses in both local and regional markets. The resulting growth in the private sector has had a ripple effect, boosted related industries and encouraged further investment in infrastructure and human capital.

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The operations of Taiba have significantly contributed to raising awareness about Islamic finance principles in Uzbekistan. The company has not only served as a financial institution but also as a promoter of ethical and responsible financing.



Other notable Development Impact:



USD 5.4 million spent on local goods and services, supporting Uzbekistan's local industries.



USD 192,000 contributed to government revenues through taxes.



15,000 patients received medical attention from financed healthcare entities.



1,475 positions held by women among financed entities.



17.5% of Taiba's portfolio supports the agriculture sector, critical to Uzbekistan's GDP.



15% was directed toward the construction sector, promoting infrastructure development.

Alignment with SDGs: Taiba's operations are closely aligned with the following SDGs:



SDG1 (no poverty): By providing Sharia-compliant financing to underserved segments, Taiba Finance has helped reduce poverty by enabling businesses to grow, create jobs, and improve household incomes.



SDG5 (gender equality): Taiba has dedicated a portion of its portfolio to supporting women entrepreneurs, empowering them to start and expand their businesses, thus fostering greater gender equality in economic participation.



SDG8 (decent work and economic growth): Through SME financing, Taiba has directly supported private sector development, enabling businesses to create over 5,000 jobs.



SDG9 (industry, innovation, and infrastructure): Taiba Finance has provided Islamic leasing and asset-financing solutions that allow small businesses to modernize operations and invest in technology, boosting productivity and competitiveness.



SDG12 (responsible consumption and production): Through leasing energy-efficient and environmentally friendly equipment, Taiba Finance has supported businesses in adopting sustainable practices.



SDG13 (climate action): Initiating the leasing of electric vehicles, with about 23 electric cars leased to date, thus, contributing to reduced greenhouse gas emissions in alignment with Uzbekistan's green economy goals.



SDG17 (partnerships for the goals): Taiba's partnership with the ICD has attracted additional investments into Uzbekistan, strengthening financial and institutional capacity to support sustainable development.

Taiba Finance exemplifies how innovative financial solutions aligned with Islamic principles can drive economic growth, foster SME development, and contribute to global SDGs. Its partnership with ICD underscores the importance of innovative and ethical financial solutions in driving sustainable development. While challenges remain, Taiba Finance is well-positioned to continue its positive trajectory, furthering Uzbekistan's aspirations of becoming a regional leader in Islamic finance and economic growth.





Success Story 2

Uzbek Leasing - Uzbekistan

ICD plays a pivotal role in fostering economic growth and private sector development in member countries. The line of finance extended to Uzbek Leasing International A.O. (ULI) is a testament to ICD's commitment to strengthening SMEs in Uzbekistan. By facilitating access to financial resources, this initiative has created significant development impacts, contributing to several SDGs while addressing critical socio-economic challenges.

ULI, established in 1995 by the National Bank of Uzbekistan, has been pivotal in advancing private sector development through leasing services. ULI focuses on financing technological equipment and providing comprehensive leasing solutions for SMEs. Operating through its headquarters in Tashkent and 11 regional offices, ULI has supported over 2,000 SME projects to date. As of 2023, it held a 14.3% market share of new leasing transactions, ranking second among Uzbekistan's top leasing firms. As part of its mandate to support the private sector, ICD provided a USD 15 million LoF to ULI to help finance eligible SMEs.

Developmental Impact

SMEs are the backbone of Uzbekistan's economy, accounting for a substantial share of employment and

GDP. However, these businesses often face significant challenges in accessing affordable financing due to high-interest rates and limited credit availability. The ICD LoF facility has empowered ULI to provide Shariah-compliant leasing solutions tailored to the needs of SMEs.



Access to Finance: 17 SMEs across diverse sectors, including agriculture, manufacturing, and healthcare, have benefited from leasing facilities, enabling them to acquire modern equipment and technology.



Business Growth: Improved financial access has facilitated increased production capacities, enhanced competitiveness, and the creation of value-added goods and services in local and export markets.



