

# ANNUAL DEVELOPMENT EFFECTIVENESS REPORT 2025



**FROM PROGRESS  
TO PROSPERITY:  
OUR DEVELOPMENT  
COMPASS**

# Acknowledgements

**Lead Author:** Talal Karim Alobayd  
Manager, Monitoring and Evaluation (M&E)  
Development Effectiveness Office (DEO)

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**Inquiries about this report can be sent to:**

Development Effectiveness Office (DEO)  
Islamic Corporation for the Development of the  
Private Sector (ICD)

P.O. Box 54069  
Jeddah, 21514  
Kingdom of Saudi Arabia  
T: +966-12-636-1400  
E: DEO-ICD@isdb.org  
W: <https://icd-ps.org>

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# Abbreviations

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





# FROM PROGRESS TO PROSPERITY: OUR DEVELOPMENT COMPASS

# 2025 Highlights

## Approvals and Disbursements

As of YE25, ICD has delivered almost USD 7.07 billion in cumulative approvals and more than USD 5.59 billion in disbursements since inception for private sector development. In 2025, ICD approved 22 interventions worth USD 555.61 million with disbursements for the year totaling USD 584.46 million.

### Approvals 2025



### Disbursements 2025



**SSA** - Sub-Saharan Africa  
**MENA** - Middle East and North Africa  
**ECA** - Europe and Central Asia

## Approvals by Sector (USD mn - %)



**Total Approvals**  
**555.61**  
USD Million



**Total Projects**  
**22**  
Projects



**FINANCE**  
**397.6**  
USD Million  
**71.6%**  
**16** Projects



**INDUSTRY & MINING**  
**50.9**  
USD Million  
**9.1%**  
**3** Projects



**TRANSPORTATION**  
**60.0**  
USD Million  
**10.8%**  
**2** Projects



**ENERGY**  
**47.11**  
USD Million  
**8.5%**  
**1** Projects

## Disbursements by Sector (USD mn - %)

### Total Disbursements



**584.46**  
USD Million



#### FINANCE

**382.8**  
USD Million  
**65.5%**  
**16** Projects



#### INDUSTRY & MINING

**46.5**  
USD Million  
**7.9%**  
**3** Projects



#### TRANSPORTATION

**39.8**  
USD Million  
**6.8%**  
**2** Projects



#### ENERGY

**60.0**  
USD Million  
**10.8%**  
**1** Projects



#### HEALTH

**3.2**  
USD Million  
**0.6%**



#### INFRASTRUCTURE

**29.0**  
USD Million  
**5.0%**



#### OIL & GAS

**23.4**  
USD Million  
**4.0%**

# ADER Full Highlights 2025



Clients who gained access to Islamic finance since ICD intervention

682,360



Jobs Supported

347,216



New Islamic finance clients

100,044



Women Jobs Supported

77,178



Number of new clients who are Women

19,240



New Jobs Created

23,531



SMEs supported through ICD financing

2,381



New Women Jobs Created

7,288



Women led/managed SMEs funded

585



Women in senior management positions

803



Total amount of funding to SMEs

\$661,987,585



Domestic Purchases

\$1,005,928,545



Export Sales Generated  
**\$557,319,669**



Total Farmers Reached  
**51,851**



Government Revenues  
**\$283,837,677**



Total Housing Units  
**3,281**



Community Development  
**\$8,778,712**



Number of people trained  
**11,299**



Total KWhs Energy Produced  
**2,473,856,348**



Total MW Energy Capacity  
Financed  
**1,062**



Total Patients Served  
**3,546,726**

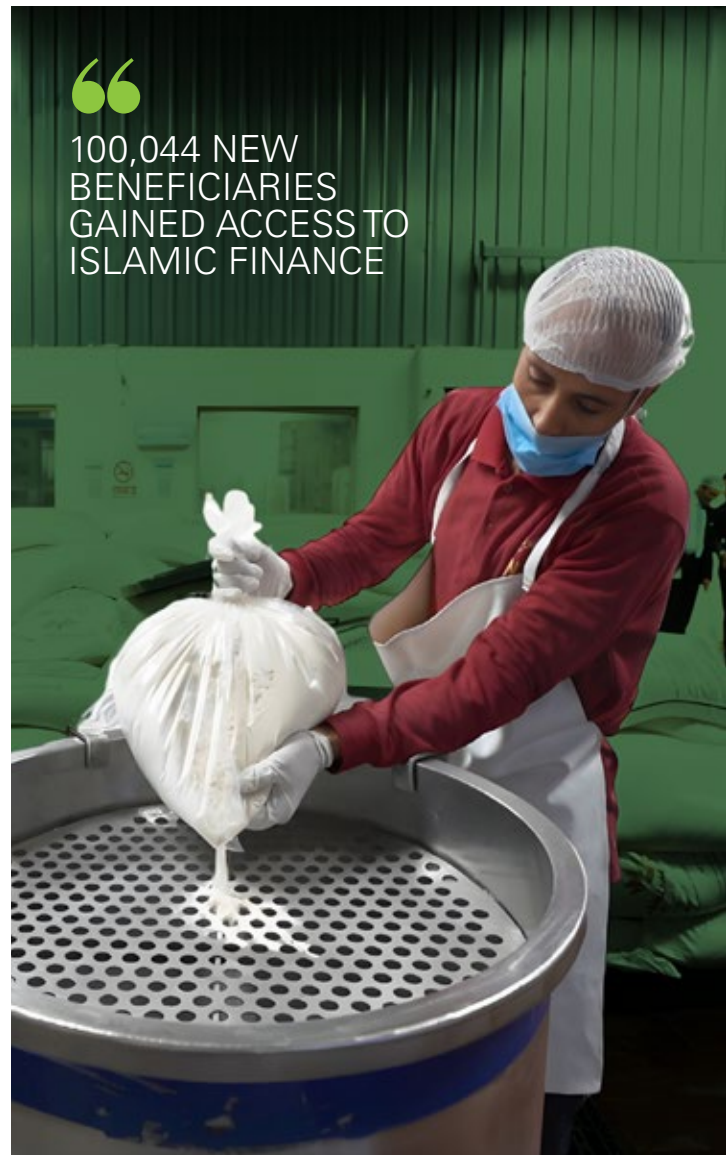
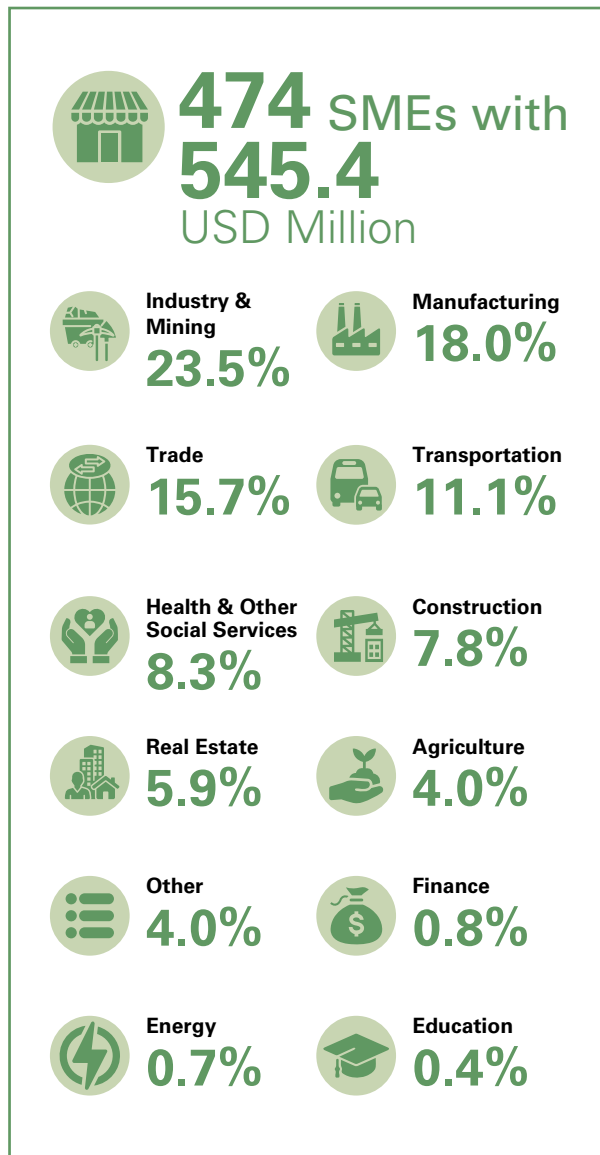


Total Students Enrolled  
**51,438**



## Line of Financing – End Client Sector Breakdown

The portfolio consists of 474 SMEs with a total exposure of **USD 545.4 million**. The largest share of financing is concentrated in Industry & Mining (23.5%), Manufacturing (18%), and Trade (15.7%), collectively accounting for ~57% of total exposure. These sectors are strategically aligned with value chain support, industrialization, and broader economic activity. The average financing per SME is **USD 1.15 million**, with approximately 16 SMEs per partner bank. ICD’s LoF is successfully channeling funds into the private sector suggesting strong capital deployment.



# Foreword



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ICD'S DEVELOPMENT IMPACT IS INCREASINGLY MEASURABLE AND INCLUSIVE. IN THE PRECEDING PERIOD, ICD SUPPORTED INTERVENTIONS FACILITATED ACCESS TO ISLAMIC FINANCE FOR OVER 100,000 NEW CLIENTS, INCLUDING MORE THAN 19,000 WOMEN, SIGNALING MEANINGFUL PROGRESS IN FINANCIAL INCLUSION. THESE EFFORTS ALSO SUPPORTED OVER 2,300 SMES, WITH ROUGHLY 585 SMES LED OR MANAGED BY WOMEN, THEREBY PROMOTING ENTREPRENEURSHIP AND ECONOMIC DIVERSIFICATION

## **IN THE NAME OF ALLAH, THE BENEFICIENT, THE MERCIFUL**

As we present the Annual Development Effectiveness Report (ADER) 2025, I am honored to reflect on a year of significant progress in fulfilling the mission of the Islamic Corporation for the Development of the Private Sector (ICD), the private sector arm of the Islamic Development Bank (IsDB) Group, to drive sustainable, inclusive development across our Member Countries. The year 2025 has been pivotal for ICD, marked by strengthened strategic alignment with the newly endorsed IsDB Group Strategic Framework 2026–2035, which charts an ambitious path for the next decade of development cooperation grounded in Islamic principles of solidarity, justice, and shared prosperity. This framework emphasizes the private sector as a core engine of economic growth, with a clear focus on enhancing competitiveness, fostering inclusive finance, and creating resilient employment opportunities across member economies. In this context, ICD's interventions in 2025 were calibrated to amplify impact across three catalytic avenues, financing for small and medium sized enterprises (SMEs), advancing financial inclusion through Shariah compliant solutions, and facilitating meaningful job creation and economic empowerment.