Job Creation: Expanding SMEs has led to the generation of thousands of direct and indirect employment opportunities, particularly in underserved regions.

The ICD's partnership with ULI has catalyzed broader private sector development in Uzbekistan by promoting the adoption of best practices in financial services, governance, and risk management. This, in turn, has fostered confidence among international investors and development partners.



Other notable Development Impact:

68 jobs sustained at ULI of which 17 were women employment opportunities



17 SMEs financed using ICD latest facility, including four women-led businesses



The 17 SMEs helped sustain employment opportunities for about 3,587 people.



USD 536,000 in government revenues were paid in the form of taxes



Construction & food production sectors, which together accounted for over 35% of ULI's portfolio



USD 34,000 was donated to local community initiatives by ULI



Alignment with SDGs: The LoF extended to ULI was closely aligned with the following SDGs:



SDG2 (zero hunger): Modern Farming Equipment: Leasing solutions have enabled farmers to acquire tractors, irrigation systems, and other machinery, boosting agricultural productivity.



SDG3 (good health and well-being): Improved Healthcare Infrastructure: Financing has enabled the acquisition of advanced medical equipment, including diagnostic tools and treatment machinery, particularly for clinics and hospitals in underserved regions.



SDG5 (gender equality): Job Creation for Women: Many of the projects financed by Uzbek Leasing have created employment opportunities for women, particularly in industries such as textiles and healthcare. Likewise, women-led businesses have received financing to expand operations, fostering greater gender equality in the economic sphere.



SDG8 (decent work and economic growth): Leasing has enabled businesses to invest in modern equipment, expand operations, and increase productivity. Over 3,500 direct and indirect jobs have been created across various sectors, enhancing income levels and living standards.



SDG9 (industry, innovation, and infrastructure): SMEs in the manufacturing sector have upgraded production lines, enhancing industrial output and export potential. Also, access to finance has enabled SMEs to adopt innovative practices and advanced technologies, increasing competitiveness.



SDG17 (partnerships for the goals): The collaboration between ICD and Uzbek Leasing demonstrates the power of strategic partnerships in achieving development goals. The partnership has facilitated the exchange of best practices in Islamic finance and SME development, benefiting other stakeholders in the ecosystem.



The ICD's LoF facility to Uzbek Leasing represents a cornerstone initiative for advancing private sector development and SME growth in Uzbekistan. Through its partnership with ICD, ULI has advanced financial inclusion, promoted Islamic finance, and aligned with global SDG goals. In its part, ICD, by enabling access to tailored financial solutions, has created lasting socio-economic impacts, ranging from job creation and poverty alleviation to sustainable industrialization and environmental stewardship. Through this initiative, ICD has not only demonstrated its commitment to fostering development but also ensured alignment with global goals, particularly the United Nations' SDGs. The success of this partnership reinforces the critical role of innovative financing mechanisms in building inclusive, resilient, and sustainable economies in ICD member countries.



ICD extended a USD 25 million LoF to Jaiz Bank to support Nigeria's private sector during the COVID-19 pandemic and the period thereafter. Jaiz Bank Plc is a bank in Nigeria operating under Islamic banking principles and is a non-interest bank.



Success Story 3**Jaiz Bank - Nigeria**

ICD extended a USD 25 million LoF to Jaiz Bank to support Nigeria's private sector during the COVID-19 pandemic and the period thereafter. Jaiz Bank Plc is a bank in Nigeria operating under Islamic banking principles and is a non-interest bank. It is the first non-interest bank established in Nigeria and is headquartered in Abuja, the capital city of the country. The Bank operates 27 branches and provides regular ATM service as well as online, mobile, and SMS banking services.

Nigeria's economy has historically been reliant on oil, leaving it vulnerable to price shocks. By channeling funds into non-oil sectors such as agriculture, manufacturing, and trade, this LoF supports economic diversification. This shift not only reduces dependence on oil but also fosters inclusive economic growth.

This funding primarily targeted healthcare and critical economic activities, excluding non-Shariah-compliant sectors. Jaiz Bank, Nigeria's leading Islamic financial institution, was selected due to its financial stability, extensive SME support, and alignment with ICD's strategic goals of promoting Islamic finance and sustainable development.

This collaboration has significantly contributed to fostering financial inclusion, supporting economic development, and advancing the adoption of Islamic finance in Nigeria. The impact of this partnership underscores the strategic role of non-interest banking in driving sustainable development in emerging economies.

Developmental Impact

Jaiz Bank's allocation of the ICD facility has targeted Nigeria's critical SME sector, which accounts for a significant share of economic activity and employment. The facility has financed SMEs in different sectors, particularly in agriculture, manufacturing, and healthcare. Many of the SMEs used the funding to invest in asset acquisition, technology upgrades, and business expansion, improving their productivity and competitiveness.

Construction & food production sectors, which together accounted for over 35% of ULI's portfolio



Other notable Development Impact:



Six SMEs financed using ICD LoF facility

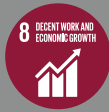


1,055 employed by the SMEs financed using the ICD LoF of which 961 were women employees



USD 11 million in export sales by the SMEs financed using the ICD LoF

Alignment with SDGs: The financing facility provided by ICD to Jaiz Bank in Nigeria has significantly contributed to the achievement of several SDGs through its support for SMEs, financial inclusion, and sustainable economic growth. Below are the specific SDGs impacted:



SDG8 (decent work and economic growth): The facility has enabled the bank to allocate USD 25 million to SMEs, ensuring consistent and affordable access to financing.

Moreover, the financing facility helped Jaiz Bank enhance and strengthen its overall capacity as a financial institution.



SDG9 (industry, innovation, and infrastructure): Jaiz Bank provided financing to SMEs for equipment upgrades and technology adoption, enhancing productivity and competitiveness.



SDG17 (partnerships for the goals): The ICD-Jaiz Bank partnership mobilized significant funds to support SMEs, strengthening Nigeria's financial ecosystem and contributing to long-term development goals.



By aligning with these SDGs, Jaiz Bank's financing activities, supported by ICD, have played a critical role in fostering inclusive and sustainable development in Nigeria. The partnership between ICD and Jaiz Bank showcases the transformative potential of Islamic finance in addressing socio-economic challenges. By championing ethical, inclusive, and sustainable financing, ICD is not only empowering local institutions but also strengthening global Islamic finance leadership. The project serves as a model for leveraging Islamic finance to achieve development goals SDG and enhance financial inclusion across MCs.

Jaiz Bank, with the support of the ICD line of finance, has demonstrated a transformative impact on Nigeria's SME sector and broader economy. By addressing financial inclusion gaps, creating jobs, and promoting ethical banking, the partnership has supported sustainable development and economic resilience. As Jaiz Bank continues to scale its operations and innovate its offerings, it is well-positioned to deepen its impact and strengthen its role as a key driver of non-interest banking in Nigeria.

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The partnership between ICD and Jaiz Bank showcases the transformative potential of Islamic finance in addressing socio-economic challenges. By championing ethical, inclusive, and sustainable financing, ICD is not only empowering local institutions but also strengthening global Islamic finance leadership.

Jaiz Bank, with the support of the ICD line of finance, has demonstrated a transformative impact on Nigeria's SME sector and broader economy.





By channeling Sharia-compliant funds to support economic activities, Ipak Yuli Bank has played a pivotal role in advancing financial inclusion, fostering private sector growth, and contributing to the country's overall socioeconomic development.

Success Story 4**Ipak Yuli Bank - Uzbekistan**

ICD's LoF facility to Ipak Yuli Bank has significantly enhanced the financial landscape for SMEs in Uzbekistan. Ipak Yuli Bank (IYB) was established in 1990 as the first private bank in Uzbekistan specialized in SME on-lending with a footprint of about 17 branches, 30 mini-banks, over 10,000 terminals, and 400 Automated Teller Machines (ATMs). By channeling Sharia-compliant funds to support economic activities, Ipak Yuli Bank has played a pivotal role in advancing financial inclusion, fostering private sector growth, and contributing to the country's overall socioeconomic development. As part of its mandate to support the private sector, ICD provided a USD 20 million LoF to IYB to help finance eligible SMEs.