In 2025, ICD continued to mobilize and allocate capital strategically to sectors and regions where the private sector's transformative potential is greatest. Through targeted country work programs, such as the launch of a USD 100 million financing initiative for Egypt's private sector, we deepened our collaboration with member countries and financial institutions to enhance access to finance, particularly for SMEs and underserved segments

of the economy. This program underscores our commitment to strengthening domestic value chains and broadening economic participation.

ICD's development impact is increasingly measurable and inclusive. In the preceding period, ICD supported interventions facilitated access to Islamic finance for over 100,000 new clients, including more than 19,000 women, signaling meaningful progress in financial inclusion. These efforts also supported over 2,300 SMEs, with roughly 585 SMEs led or managed by women, thereby promoting entrepreneurship and economic diversification. Importantly, the ripple effects of ICD's financing extend beyond capital provision. Through our engagements, ICD supported projects and partnerships sustained nearly 347,000 jobs and contributed to the creation of over 23,500 new employment opportunities, including hundreds of jobs for women tangible evidence of the private sector's central role in advancing socio-economic development.

In parallel, ICD has taken steps to embed sustainability more systematically into its development approach. Recognizing the increasing importance of environmental, social, and governance (ESG) considerations in shaping resilient and inclusive economies, ICD has positioned sustainability as an integral dimension of its mandate. In 2025, this direction was operationalized through the introduction of a Sustainability Framework structured around key pillars spanning strategy, governance, policies, operations, and performance monitoring, to be implemented through a phased approach.

Beyond financing, ICD continued to foster strategic partnerships and co-financing arrangements that leverage broader IsDB Group synergies. These collaborations amplify development outcomes and mobilize additional resources for underserved markets, reinforcing the collective effort to close financing gaps and unlock private capital flows into sustainable and high impact sectors. As we align our operations with the Strategic Framework's objectives, ICD remains steadfast in our pursuit

of inclusive economic growth, Islamic finance ecosystem development, and job creation, priorities that are deeply embedded in both the IsDB Group vision and the broader global development agenda.

This report captures not only the breadth of ICD's 2025 operational footprint but also the depth of change created in communities across our Member Countries. It is both a testament to the commitment of our partners and stakeholders and a call to strengthen our collective resolve to build vibrant, resilient private sectors that drive prosperity and shared progress.

I extend my sincere appreciation to our Member Countries, partners, and the ICD team for their unwavering dedication. May the insights and outcomes shared in this report inform and inspire continued collaboration toward sustainable development and economic dignity for all.



**Dr. Khalid Khalafalla**  
Acting Chief Executive Officer

# Preface



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**IN 2025, ICD FURTHER CONSOLIDATED ITS COMMITMENT TO EMBEDDING DEVELOPMENT EFFECTIVENESS ACROSS THE ENTIRE PROJECT LIFECYCLE, FROM STRATEGIC ALIGNMENT AND APPRAISAL TO SUPERVISION AND EVALUATION. THIS EDITION OF ADER REFLECTS A MORE MATURE AND OUTCOME-ORIENTED APPROACH TO MEASURING IMPACT, FIRMLY ANCHORED IN THE ISDB GROUP STRATEGIC FRAMEWORK 2026–2035, WHICH POSITIONS THE PRIVATE SECTOR AS A CENTRAL DRIVER OF INCLUSIVE GROWTH, RESILIENCE, AND SHARED PROSPERITY**

## **IN THE NAME OF ALLAH, THE BENEFICIENT, THE MERCIFUL**

The 12th edition of the Annual Development Effectiveness Report (ADER) 2025 marks an important milestone in the ICD’s journey toward strengthening accountability, and results driven development. Over more than a decade, ADER has evolved into a cornerstone of ICD’s impact architecture, providing a transparent and results-based account of how our interventions contribute to sustainable private sector led growth across Member Countries (MCs).

In 2025, ICD further consolidated its commitment to embedding development effectiveness across the entire project lifecycle, from strategic alignment and appraisal to supervision and evaluation. This edition of ADER reflects a more mature and outcome-oriented approach to measuring impact, firmly anchored in the IsDB Group Strategic Framework 2026–2035, which positions the private sector as a central driver of inclusive growth, resilience, and shared prosperity. A key focus of the Development Effectiveness Office (DEO) during the year was to enhance the rigor and consistency of impact measurement in priority areas, notably financing small and medium sized enterprises (SMEs), financial inclusion, and job creation. Results presented in this report demonstrates that ICD supported operations continue to expand access to Shariah compliant finance, strengthen partner financial institutions, and support enterprises operating in high impact and employment intensive sectors.

As reflected throughout this 12th edition, ICD's approach to development effectiveness goes beyond tracking volumes and outputs. DEO has increasingly emphasized outcome and impact level assessment, capturing how ICD interventions improve enterprise performance, broaden financial access for women, and contribute to the creation and preservation of decent and sustainable jobs. In 2025, additional attention was placed on assessing job quality, inclusiveness, and resilience, in line with the evolving development priorities of our MCs.

At the same time, ICD advanced the integration of sustainability considerations into its development effectiveness architecture, reflecting the growing relevance of environmental, social, and governance (ESG) factors in shaping both development outcomes and financial resilience. Building on its mandate, ICD introduced a structured Sustainability Framework and initiated its operationalization through capacity building and analytical workstreams. This included awareness and knowledge-sharing initiatives to foster a common institutional understanding of sustainability principles. In parallel, ICD launched a Double Materiality Assessment (DMA) to provide a structured analytical basis for identifying the ESG factors most relevant to its operations, considering both potential financial risks (outside-in) and development impacts across Member Countries (inside-out). Supported through technical assistance from the International Development Finance Club, this work will inform the development of ICD's Sustainability Strategy and ESG Policy in subsequent phases.

In parallel, DEO continued to support stronger alignment and collaboration across the IsDB Group by harmonizing indicators, strengthening reporting frameworks, and improving the coherence of development impact narratives. These efforts enhance transparency, comparability, and the credibility of ICD's reported results, while contributing to a more integrated Group wide approach to development effectiveness.

Looking ahead, DEO remains committed to further strengthening ICD's development effectiveness framework by advancing digitalization, improving data quality, and deepening impact evaluation practices. As ICD scales its operations in support of MCs private sectors, the discipline of measuring what matters will remain essential to achieving sustainable and inclusive development outcomes.

I would like to express my sincere appreciation to ICD management, operational teams, and partners for their continued collaboration and commitment to impact. The results and insights presented in this 12th edition of ADER stand as a testament to our shared resolve to ensure that ICD's interventions deliver lasting value to the communities we serve.

Warm regards,



**Dr. Mohammed Alyami**  
General Manager,  
Development Effectiveness

# Executive Summary



PRIVATE SECTOR ACTORS, INCLUDING SMALL AND MEDIUM ENTERPRISES AS WELL AS LARGE CORPORATIONS, CREATE OVER 90% OF JOBS AND CONTRIBUTE MOST OF THE VALUE ADDED ACROSS OUR REGION. UNLOCKING THEIR FULL POTENTIAL IS FUNDAMENTAL TO SUSTAINABLE, INCLUSIVE GROWTH.

ICD CHAIRMAN,  
**H.E. DR. MUHAMMAD  
AL JASSER**



The 12th edition of the Annual Development Effectiveness Report (ADER 2025) presents a consolidated view of how the Islamic Corporation for the Development of the Private Sector (ICD) continues to translate its mandate into measurable development outcomes across its Member Countries (MCs). As the private sector arm of the Islamic Development Bank (IsDB) Group, ICD plays a pivotal role in advancing inclusive, resilient, and sustainable growth by mobilizing Shariah compliant finance to support enterprises, financial institutions, and productive value chains.

ADER 2025 is published at a time of strategic transition and opportunity. The year marked a deeper alignment with the IsDB Group Strategic Framework 2026–2035, which places the private sector at the center of development efforts to address persistent challenges related to employment, financial inclusion, productivity, and economic diversification. Within this context, ICD’s interventions in 2025 were purposefully oriented toward three core development priorities, financing for small and medium sized enterprises (SMEs), expanding financial inclusion, and supporting job creation and preservation. The report demonstrates that ICD’s development effectiveness approach has matured over time. Now in its 12<sup>th</sup> edition, ADER reflects a shift from a primary focus on inputs and outputs toward a more robust assessment of outcomes, inclusiveness, and sustainability. Development impact is assessed across ICD’s operational modalities, including direct financing, financial institution support, and working capital solutions, and across priority sectors such as agribusiness, manufacturing, healthcare, renewable energy, and financial services.

In 2025, ICD approvals and portfolio activities continued to support SMEs as key engines of economic growth and employment. By strengthening partner financial institutions and expanding access to Shariah compliant financing, ICD helped address structural financing gaps faced

by smaller enterprises, particularly in low- and middle-income MCs. These interventions contributed to improved enterprise performance, enhanced access to markets, and increased resilience in the face of macroeconomic and climate related shocks.



BY STRENGTHENING PARTNER FINANCIAL INSTITUTIONS AND EXPANDING ACCESS TO SHARIAH COMPLIANT FINANCING, ICD HELPED ADDRESS STRUCTURAL FINANCING GAPS FACED BY SMALLER ENTERPRISES, PARTICULARLY IN LOW- AND MIDDLE-INCOME MCS.





Financial inclusion remained a central pillar of ICD’s development impact. Through targeted lines of financing and partnerships with banks and non-bank financial institutions, ICD supported operations expanded outreach to underserved segments, including entrepreneurs, women led businesses,



JOB CREATION AND PRESERVATION CONTINUED TO BE A KEY CHANNEL THROUGH WHICH ICD DELIVERS DEVELOPMENT IMPACT. ICD FINANCED PROJECTS AND INTERMEDIATED OPERATIONS SUPPORTED EMPLOYMENT ACROSS A WIDE RANGE OF SECTORS, CONTRIBUTING TO BOTH DIRECT AND INDIRECT JOB OPPORTUNITIES

and first-time users of formal Islamic financial services. The report highlights progress not only in expanding access, but also in improving the quality, affordability, and relevance of Islamic financial products. Job creation and preservation continued to be a key channel through which ICD delivers development impact. ICD financed projects and intermediated operations supported employment across a wide range of sectors, contributing to both direct and indirect job opportunities. ADER 2025 places increased emphasis on assessing job quality, reflecting ICD’s commitment to decent and sustainable employment outcomes. ADER 2025 also reflects closer coordination within the IsDB Group. Harmonized indicators, aligned reporting frameworks, and joint impact narratives enhance transparency, comparability, and credibility, while maximizing synergies across Group entities in pursuit of shared development objectives.

## Key Achievements in 2025



### 1. Economic and Financial Contributions:



ICD supported **2,381** SMEs with **USD 661.9 million** in financing, including **585** women led businesses



**100,044** new clients gained access to **Islamic finance** in 2025.



**USD 283.8 million** in government revenue was generated through ICD's initiatives.

### 2. Employment and Social Impact:



**347,216** jobs were supported, including **77,178** for women.



**23,531** new jobs were created, with **7,288** being women's employment opportunities.



**803** women held senior management positions in supported businesses.

### 3. Infrastructure and Sustainability:



**USD 1.0 billion** in domestic purchases and **USD 557.3 million** in export sales were generated.



**2.5 billion** kWh of energy was produced, with **1,062** MW of financed capacity.



**3,546,726** patients received healthcare services, **51,438** students were enrolled in educational programs, and **3,281** housing units were developed.

347,216 JOBS WERE SUPPORTED, INCLUDING 77,178 FOR WOMEN. 23,531 NEW JOBS WERE CREATED, WITH 7,288 BEING WOMEN'S EMPLOYMENT OPPORTUNITIES.



## Success Stories: Towards Development Impact

In 2025, ICD demonstrated strong and diversified developmental impact through strategic partnerships across Türkiye and Egypt, leveraging private sector solutions to deliver tangible social and economic outcomes. Through its support to Manisa City Hospital in Türkiye, ICD enabled large scale private participation in social infrastructure, significantly expanding access to high quality healthcare, improving service efficiency, and generating sustained employment, while pioneering Islamic finance structures in PPP healthcare projects. ICD's partnership with Vakif Katilim Bankasi strengthened Türkiye's participation banking sector and translated Shariah compliant

financing into real economy impact by supporting SMEs and agribusiness value chains, enhancing food security, stabilizing employment, and sustaining rural livelihoods.



THROUGH ITS SUPPORT TO MANISA CITY HOSPITAL, ICD ENABLED LARGE SCALE PRIVATE PARTICIPATION IN SOCIAL INFRASTRUCTURE, SIGNIFICANTLY EXPANDING ACCESS TO HIGH QUALITY HEALTHCARE, IMPROVING SERVICE EFFICIENCY, AND GENERATING SUSTAINED EMPLOYMENT, WHILE PIONEERING ISLAMIC FINANCE STRUCTURES IN PPP HEALTHCARE PROJECTS.





In Egypt, ICD's collaboration with Al Baraka Bank Egypt expanded SME financing with measurable outcomes in job creation, women's employment, healthcare access, community development, and fiscal contributions, reinforcing the role of Islamic finance in inclusive growth and financial system diversification. Complementing this, ICD's investment in Al Sharkeya Sugar Manufacturing (ASSM) advanced food security, import substitution, rural industrialization, and agrifood value chain integration by supporting thousands of farmers, creating permanent and seasonal jobs, and strengthening domestic production through Shariah compliant financing. Collectively, these partnerships illustrate ICD's positive developmental impact in 2025, where finance, private sector expertise, and Islamic principles converged to support essential services, resilient enterprises, decent jobs, and inclusive, sustainable growth across its MCs.

In conclusion, the 12th edition of ADER affirms ICD's growing contribution to private sector led development across MCs. It demonstrates that well

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ICD'S INVESTMENT IN AL SHARKEYA SUGAR MANUFACTURING (ASSM) ADVANCED FOOD SECURITY, IMPORT SUBSTITUTION, RURAL INDUSTRIALIZATION, AND AGRIFOOD VALUE CHAIN INTEGRATION BY SUPPORTING THOUSANDS OF FARMERS, CREATING PERMANENT AND SEASONAL JOBS, AND STRENGTHENING DOMESTIC PRODUCTION THROUGH SHARIAH COMPLIANT FINANCING.

targeted, Shariah compliant private sector financing can deliver tangible outcomes in enterprise growth, financial inclusion, and job creation. As ICD moves forward under the IsDB Group's new strategic framework, development effectiveness will remain central to ensuring that scale is matched by impact, and that private sector growth translates into shared prosperity.

## CHAPTER 01

# Introduction

The year 2025 marked a defining juncture in the Islamic Corporation for the Development of the Private Sector (ICD)'s ongoing mission to accelerate shared prosperity across its Member Countries (MCs). As the private sector arm of the Islamic Development Bank (IsDB) Group, ICD embarked on a new strategic cycle aligned with the IsDB Group's 10-Year Strategic Framework (2026–2035), a transformative blueprint centered on *Originality and Solidarity for Intergenerational Prosperity*. This new framework repositions private sector development as a core enabler of inclusive productivity, resilience, climate financing and long-term sustainability.

# 01



Over the past decade, ICD has focused on strengthening the private sector’s role as a driver of job creation, innovation, economic diversification, and shared prosperity. Moving forward, in alignment with the IsDB Group’s 10-Year Strategy (2026–2035), ICD’s strategic direction will prioritize scaling development impact, mainstream sustainability, and expanding access to Islamic finance solutions. This 12<sup>th</sup> edition of the Annual Development Effectiveness Report (ADER) presents an overview of ICD’s consolidated developmental contributions in 2025, framed within the institution’s broader strategic evolution. It highlights how ICD’s interventions, whether through direct financing, lines of finance, equity investments, or technical support, translate into meaningful, measurable, and lasting outcomes across its MCs.

Guided by the 2025 ADER theme, *“From Progress to Prosperity: Our Development Compass”*, this ADER provides an integrated overview of ICD’s contribution to development effectiveness for the year 2025. It connects ICD’s operational footprint to the IsDB Group’s strategic drivers by supporting nationally driven solutions, applying Islamic principles to foster sustainable growth, and channelling resources toward productivity and resilience. The report also outlines how ICD’s business model, anchored in private sector development, aligns with the Group’s cross cutting priorities of inclusiveness, environmental stewardship, resilience building, and digital transformation. Viewed holistically, these dimensions position ICD as a core implementer of the Group’s new strategic framework, ensuring that private sector development becomes a primary engine for prosperity and intergenerational wellbeing across MCs.

In parallel, ICD’s Chairman, H.E. Dr. Muhammad Al Jasser highlighted the key challenges constraining private sector growth, including regulatory complexity, high financing costs, market fragmentation, and inadequate infrastructure due



to global economic uncertainties further discussed in the next chapter. He urged that these challenges be addressed decisively to unlock the sector’s full potential, further underlining that investments in infrastructure, digital transformation, trade facilitation, and the empowerment of youth and women will usher in a new era of Public-Private Partnership (PPP). He concluded by underlining that fostering private sector development remains a cross-cutting priority under the Group’s ongoing corporate strategy.<sup>1</sup>

<sup>1</sup> <https://www.isdb.org/news/isdb-group-chairman-calls-for-investment-in-infrastructure-digital-transformation-trade-facilitation-and-empowerment-of-women-youth-in-oic-member-countries>

## 1.1 The Development Narrative

ICD's mandate to catalyze private sector growth through Islamic finance has never been more relevant. Emerging global dynamics, including shifting geopolitical alliances, technological disruptions, energy transitions, climate pressures, and renewed calls for South-South cooperation, all underscore the centrality of dynamic private sectors in determining countries' long-term resilience. These trends reinforce the unique comparative advantage of ICD as a Shariah based development partner capable of mobilizing finance, fostering entrepreneurship, strengthening markets, and unlocking productivity across sectors

### a. Global and Regional Economic Context

The global economy in 2025 was characterized by moderate but uneven growth, persistent inflationary pressures, and heightened geopolitical uncertainty. The global economy in 2025 is experiencing slower and more fragile growth than in previous decades. According to the World Bank's 2025 Global Economic Prospects report, global growth was estimated to decrease to 2.7% in 2025, the weakest outside of outright global recessions since 2008.<sup>2</sup>

Developing economies face a particularly difficult outlook. Their growth, while still above advanced economies, is forecast to remain below historic averages, limiting their capacity to close income gaps with advanced economies in the short to medium term. Recovery paths diverge sharply between advanced and developing economies, particularly as tightening global financial conditions continue to restrict access to affordable capital for emerging markets. Multilateral Development Banks (MDBs) and Development Financial Institutions

(DFIs) are therefore increasingly called upon to provide countercyclical and catalytic financing to sustain development momentum.<sup>3</sup>

These headwinds are reinforced by tightening global financial conditions, heightened geopolitical and trade policy uncertainty, the effects of climate change and natural hazards, a rise in conflicts, and elevated macro financial vulnerabilities. The latest GFSR (Global Financial Stability Report, April 2025) from the IMF underscores that global financial stability risks have increased significantly due to stretched asset valuations, leverage in parts of the financial system, and potential stress for highly indebted sovereigns. Such factors can transmit sharply to emerging markets and developing economies.<sup>4</sup>

For ICD with MCs spanning across regions like the Middle East, Africa, Asia, and the Commonwealth of Independent States (CIS), external vulnerabilities remain pronounced. Many are contending with overlapping factors such as supply chain disruptions, climate related stresses, and rising debt service costs. These global shocks combine with domestic structural constraints and expose them to external financing stress, volatility in capital flows, as well as currency and debt pressures. Additionally, commodity price volatility, trade disruptions, climate risks, and global interest rate shifts exacerbate economic vulnerability, particularly for low income and fragile economies. Thus, the external environment is not only challenging but also uncertain and volatile, calling for increased resilience and development finance support. Growth prospects are stronger in countries undertaking structural reforms and economic diversification, especially in the Gulf Cooperation Council (GCC) and parts of West Africa and Southeast Asia. Nonetheless, private sector dynamism remains uneven across MCs, often constrained by limited access to long-term finance, shallow capital markets, and regulatory bottlenecks.