Developmental Impact

SMEs form the backbone of Uzbekistan's economy, yet many struggle to access affordable financing. The LoF from the ICD has allowed Ipak Yuli Bank to provide tailored, Sharia-compliant financial products, such as Murabaha (cost-plus financing) and Ijara (leasing), to SMEs across various sectors.



The entire USD 20 million LoF has been disbursed to support SME growth, enabling businesses to invest in assets, expand operations, and improve their productivity.



Financing SMEs has had a direct impact on employment generation in Uzbekistan.

Ipak Yuli Bank has expanded its reach to rural areas and less-developed regions, where conventional banks have limited penetration. This effort has brought formal financial services to previously excluded small businesses, promoting economic inclusion. The bank's financing has enabled SMEs to modernize, adopt new technologies, and enhance their competitiveness in local and regional markets. These businesses have become more sustainable and resilient, contributing to Uzbekistan's broader economic diversification strategy.

The partnership between ICD and Ipak Yuli Bank has positioned the bank as a pioneer in Islamic finance in Uzbekistan. By introducing innovative Sharia-compliant products, Ipak Yuli Bank has built awareness and trust among SMEs, paving the way for the growth of Islamic financial services in the country. The success of this



program has encouraged other financial institutions in Uzbekistan to explore Islamic finance, further developing the sector.

Moreover, ICD's collaboration with Ipak Yuli Bank has enhanced investor confidence in Uzbekistan's financial sector. This partnership has showcased the country's readiness to adopt international financial standards and attract foreign investments to support sustainable development. Likewise, Sharia-compliant financing models, which emphasize risk-sharing and asset-backed structures, have contributed to the stability of Ipak Yuli Bank's loan portfolio. This approach has reduced default risks and ensured that funding is used for productive purposes, benefiting both the bank and its clients.

Other notable Development Impact:



246 new hires as of June 30, 2024, at the partner level, including 54 women



14 SMEs financed with 16 facilities extended using ICD latest facility



USD 11,488,000 in government revenues were paid in the form of taxes



SMEs constitute 65.6% of the total loan portfolio, reflecting IYB's focus on fostering SMEs



11% of Ipak Yuli's portfolio supports the manufacturing sector, critical to Uzbekistan's GDP



7% was directed toward the construction sector, promoting infrastructure development





Alignment with SDGs: The LoF extended to Ipak Yuli was closely aligned with the following SDGs:



SDG8 (decent work and economic growth):

Through SME financing, the LoF has directly supported private sector development, enabling Ipak Yuli to finance 14 SMEs. Moreover, by addressing Target 8.3, this LoF has helped strengthen the capacity of domestic financial institutions. The ICD partnership enabled Ipak Yuli Bank to expand its financial offerings, particularly Sharia-compliant products, increasing access to ethical financial services.



SDG9 (industry, innovation, and infrastructure):

The facility provided USD 20 million to SMEs, enabling them to modernize operations, adopt new technologies, and increase productivity. The funds helped SMEs invest in infrastructure, such as energy-efficient equipment and manufacturing technologies, contributing to long-term economic resilience.



SDG17 (partnerships for the goals):

The ICD-*Ipak Yuli* partnership has attracted funding and fostered collaboration, strengthened the financial ecosystem and created opportunities for broader development initiatives.

Ipak Yuli Bank has had a profound developmental and financial impact in Uzbekistan, facilitated by the ICD's line of finance. By empowering SMEs, promoting financial inclusion, and advancing Islamic finance, the bank has contributed to job creation, economic growth, and financial products diversification. These efforts are paving the way for a more resilient and inclusive financial ecosystem, positioning *Ipak Yuli Bank* as a leader in sustainable development in Uzbekistan. With continued support from ICD and other stakeholders, the bank is well-positioned to further its contributions to the country's economic transformation.