<sup>2</sup> <https://www.worldbank.org/en/news/press-release/2025/06/10/global-economic-prospects-june-2025-press-release>

<sup>3</sup> <https://www.worldbank.org/en/news/press-release/2025/01/16/gep-january-2025-press-release>

<sup>4</sup> <https://www.imf.org/en/publications/gfsr/issues/2025/04/22/global-financial-stability-report-april-2025>

**Table 1.1: Real GDP Growth Rates in Select Member Countries (%)**<sup>5</sup>

Region/Country	2023	2024e	2025e	2026f	2027f
<b>East Asia and Pacific (EAP)</b>	<b>5.2</b>	<b>5.0</b>	<b>4.8</b>	<b>4.0</b>	<b>4.0</b>
Indonesia	5.0	5.0	5.0	4.8	5.0
Malaysia	3.6	5.1	3.9	4.3	4.3
<b>Europe and Central Asia (ECA)</b>	<b>3.6</b>	<b>3.6</b>	<b>2.4</b>	<b>2.5</b>	<b>2.7</b>
Türkiye	5.1	3.2	3.1	3.6	4.2
Uzbekistan	6.3	6.5	5.9	5.9	5.8
<b>Middle East &amp; North Africa (MENA)</b>	<b>1.6</b>	<b>1.9</b>	<b>3.1</b>	<b>3.7</b>	<b>4.1</b>
Saudi Arabia	-0.8	1.3	3.8	4.5	4.6
Egypt	3.8	2.4	4.4	4.2	4.6
Morocco	3.4	3.2	3.6	3.5	3.6
<b>South Asia Region (SAR)</b>	<b>7.4</b>	<b>6.0</b>	<b>7.1</b>	<b>6.1</b>	<b>6.2</b>
Pakistan	-0.2	2.5	2.7	3.1	3.4
Bangladesh	5.8	4.2	3.7	4.9	5.7
<b>Sub-Saharan Africa (SSA)</b>	<b>2.9</b>	<b>3.5</b>	<b>4.0</b>	<b>4.1</b>	<b>4.3</b>
Nigeria	2.9	3.4	4.2	3.7	3.8
Senegal	4.3	5.8	7.9	5.9	6.7

Source: World Bank. 2025. Global Economic Prospects, June 2025

### Middle East & North Africa (MENA)<sup>6</sup>

MENA growth is heterogeneous, with GCC oil exporters (e.g., UAE, Saudi Arabia) seeing stronger non-oil activities supporting their expansion while oil price softens and trade uncertainty tempers the forecasts. Saudi growth is set to recover gradually (2.8% in 2025) as oil production expands modestly. Egypt's near-term pickup (3.8% in 2025) is supported by a large investment deal and improving reserves, but fiscal pressures and higher interest costs remain constraints.

### South Asia (Pakistan, Bangladesh)

South Asia remains the fastest growing region among Emerging Market and Developing Economies (EMDEs) but has been downgraded in

relation to earlier projections. The region is forecast to moderate to ~5.8% in 2025. Pakistan's projected recovery is modest (around 3.1% FY2025/26) as structural reforms and easing inflation normalize activity, while Bangladesh is expected to pick up to ~4.9% with resilient remittances and easing inflation supporting consumption. Trade barriers (external) and policy uncertainty are major downside risks.

### East Asia & Pacific (Indonesia)

EAP growth slowed from ~5.0% (2024) to ~4.5% (2025) in the GEP baseline, just slightly below Indonesia's 2025 forecast of ~4.7%. This indicates that growth is still resilient but sensitive to external demand and trade policy shocks. Policy support and infrastructure investment remain important buffers.

<sup>5</sup> <https://openknowledge.worldbank.org/server/api/core/bitstreams/0e685254-776a-40cf-b0ac-f329dd182e9b/content>

<sup>6</sup> <https://thedocs.worldbank.org/en/doc/8bf0b62ec6bcb886d97295ad930059e9-0050012025/original/GEP-June-2025.pdf>

## Europe & Central Asia (Türkiye)

Türkiye's growth was projected to slow to ~3.1% in 2025 (from a higher 2024 outturn) as disinflation, tight monetary/fiscal policy and weak euro area demand temper growth; private consumption will be a key driver if disinflation continues.

## Sub-Saharan Africa (Nigeria)

SSA's growth rate is expected to reach ~3.7% in 2025 (up from ~3.5% in 2024). Nigeria grew ~3.4% in 2024; the regional recovery is uneven and downside risks (commodity price swings, debt stress, and climatic shocks) remain elevated.

Despite these challenges, opportunities are emerging for private sector led growth, resilient financing structures, and diversified capital mobilization. The accelerating shift toward renewable energy, digital transformation, and green industrialization is opening new investment frontiers. Islamic finance is gaining relevance as a stable and ethical alternative, particularly in markets seeking to expand financial inclusion while preserving cultural and religious values. In this environment, ICD's mandate to promote private sector development through Shariah compliant finance has never been more important.



DESPITE THESE CHALLENGES, OPPORTUNITIES ARE EMERGING FOR PRIVATE SECTOR LED GROWTH, RESILIENT FINANCING STRUCTURES, AND DIVERSIFIED CAPITAL MOBILIZATION. THE ACCELERATING SHIFT TOWARD RENEWABLE ENERGY, DIGITAL TRANSFORMATION, AND GREEN INDUSTRIALIZATION IS OPENING NEW INVESTMENT FRONTIERS.

## b. Key Development Challenges in Member Countries

Across ICD's 56 MCs, several core development challenges shape the private sector landscape:

- *Limited access to finance for Small and Medium Enterprises (SMEs):* SMEs are key drivers of job creation, yet they continue to face structural financing gaps due to, among others, high collateral requirements, high cost of borrowing, limited credit history, and underdeveloped Shariah compliant products.
- *Underdeveloped capital markets:* In many MCs, capital markets remain underdeveloped. There is limited use of Islamic capital market instruments (e.g., Sukuk), few structured finance solutions, and a lack of diverse funding sources for infrastructure, industry, or large-scale private projects. This restricts mobilization of long-term capital and diversification beyond traditional bank lending.
- *Regulatory and Institutional Constraints:* Weak regulatory frameworks, inadequate corporate governance standards and burdensome administrative or regulatory processes can discourage private investment. Many countries



YOUTH UNEMPLOYMENT REMAINS HIGH ACROSS NORTH AFRICA, SUB-SAHARAN AFRICA, AND PARTS OF ASIA. INFORMALITY DOMINATES IN MANY ECONOMIES, REDUCING PRODUCTIVITY AND LIMITING ACCESS TO FINANCE. IT IS WORTH NOTING THAT THE LATTER IS ALSO COMPOUNDED BY THE STEEP RISE IN REFUGEE DEPORTATIONS AND FORCED RETURNS IN MCS.

also face institutional capacity challenges, hindering public–private collaboration and private sector participation in infrastructure or large-scale development which also deters Foreign Direct Investment (FDI) inflows.

- *High Unemployment and Demographic Pressures:* Youth unemployment remains high across North Africa, Sub-Saharan Africa, and parts of Asia. Informality dominates in many economies, reducing productivity and limiting access to finance. It is worth noting that the latter is also compounded by the steep rise in refugee deportations and forced returns in MCs.
- *Climate Vulnerability and Environmental Risks:* Droughts, floods and water scarcity are intensifying across ICD MCs, affecting agricultural productivity, food security, and infrastructure resilience. This undermines economic stability and complicates long-term planning and investment.
- *Fragility and Regional Instability:* Countries facing fragility or conflict experience reduced investor confidence, diminished private sector activity and heightened development financing gaps.
- *A reduction in Official Development Assistance (ODA):* the year 2025 was marked by a steep decline in ODA is a significant and this decreased is projected to continue into 2026. It was largely driven by budget cuts from major donors like the U.S. and Germany, impacting the poorest nations hardest.

These systemic challenges underline the need for long-term, patient, development-oriented finance, with supportive institutional frameworks. They also underscore the relevance of a development bank with a private sector mandate and Shariah compliant tools, capable of bridging financing gaps, mobilizing capital, and fostering sustainable, inclusive, and resilient private sector growth across diverse regions.

## 1.2 Our Strategic Positioning

As the private sector arm of the IsDB Group, ICD aims to foster sustainable economic development across its MCs through the promotion of a dynamic and competitive private sector. As an institution grounded in Shariah principles, ICD mobilizes and channels finance into impactful private sector initiatives that stimulate growth, create jobs, and enhance shared prosperity.

ICD's mandate centers on three core pillars: (i) providing Islamic financing to private enterprises, particularly those with strong additionality; (ii) supporting financial inclusion; and (iii) supporting employment opportunities. This mandate is firmly aligned with the IsDB Group's strategic priorities of promoting inclusive growth, strengthening resilience, and advancing sustainable development in MCs.

Over more than two decades, ICD has evolved from a traditional project financier into a diversified development institution, one that integrates financing, Islamic Finance advisory, capacity

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ICD HAS PLAYED A KEY ROLE IN SHAPING ISLAMIC FINANCE ECOSYSTEMS IN NUMEROUS MCS, ENABLING THE CREATION OF NEW ISLAMIC BANKS, SUPPORTING THE CONVERSION OF CONVENTIONAL FINANCIAL INSTITUTIONS, AND EXPANDING ACCESS TO FINANCE FOR SMES.

building, and technical assistance under a unified mission. Since its inception, ICD has played a key role in shaping Islamic finance ecosystems in numerous MCs, enabling the creation of new Islamic banks, supporting the conversion of conventional financial institutions, and expanding access to finance for SMEs.

ICD's history is marked by a strong track record of innovation and adaptability. In the early 2000s, ICD helped pioneer Shariah compliant private sector instruments at a time when many MCs lacked





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ICD MOBILIZES AND CHANNELS FINANCE INTO IMPACTFUL PRIVATE SECTOR INITIATIVES THAT STIMULATE GROWTH, CREATE JOBS, AND ENHANCE SHARED PROSPERITY

Islamic financial infrastructure. During the global financial crisis from 2008 to 2010, and subsequent economic shocks, ICD scaled up SME financing to safeguard private sector stability. More recently, ICD has modernized its business model through partnerships with impact focused investors, and new risk sharing platforms.

Today, ICD's portfolio spans diverse sectors including renewable energy, manufacturing, agribusiness, health, financial institutions, and technology. Its interventions are guided by principles of development effectiveness, crowding-in private capital, and supporting member country priorities. ICD leverages its unique position within the IsDB Group to connect governments, investors, and private enterprises, ensuring that projects are not only bankable but transformative.

As ICD prepares for the next strategic horizon, its focus is increasingly on climate aligned finance, private sector resilience, and strengthening Islamic finance ecosystems to support green, inclusive, and sustainable development. The 2025 ADER reflects ICD's ongoing commitment to transparency, accountability, and measuring what matters, real development results that improve lives and unlock opportunities across the Muslim world and beyond.

## The IsDB Group 10-Year Strategy (2026–2035) and ICD alignment

In 2025, the IsDB Group adopted a new Strategic Framework for 2026–2035, following high-level consultations among its Governors and stakeholders.<sup>7</sup> The IsDB Group's 10-Year Strategic Framework (2026–2035), titled *"Originality and Solidarity for Intergenerational Prosperity,"* sets a clear, mission driven agenda, to be the development partner of choice for MCs by supporting nationally led solutions, applying Islamic principles for sustained and inclusive growth and directing resources toward productivity and resilience.

It places the private sector at the center of sustainable development and economic transformation within MCs. As the dedicated private sector arm of the Group, ICD plays a critical role in translating this vision into measurable developmental outcomes. Under the new Strategy, ICD is positioned as the Group's instrument for<sup>8</sup>:

- Delivering a broad range of tailored, high impact private sector development solutions, including direct corporate and project financing, indirect SME financing, and entrepreneurship support.
- Catalyzing private sector growth through the expansion and deepening of Islamic finance ecosystems across MCs, through support for Sukuk markets, Islamic banking, and Shariah compliant financing instruments.
- Mobilizing private capital, particularly through Sukuk, syndications, and structured finance, helping to leverage blended finance, encourage PPPs, and facilitate cross border investments and resource flows, thereby enhancing liquidity and long-term investment capacity in economies where traditional capital markets are underdeveloped.



CATALYZING PRIVATE SECTOR GROWTH THROUGH THE EXPANSION AND DEEPENING OF ISLAMIC FINANCE ECOSYSTEMS ACROSS MCS, THROUGH SUPPORT FOR SUKUK MARKETS, ISLAMIC BANKING, AND SHARIAH COMPLIANT FINANCING INSTRUMENTS.

<sup>7</sup> <https://www.isdb.org/news/isdb-group-board-of-governors-concludes-high-level-consultation-on-the-10-year-strategy-framework>

<sup>8</sup> <https://www.isdb.org/sites/default/files/media/documents/2025-05/STRATEGIC%20FRAMEWORK%202026-2035%20%28ENGLISH%29.pdf>

- Supporting green, inclusive, and resilient development, in line with global climate commitments and national adaptation agendas.
- Promoting market-based solutions that reduce dependence on public sector funding and enhance long-term economic resilience.
- Foster greater South-South cooperation

Furthermore, the new IsDB Group Strategic Framework lays out several strategic pillars aimed at promoting inclusive, resilient, and sustainable development across its MCs. ICD's business model and strategic focus are closely aligned with these pillars. Specific areas of alignment include<sup>9</sup>:

- *Private Sector Led Growth*: By providing investments in corporate and project financing, ICD advances private sector participation in infrastructure, industrialization, and value-added sectors, supporting competitiveness and economic diversification. This contributes to making private enterprise the engine of growth in MCs.
- *Islamic Finance Leadership and Innovation*: ICD contributes to developing Islamic financial institutions, promoting Sukuk markets, and supporting innovative Shariah compliant products that expand access to finance.
- *South-South Cooperation & Private Capital Mobilization*: By facilitating cross border investments within MCs, leveraging syndicated finance, and mobilizing private capital, ICD advances the principle of South-South cooperation, enhancing resource flows, knowledge transfer, and regional integration.
- *Inclusive Human Capital Development*: ICD supports SMEs, women led enterprises, and financial inclusion through specialized financing lines and partnerships with financial institutions.



- *Green, Resilient, and Sustainable Infrastructure*: ICD invests in renewable energy, and environmentally sustainable manufacturing, reinforcing climate resilience and adaptation efforts.
- *Enhanced Private Sector Competitiveness and Market Integration*: Through capital market

9 <https://www.isdb.org/sites/default/files/media/documents/2025-05/STRATEGIC%20FRAMEWORK%202026-2035%20%28ENGLISH%29.pdf>



GREEN, RESILIENT,  
AND SUSTAINABLE  
INFRASTRUCTURE: ICD INVESTS  
IN RENEWABLE ENERGY,  
AND ENVIRONMENTALLY  
SUSTAINABLE MANUFACTURING,  
REINFORCING CLIMATE  
RESILIENCE AND ADAPTATION  
EFFORTS.

development, ICD strengthens enabling environments and supports private sector competitiveness across MCs.

- *Partnerships for Development Impact:* ICD collaborates with DFIs, MDBs, funds, and private investors to co-finance projects, mobilize capital, and leverage synergies across the IsDB Group.

The confluence of a fragile global environment, weak growth prospects for many developing economies, structural development challenges, and mounting financing gaps underscores the urgent need for a capable, mission driven institution. ICD as a leading Islamic development bank can help catalyze private sector growth, mobilize capital, and deliver Shariah compliant, inclusive, and sustainable financing solutions.

By aligning with these strategic pillars, ICD ensures that its interventions are not just transactional (project-by-project), but systemic, targeting structural transformation, financial inclusion, sustainable development, and long-term resilience across MCs economies thereby delivering long term development impact within the Group's broader vision. This places ICD at the forefront of delivering high impact, financially sustainable, and scalable development solutions under the 2026–2035 Strategy. As the IsDB Group enters

a transformative decade under the 2026–2035 Strategic Framework, ICD's role becomes central in translating ambitions into real economic outcomes. Private sector led growth, inclusive growth, environmental stewardship, resilience and Islamic finance innovation all converge within ICD's mandate and operational model.

The remainder of this ADER shall demonstrate how ICD has evolved from delivering progress to enabling prosperity, anchored in a development approach that is nationally driven, ethically grounded, and looking forward with a focus on the results of the previous (2025) year. Simultaneously, this *Development Compass* will guide ICD's journey and help it look ahead as it continues to unlock opportunities, empower entrepreneurs, scale sustainable investment, and support MCs in building thriving, resilient, and inclusive economies for generations to come.



## CHAPTER 02

# Our Development Impact

## 2.1 Overview

In alignment with the ADER 2025 theme, “From Progress to Prosperity – Our Development Compass”, ICD’s development effectiveness approach prioritizes outcomes that extend beyond individual project achievements. ICD’s focus is on fostering systemic change, strengthening private sector ecosystems, scaling access to Islamic finance, crowding in private investment, and driving inclusive and climate resilient growth.

# 02



This transition from progress to prosperity is grounded in three core principles, additionality, sustainability, and impact orientation, ensuring that ICD interventions unlock measurable and lasting benefits for MCs.

Against a backdrop of tightening global financial conditions, climate vulnerabilities, and structural impediments to private sector growth, ICD's role remains central to MCs' national development agendas and the IsDB Group's 10-Year Strategic Framework (2026–2035). The Framework underscores the need for strengthened enabling environments, deeper Islamic finance markets, and enhanced private sector competitiveness, all areas where ICD holds comparative advantage. In response, ICD focuses on sectors that offer high developmental multipliers, SMEs, renewable energy, agribusiness, manufacturing, and financial institutions. These investments enable MCs to transition from short term economic stabilization to long-term productivity and shared prosperity. They are also purposefully aligned with the Sustainable Development Goals (SDGs) and the global shift toward green, inclusive, and digitally enabled growth.

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ICD's FOCUS IS ON FOSTERING SYSTEMIC CHANGE, STRENGTHENING PRIVATE SECTOR ECOSYSTEMS, SCALING ACCESS TO ISLAMIC FINANCE, CROWDING IN PRIVATE INVESTMENT, AND DRIVING INCLUSIVE AND CLIMATE RESILIENT GROWTH. THIS TRANSITION FROM PROGRESS TO PROSPERITY IS GROUNDED IN THREE CORE PRINCIPLES, ADDITIONALITY, SUSTAINABILITY, AND IMPACT ORIENTATION, ENSURING THAT ICD INTERVENTIONS UNLOCK MEASURABLE AND LASTING BENEFITS FOR MCs.

Central to ICD's development effectiveness architecture are two institutional systems that ensure high quality, transparent, and measurable development impact:



### 1. Development Indicators Monitoring System (DIMS)

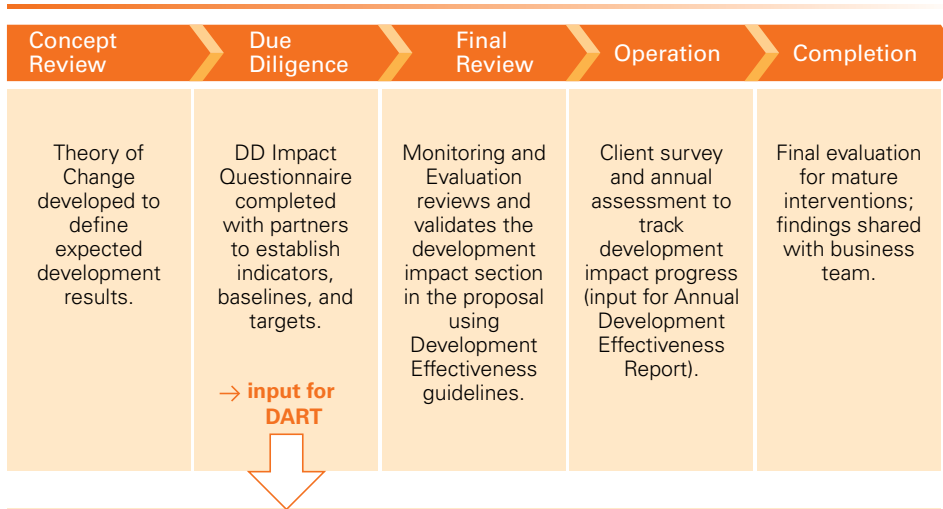
DIMS functions as ICD’s centralized platform for monitoring development indicators across all operations. It:

- consolidates key performance metrics from project to portfolio level,
- tracks progress against developmental targets, and
- supports corporate level aggregation for the Annual Development Effectiveness Report (ADER).