3.3 The Way Forward

ICD has played a crucial role in the economic development of its MCs over the last 25 years. From its humble beginnings in 1999 to its current position, ICD's journey has been marked by innovation, resilience, and a steadfast commitment to sustainable development. As ICD looks to the future, it remains committed to its mission of fostering private sector development, driving economic growth, and improving the lives of people in MCs.

By focusing on innovation, inclusivity, and sustainability, ICD is poised to continue playing a pivotal role in shaping the future of the private sector in its MCs for the next 25 years and beyond. By aligning its investments with the needs of its stakeholders and global development priorities, ICD has not only delivered economic value but also contributed to creating a more sustainable and equitable world. Its journey is a testament to the power of Islamic finance as a tool for driving transformational change. ICD will continue to focus on strategic sectors that are aligned with its mandate of fostering sustainable economic development. These include:



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By focusing on innovation, inclusivity, and sustainability, ICD is poised to continue playing a pivotal role in shaping the future of the private sector in its MCs for the next 25 years and beyond.



Energy and Infrastructure: Given the importance of infrastructure in promoting long-term economic growth, ICD will continue to finance large-scale energy projects, particularly in the renewable energy sector. This included financing for solar, wind, and hydropower projects.



Healthcare and Education: Recognizing the need for improved healthcare and education infrastructure, ICD is keen to invest in both sectors through targeted private sector projects. These investments aimed to improve access to quality healthcare services and education, which were crucial for long-term social development.



Financial Sector Development: ICD will continue working to promote the development of the Islamic finance sector, providing funding to financial institutions and facilitating the growth of Islamic banking in emerging markets in support of the SMEs.

As ICD celebrates 25 years of accomplishments, its focus is on continuing to evolve and adapt to the changing global economic landscape. Some of the key priorities for ICD in the next 25 years include:



Innovation and Technology: ICD will continue to invest in digitalization and fintech, supporting the growth of the digital economy and the development of smart infrastructure.



Youth and Women Empowerment: ICD will focus on empowering youth and women in MCs by promoting entrepreneurship, improving access to finance, and fostering leadership in the private sector.



Regional Integration: ICD will continue to facilitate regional integration by promoting cross-border investments and strengthening economic ties between MCs.



Climate Action: With climate change becoming an increasingly urgent issue, ICD will continue to promote green finance and support projects that mitigate environmental risks and promote sustainable practices across industries.



As ICD enters its next phase of development, it is poised to play an even more transformative role in fostering private sector growth and sustainable economic development in its MCs. Through its focus on innovation, inclusivity, and sustainability, ICD will empower future generations of entrepreneurs, strengthen regional integration, and help MCs meet the challenges of a rapidly changing global economy.

As a leading multilateral development institution specializing in Islamic finance, ICD is uniquely positioned to contribute to the evolving global development agenda over the next 25 years. The next quarter-century will demand ICD to actively harmonize its initiatives with the international focus on sustainability, climate resilience, and social equity. By integrating the SDGs into its operational framework, ICD can deliver development solutions that prioritize poverty reduction, gender equity, and sustainable infrastructure development. Additionally, the corporation can play a critical role in supporting its MCs commitments under the Paris Agreement by financing green projects and encouraging renewable energy investments.

3.3 Partners & Clients

BANGLADESH



UZBEKISTAN



PAKISTAN



EGYPT



TÜRKİYE



COTE D'IVOIRE



KAZKAHSTAN



NIGERIA



BURKINA FASO



SENEGAL



SUDAN



CONGO



MALDIVES



TUNISIA



BAHRAIN



GUINEA



MOROCCO



SAUDI ARABIA



KYRGYZSTAN



JORDAN



SRI LANKA



MALAYSIA



PALESTINE



UAE



MALI

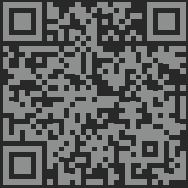


TURKMENISTAN



AZERBAIJAN





ICD Investment
Guidelines

The Islamic Corporation for the Development of the Private Sector (ICD) is the private sector arm of the Islamic Development Bank Group (IsDBG). We promote the economic development of IsDBG member countries by providing financial assistance and advisory solutions to private sector projects in accordance with the principles of shariah law.



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