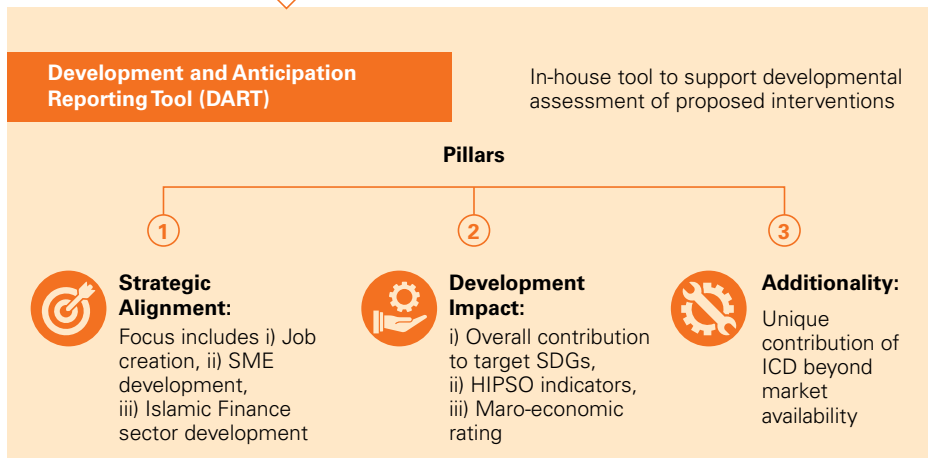
**ICD follows a structured development monitoring, supported by multiple tools that enable early impact definition and development effectiveness measurement**  
**Development impact methodology**

#### Development Indicators Monitoring System (DIMS) for intervention outcome measurement



#### Perspective

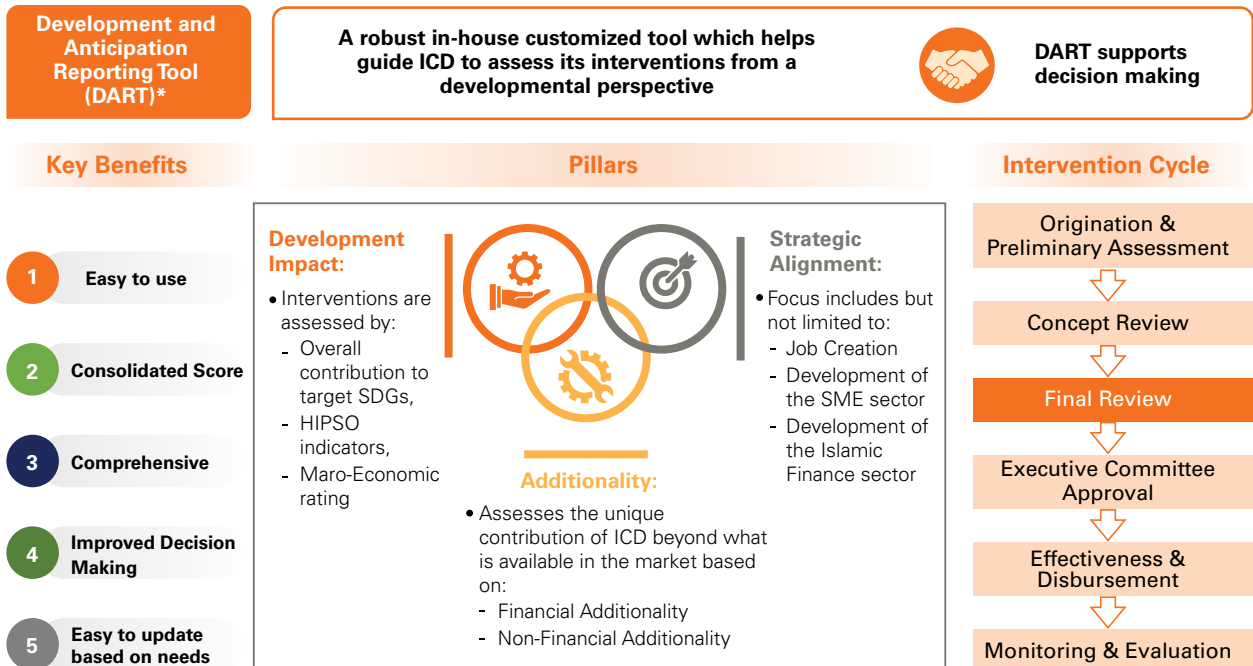
- DIMS serves as ICD’s end-to-end framework for **development appraisal, monitoring and reporting**
- DART acts as the **structured assessment tool within DIMS**, with **3 distinct pillars**, each **informed by specific indicators** and **quantitative/qualitative inputs**
- The **methodology** provides **clear touchpoints**, from ToC to ADER, that **help define expected results early and track progress consistently** throughout implementation



## 2. Development Anticipation and Reporting Tool (DART)

DART serves as ICD’s integrated project level tool for ex-ante impact assessment and ex-post performance monitoring. It enables teams to:

- systematically assess expected development outcomes during project design,
- ensure alignment with ICD’s corporate results framework, and
- capture realized results throughout the project lifecycle.



DART improves evidence-based decision making, enhances accountability, and supports strategic portfolio steering toward high impact interventions.

Together, DART and DIMS strengthen ICD’s results culture by ensuring that development impact is anticipated carefully, measured consistently, and reported transparently. They form the backbone of ICD’s shift toward outcome driven development financing and ensure that every approved project contributes meaningfully to the “Prosperity” trajectory outlined in ADER 2025. ICD’s development footprint is reflected in tangible improvements across MCs, including:

- job creation and livelihood enhancement,
- increased SME access to Islamic financing,
- expanded renewable energy generation and climate resilience,
- strengthened competitiveness and productivity of private firms,
- increased private capital mobilization and financial market depth.

As ICD continues to support MCs in navigating global uncertainty, its mission remains clear, to translate progress into durable prosperity by empowering private sector actors to drive inclusive, sustainable, and resilient development.

## 2.2 ICD's Development Progress - 2025 Survey Results

As part of the ADER 2025 cycle, ICD conducted its annual Development Survey, capturing stakeholder perceptions, project level performance insights, and implementation progress across our portfolio. The 2025 survey covered financial institutions, private sector clients, and other counterparts involved in ICD supported initiatives. The data collected through this process provides an important validation of ICD's development footprint and complements evidence generated through the DART and the DIMS.

Overall, the 2025 survey results demonstrate the significant development footprint generated through ICD supported financial institutions and investments. ICD's interventions continue to expand access to Islamic finance, strengthen SME ecosystems, support employment creation, and contribute to critical sectors such as energy, healthcare, and education. The 2025 results indicate strong progress across all core areas of ICD's development mandate, reflecting improvements in project performance, private sector value creation, and alignment with MC development priorities. Survey responses show that ICD's interventions continue to significantly expand access to Shariah compliant financing instruments, particularly through client partners.

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ICD's INTERVENTIONS CONTINUE TO EXPAND ACCESS TO ISLAMIC FINANCE, STRENGTHEN SME ECOSYSTEMS, SUPPORT EMPLOYMENT CREATION, AND CONTRIBUTE TO CRITICAL SECTORS SUCH AS ENERGY, HEALTHCARE, AND EDUCATION.



At the same time, the survey highlights an important strategic opportunity for ICD to further strengthen its role as a catalyst for sustainable finance. While partner institutions show strong willingness to engage with SDG and ESG frameworks, many still face challenges related to impact measurement, data availability, and framework complexity.

These outcomes align with the ADER 2025 theme, promoting prosperity through inclusive and broad-based growth. The 2025 survey results affirm that ICD is making significant progress toward translating the ADER theme, *“From Progress to Prosperity”*, into real economy outcomes. By combining client feedback with robust measurement tools such as DART and DIMS, ICD continues to refine its development compass, ensuring that its interventions are both impactful and aligned with the priorities of MCs.

## a. Aggregate Survey Findings

Below is a detailed summary of the 2025 Annual Development Survey results. The table provides aggregate results of the survey based on 80% client response rate.

ADER Full Highlights	2025
Clients who gained access to Islamic finance since ICD intervention	682,360
New Islamic finance clients	100,044
Number of new clients who are Women	19,240
SMEs supported through ICD financing	2,381
Women led/managed SMEs funded	585
Total amount of funding to SMEs	\$661,987,585
Jobs Supported	347,216
Women Jobs Supported	77,178
New Jobs Created	23,531
New Women Jobs Created	7,288
Women in senior management positions	803
Domestic Purchases	\$1,005,928,545
Export Sales Generated	\$557,319,669
Government Revenues	\$283,837,677
Community Development	\$8,778,712
Total KWhs Energy Produced	2,473,856,348
Total MW Energy Capacity Financed	1,062
Total Patients Served	3,546,726
Total Students Enrolled	51,438
Total Farmers Reached	51,851
Total Housing Units	3,281
Number of people trained	11,299

## b. Development in Numbers

A central objective of ICD's mandate is to expand access to Shariah compliant financial services and promote inclusive private sector growth across member countries. Survey results indicate that ICD supported institutions have collectively facilitated access to Islamic finance for 682,360 clients since the beginning of their relationship with ICD, with 100,044 new clients gaining access during 2025 alone. Importantly, the data highlights meaningful progress toward gender inclusion. In 2025, 19,240 new women clients gained access to Islamic finance through ICD supported institutions. This demonstrates the role of Islamic finance in improving financial access for underserved populations and strengthening the participation of women in formal financial systems.

Small and Medium Enterprises (SMEs) remain a cornerstone of ICD's development strategy. The survey indicates that 2,381 SMEs have received financing during 2025. Total financing directed toward SMEs reached USD 661.9 million deployed in 2025 alone. These figures demonstrate the catalytic role of ICD in expanding SME financing through partner institutions, enabling local businesses to access capital, scale operations, and generate employment. Gender inclusive entrepreneurship also continues to gain momentum. During 2025, 585 women led SMEs received Islamic finance facilities, reflecting increasing attention to gender inclusive enterprise development across ICD's partner network.

Employment generation remains one of the most significant development outcomes linked to ICD supported financing. Survey results indicate that participating institutions collectively employed 178,988 staff members, of whom 33,394 were women. At the management level, 803 women held senior leadership positions, highlighting gradual improvements in gender representation within financial institutions. During 2025 alone, partner institutions hired 12,929 new employees, including 3,826 women, further demonstrating the sector's role in supporting labor market expansion.

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DURING 2025, 585 WOMEN LED SMEs RECEIVED ISLAMIC FINANCE FACILITIES, REFLECTING INCREASING ATTENTION TO GENDER INCLUSIVE ENTERPRISE DEVELOPMENT ACROSS ICD'S PARTNER NETWORK.





ICD SUPPORTED PARTNER INSTITUTIONS AND THE SMEs THEY FINANCE COLLECTIVELY SUSTAINED OVER 347,000 JOBS, WHILE CREATING MORE THAN 23,500 NEW EMPLOYMENT OPPORTUNITIES IN 2025, DEMONSTRATING THE STRONG EMPLOYMENT MULTIPLIER EFFECT OF ICD'S SUPPORT TO FINANCIAL INSTITUTIONS AND SME FINANCING.

Beyond the institutions themselves, the SMEs financed through ICD supported partners generated substantial employment outcomes. SMEs financed through these institutions collectively employed 168,228 full time workers, including 43,784 women. During 2025, these SMEs created 10,602 new jobs, of which 3,388 were filled by women. ICD supported partner institutions and the SMEs they finance collectively sustained over 347,000 jobs, while creating more than 23,500 new employment opportunities in 2025, demonstrating the strong employment multiplier effect of ICD's support to financial institutions and SME financing.

The survey results highlight the broader economic contributions generated by ICD supported institutions and their clients. In 2025, partner institutions reported a little over USD 557.3 million in export sales, reflecting the role of ICD supported companies in strengthening trade and international competitiveness. At the domestic level, institutions reported USD 1.0 billion in local procurement, supporting domestic value chains and local suppliers. Additionally, partner institutions collectively contributed roughly USD 283.8 million in payments to government, reinforcing fiscal revenues and public sector financing in MCs. Community engagement also remains a visible component of partner institutions' social contributions, with USD 8.8 million allocated to community development initiatives, including social services, education support, and local development programs.

Beyond financial and employment outcomes, ICD supported operations generated measurable social and infrastructure benefits across several sectors. In the energy sector, projects financed through ICD supported institutions contributed to 1,062 MW of installed power capacity, generating approximately 2.47 billion kilowatt-hours of electricity. These investments play a critical role in supporting energy access and strengthening energy security in several member countries.

In healthcare, supported institutions reported serving 3.5 million patients, reflecting the impact of ICD backed investments in hospitals, clinics, and healthcare services. Similarly, in the education sector, ICD supported institutions facilitated 51,438 student enrollments, while 11,298 individuals benefited from training programs, supporting human capital development and skills formation. Additional sector outcomes included 51,851 farmers reached through agricultural programs and 3,281 housing units supported, demonstrating the diverse development footprint generated through ICD's financing operations.



### c. Addressing Sustainability and SDGs

The survey also assessed the extent to which partner institutions are aligning their operations with the Sustainable Development Goals. The results reveal that most respondents view SDG engagement primarily as a strategic opportunity rather than a compliance obligation.

Nearly 48% of respondents indicated that SDG engagement is driven by the opportunity to align core business activities with societal needs, while 23% highlighted the importance of SDGs within national development agendas. A further 15% viewed SDG alignment as an opportunity to expand revenue streams and enter new markets, demonstrating increasing recognition of the business case for sustainable finance.

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	48%
	Importance of SDGs to national agenda	23%
	Opportunity to grow revenue / enter new markets	15%
	Opportunity for collaborations and partnerships	15%
	Pressure from external stakeholders / competition	0%

When asked to assess their overall level of SDG alignment, 42% classified themselves at a “Basic” stage, meaning Basic Alignment with projects/transactions linked to SDG Goals. While 29% indicated they are at the “Beginning” stage, with SDGs narrative used in the corporate literature and/or operations. Only 21% of respondents reported having achieved alignment or advanced levels of integration, highlighting the opportunity for ICD to further support ESG capacity building across its partner network.

Which stage would you classify your institution in terms of alignment with SDGs?	Basic	42%
	Beginning	29%
	Alignment	16%
	No Alignment	8%
	Advanced	5%

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 56% stated that they are focused on SDG9, with 53% are targeting SDG7 and 47% are targeting SDG8. These priorities closely align with ICD’s mandate to promote inclusive economic development, strengthen private sector competitiveness, and expand access to essential services.

However, institutions also reported several challenges in integrating SDG frameworks into their investment decisions. The most cited barrier was difficulty in measuring impact and lack of reliable data (50%), followed by complexity of sustainability

frameworks and regulatory requirements (26%). These findings underscore the need for continued capacity building, technical guidance, and standardized impact measurement tools across ICD’s partner network.

What are the main barriers to benchmark investments against SDGs?	It is difficult to measure / lack of data	50%
	Complex frameworks, increasing standards and regulation	26%
	Cost and financial return implications to our bottom line	16%
	Lack of knowledge about the topic	5%
	SDGs are not relevant to our financing / investment decisions	3%

Despite these challenges, institutions expressed strong willingness to deepen their engagement with sustainability frameworks. Approximately 85% of respondents indicated they are likely or highly likely to enhance their SDG frameworks within the next one to two years, suggesting growing momentum toward integrating development impact into financial decision making.

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.

The survey also reveals increasing adoption of Environmental, Social and Governance (ESG) practices among ICD partner institutions. Approximately 63% of surveyed institutions reported having a formal ESG policy in place, while an additional 15% rely on corporate social responsibility (CSR) frameworks. Nonetheless, ESG integration remains at an early stage for many institutions. Environmental monitoring practices are also gradually improving. Approximately 40% of institutions currently track greenhouse gas (GHG) emissions, while another 28% plan to implement such tracking systems within the next two years. This indicates growing awareness of climate-related risks and environmental accountability within the private sector.

**d. Contributions in 2025: By Business Lines**

ICD’s development impact in 2025 reflects the complementary role of its different financing windows in advancing private sector growth, expanding financial inclusion, and supporting key sectors across MCs. The survey results demonstrate that Lines of Finance (LOF), Direct Financing, and Equity Financing each contribute distinct yet mutually reinforcing development outcomes. Together, these instruments enabled ICD to scale access to Islamic finance, expand SME support, and generate measurable economic and social benefits.

**Equity Financing**

Equity investments represent ICD’s long term strategic approach to strengthening institutions, supporting innovation, and building sustainable private sector ecosystems. Although smaller in

The survey results reflect a positive shift toward greater alignment with SDGs and sustainability initiatives, with significant progress already made in



ICD's DEVELOPMENT IMPACT IN 2025 REFLECTS THE COMPLEMENTARY ROLE OF ITS DIFFERENT FINANCING WINDOWS IN ADVANCING PRIVATE SECTOR GROWTH, EXPANDING FINANCIAL INCLUSION, AND SUPPORTING KEY SECTORS ACROSS MCs.

volume compared to LOF and direct financing, equity investments often generate significant catalytic impact through institutional development and sector transformation. Equity Financing remains one of ICD's most effective instruments for expanding access to Islamic finance through partner financial institutions. In 2025, ICD's Equity partners were responsible for the largest share of outreach and SME financing, demonstrating the strong multiplier effect achieved through financial intermediation.

Equity partners facilitated access to Islamic finance for 100,044 total new individual beneficiaries reached across ICD operations. This underscores the importance of financial institutions as distribution channels for expanding Shariah compliant financial services to underserved populations. SME development also remained a core outcome of Equity operations. During the year, Equity partner institutions financed 1,885 SMEs, representing nearly 80% of the 2,381 SMEs financed across all ICD supported channels in 2025. Total SME financing through equity supported institutions reached USD 433.9 million during 2025.

Equity partners also played an important role in employment generation. These institutions collectively employed 4,867 staff members, including 1,237 women, and hired 1,211 new employees during the year. Beyond institutional employment, equity backed institutions supported 134,181 jobs within SMEs financed through their

operations, including 32,829 women employees, with 4,061 new jobs created by the SME financed by ICD's Equity partners in 2025. The economic contributions of equity backed institutions also remain notable. In 2025, these institutions generated USD 133.9 million in export sales, contributed USD 67.7 million in payments to government, and procured USD 111.36 million in local goods and services, reinforcing their role in strengthening domestic economies. Equity investments also contributed to social sector outcomes, including 1.43 million patients served, 25,132 students enrolled, and 5,081 farmers reached, reflecting the



Abdullah Musa

broad development footprint associated with long term institutional investments.

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.

### **Line of Finance (LOF)**

In 2025, 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 employment impact generated through LOF supported institutions was also significant. Partner institutions supported through LOF collectively employed 813,117 staff members, including 25,246 women, and hired 9,693 new employees during 2025, of which 2,790 were women. This highlights the role of LOF partners not only in financing economic activity but also as major employers within their respective markets.

The development spillover effects of LOF operations extend further through the SMEs financed by these institutions. Through ICD supported institutions, 109 SMEs were financed during the year, with total SME financing reaching USD 223.9 million deployed during 2025. SMEs supported through LOF financing employed 30,525 workers, including 8,313 women, and created 5,440 new jobs during 2025. These outcomes illustrate the strong job creation potential of SME focused financial intermediation.

LOF supported institutions also contributed to broader economic activity. In 2025, they reported USD 140.3 million in export sales, USD 165.1

million in local procurement, and USD 39.7 million in payments to government, demonstrating their role in strengthening domestic supply chains and public revenue generation. 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**

Direct financing operations continue to play a critical role in supporting large scale projects and strategic sectors where direct ICD participation can catalyze significant development outcomes. In 2025, direct financing contributed strongly to infrastructure, energy, and social sector development. Directly financed institutions collectively employed 90,876 staff members, including 6,852 women, and hired 2,025 new employees during 2025.

Direct financing operations also generated substantial macroeconomic contributions. In 2025, supported institutions reported USD 283 million in export sales, USD 729.5 million in local procurement, and USD 176.4 million in payments to government, reflecting the scale and economic significance of these investments.



ICD SUPPORTED INSTITUTIONS, 109 SMES WERE FINANCED DURING THE YEAR, WITH TOTAL SME FINANCING REACHING USD 223.9 MILLION DEPLOYED DURING 2025. SMES SUPPORTED THROUGH LOF FINANCING EMPLOYED 30,525 WORKERS, INCLUDING 8,313 WOMEN, AND CREATED 5,440 NEW JOBS DURING 2025. THESE OUTCOMES ILLUSTRATE THE STRONG JOB CREATION POTENTIAL OF SME FOCUSED FINANCIAL INTERMEDIATION.

Direct investments also played a leading role in infrastructure and social sector outcomes. Projects supported under this window contributed to 916 MW of installed energy capacity, generating nearly 2.0 billion kWh of electricity during the year. These investments significantly contribute to energy security and industrial productivity in ICD member countries.

Additionally, direct financing operations delivered strong social impact outcomes. Institutions supported through this modality served over 2.0 million patients, reached 45,660 farmers, and facilitated 3,780 student enrollments, highlighting the importance of direct financing in expanding access to essential services and supporting rural livelihoods.

#### *Overall Contribution Across Business Lines*

Taken together, ICD's business lines demonstrate a complementary model of development finance. Lines of Finance scale financial inclusion and SME financing through partner institutions; direct financing enables large scale infrastructure and strategic investments; and equity financing supports long term institutional growth and sector transformation.

The 2025 survey results illustrate how this integrated approach enables ICD to generate significant development impact across multiple dimensions, including financial inclusion, job creation, SME development, infrastructure investment, and access to essential services, while advancing sustainable private sector growth across its member countries.

## 2.3 Institutional Improvements

In 2025 ICD consolidated a series of institutional improvements that strengthened its ability to deliver on its statutory mandate to promote private sector led development across its MCs.



These changes were shaped both by Group level strategic reorientation following the IsDB Group's 10-Year Strategic Framework (2026–2035) and by operational steps taken by ICD to mobilize capital, improve portfolio quality, and align its product set to country priorities. Collectively, the reforms advanced three mutually reinforcing objectives: (i) sharper alignment with the Group's productivity and resilience agenda, (ii) enhanced financial and risk resilience that enables counter cyclical private financing, and (iii) clearer sustainability and impact positioning in line with global MDB practice. The following brief summarizes the principal institutional developments during 2025 and explains how these changes strengthen ICD's delivery model and mandate.<sup>1</sup>

<sup>1</sup> <https://icd-ps.org/en/news/islamic-corporation-for-the-development-of-the-private-sector-signs-the-country-work-program-2025-for-egypt-unveiling-100-million-financing-plan>

## a. Strengthening ICD's Development Systems

In 2025 ICD pursued a practical, programmatic agenda focused on (a) product and pipeline deepening, (b) portfolio rehabilitation and risk management, (c) enhanced country engagement modalities, and (d) capital mobilization partnerships. These actions responded to the IsDB Group's renewed emphasis on nationally-driven solutions, Islamic finance system development, and channeling resources to productivity and resilience, core elements of the Group's 2026–2035 Framework.

### 1. Product & pipeline enhancements: more country led, sector targeted programming:

- Country work-program approach: ICD moved in 2025 to deepen country work programs as a primary tool for aligning ICD financing with national private sector strategies. Notable was the formalization of a Country Work Program for Egypt (signed early 2025), which illustrated ICD's effort to sequence direct financing, upstream project preparation, and risk sharing facilities around national priorities (industry, infrastructure, energy, agriculture). This signals a step up in ICD's upstream pipeline development and country ownership model.<sup>2</sup>
- Sector focus and product innovation: ICD broadened use of structured Islamic instruments and blended mechanisms to crowd in third party private capital for renewable energy, SME financing, and syndication facilities. Where feasible ICD packaged de-risking support alongside financing to increase bankability and marketability.

### 2. Portfolio rehabilitation and risk management, restoring balance sheet flexibility:

- Active asset management: ICD intensified portfolio remediation efforts during 2025, restructurings, recoveries and tighter underwriting discipline, aimed at reducing legacy non-performing exposures and restoring risk adjusted returns. Rating agencies and market observers noted this focus as material to ICD's financial trajectory through 2025.<sup>3</sup>
- Strengthened credit and portfolio governance: ICD implemented revised credit committee protocols and enhanced stress testing practices to capture country and sector concentration risk, consistent with modern MDB risk frameworks. These internal governance improvements underpin ICD's capacity to scale private sector operations without eroding balance sheet strength.

### 3. Capital mobilization & market positioning, expanding the investor base:

- Syndication and co-financing: ICD advanced efforts to syndicate Shariah compliant facilities and co-finance deals with regional banks and DFIs to multiply impact and share structuring risk. Public reporting in 2025 highlighted successful transactions and increased appetite among regional partners for Islamic structured products.<sup>4</sup>
- Engagement with capital market actors and platforms: ICD increased outreach to capital market intermediaries and Global South investors to deepen sukuk and local currency issuance channels, actions that align directly with the IsDB Group's aspiration to strategically position itself within Islamic capital markets.

<sup>2</sup> <https://icd-ps.org/en/news/islamic-corporation-for-the-development-of-the-private-sector-signs-the-country-work-program-2025-for-egypt-unveiling-100-million-financing-plan>

<sup>3</sup> [https://www.comcec.org/wp-content/uploads/2025/09/ICDs-Progress-Report-Oct-2025\\_FINAL.pdf](https://www.comcec.org/wp-content/uploads/2025/09/ICDs-Progress-Report-Oct-2025_FINAL.pdf)

<sup>4</sup> <https://www.icd-ps.org/en/news>

#### 4. Transparency, disclosure and institutional accountability:

- ICD's public reporting and publication footprint in 2025 showed incremental improvements with annual reports, press releases, program summaries. ICD's 2025 actions included steps to modernize reporting templates and advance performance measurement systems, foundational but ongoing work.

#### Operational outcomes and effect on mandate delivery


Taken together, the 2025 institutional measures strengthened ICD's operational capacity to: (i) originate higher quality, nationally aligned private sector transactions; (ii) deploy innovative Shariah compliant products that attract co-financiers; and (iii) manage balance sheet risks through active

portfolio stewardship. These improvements enhance ICD's ability to act as the IsDB Group's delivery arm for private sector transformation and to translate the Group's strategic drivers (nationally driven solutions; Islamic principles; productivity and resilience) into bankable deals across MCs.

#### b. Developing the Sustainability Narrative

Since its inception, ICD has played a key role in advancing inclusive development in line with its mandate to promote private sector growth across its MCs. Building on this role, and as part of ICD's transformational vision to strengthen its development effectiveness, sustainability has been elevated as a strategic priority under the new IsDB Group 10-year corporate strategy framework.



 Chamus Kingkediri

In this context, ICD established the Sustainability Impact Unit (SIU) in early 2024 as the institutional anchor for advancing sustainability practices and integrating environmental, social, and governance (ESG) principles. The SIU was mandated to align ICD's operations with emerging global sustainability standards while ensuring consistency with the institution's Islamic finance principles and development mandate. To implement this mandate, ICD introduced a Sustainability Framework in March 2025, structured around five pillars and implemented through a three-phase roadmap. Each phase defines priority focus areas and sequencing to embed sustainability progressively across the institution.

First phase focuses on building foundational capacity and institutional readiness. During 2025, initiatives concentrated on developing a common understanding of ESG concepts, their relevance for development finance, and their implications for ICD's strategy, governance, and operations. These practical steps were designed to support future integration into core processes rather than stand-alone initiatives.

#### *Capacity Building and Knowledge Development*

As part of Phase One, the SIU launched a structured sustainability awareness program in 2025, highlighted by two flagship milestones:

- January 2025: An internal awareness session with external experts introduced staff to global sustainability trends, core ESG concepts, and their strategic relevance for ICD.
- May 2025: An external session during the IsDB Group Annual Meetings in Algeria marked a shift from awareness to application, focusing on how development finance institutions translate sustainability frameworks into operational practice.

These sessions were complemented by a series of short knowledge videos rolled out throughout

2025 to reinforce ESG literacy and promote a shared institutional language around sustainability.

#### *Strategic Partnerships and Diagnostics*

To strengthen the analytical foundation of its sustainability journey, ICD partnered with the International Development Finance Club (IDFC) to conduct a Double Materiality Assessment (DMA). The engagement was formalized in September 2025, with implementation starting shortly thereafter. The DMA is expected to conclude in May 2026 and will provide a structured, evidence-based assessment of ICD's most material ESG impacts, risks, and opportunities. This partnership reflects ICD's commitment to peer learning among MDBs and DFIs while ensuring that sustainability priorities are grounded in internationally recognized methodologies and tailored to ICD's specific context.

Looking ahead, ICD plans to translate foundational work into institutional practice. Building on the outcomes of the DMA (expected May 2026), sustainability priorities will be progressively embedded into ICD's corporate strategy, governance arrangements, risk management, and performance monitoring frameworks.

Future efforts will focus on clarifying ownership, integrating sustainability into decision making processes, and developing measurable ESG indicators to guide progress. This phased approach will support the continued evolution of ICD's sustainability journey, with future updates reflecting incremental integration, practical implementation, and evolving impact.

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THE CORPORATION'S DEVELOPMENT APPROACH EMPHASIZES CATALYZING PRIVATE INVESTMENT, SUPPORTING ENTREPRENEURSHIP, AND ENABLING FINANCIAL SYSTEMS THAT CAN EFFECTIVELY SERVE SMEs, WHICH REMAIN KEY DRIVERS OF JOB CREATION AND ECONOMIC DIVERSIFICATION ACROSS MCs.



## 2.4 Priorities for Shared Prosperity

Advancing shared prosperity remains at the core of ICD's development mandate. As a member of the Islamic Development Bank Group, ICD continues to align its operations with the broader objective of fostering inclusive economic growth across MCs by strengthening private sector capacity, expanding access to finance, and promoting sustainable development outcomes.

In an increasingly complex global economic environment, characterized by shifting trade dynamics, climate pressures, and evolving development needs, ICD's priorities are guided by a clear focus on impact, resilience, and inclusivity. The Corporation's development approach emphasizes catalyzing private investment, supporting entrepreneurship, and enabling financial systems that can effectively serve SMEs, which remain key drivers of job creation and economic diversification across MCs.

Central to these priorities is the expansion of access to Islamic finance solutions. By working with partner financial institutions and directly supporting private sector projects, ICD seeks to strengthen the availability of Shariah compliant financial services, enabling businesses and households to participate more fully in economic activity. These efforts not only deepen financial markets but also reinforce ethical and responsible financing practices that contribute to long term economic stability. Through these priorities, ICD remains committed to advancing a development model where private sector growth translates into tangible improvements in people's lives, supporting resilient economies and fostering shared prosperity for present and future generations.

### a. Anchoring Impact, Inclusion, and Sustainability

ICD's development compass remains anchored in the principle that prosperous societies are built on a vibrant, competitive, and well supported private sector. Throughout 2025, ICD prioritized investments that demonstrate strong development additionality, catalyzing private capital, creating sustainable jobs, and strengthening the productive capacities of enterprises and financial institutions.

By systematically applying the Development Anticipation and Reporting Tool (DART) during project design, ICD ensured that every new approval included a clear theory of change, measurable development indicators, and a credible pathway to results. Ongoing monitoring through the Development Indicators Management System (DIMS) provided real time visibility into progress, enabling the institution to steer its portfolio toward higher impact outcomes.

- In February 2025, ICD signed the 2025 Country Work Program for Arab Republic of Egypt, committing up to USD 100 million to support private sector projects across key sectors including industry, infrastructure, energy, agriculture, and SMEs. The program aims to enhance financial inclusion and support Egypt's structural economic reform agenda.<sup>5</sup>
- In September 2025, ICD extended a USD 15 million five-year financing line to TuranBank in Azerbaijan to bolster SME development and support diversification of the non-oil economy.<sup>6</sup>
- In August 2025, ICD led the successful closure of a USD 145 million Shariah compliant syndicated financing facility for Turk Eximbank, aimed at supporting export-oriented businesses and facilitating private sector expansion in Türkiye.<sup>7</sup>

5 <https://icd-ps.org/en/news/islamic-corporation-for-the-development-of-the-private-sector-signs-the-country-work-program-2025-for-egypt-unveiling-100-million-financing-plan3> [https://www.comcec.org/wp-content/uploads/2025/09/ICDs-Progress-Report-Oct-2025\\_FINAL.pdf](https://www.comcec.org/wp-content/uploads/2025/09/ICDs-Progress-Report-Oct-2025_FINAL.pdf)

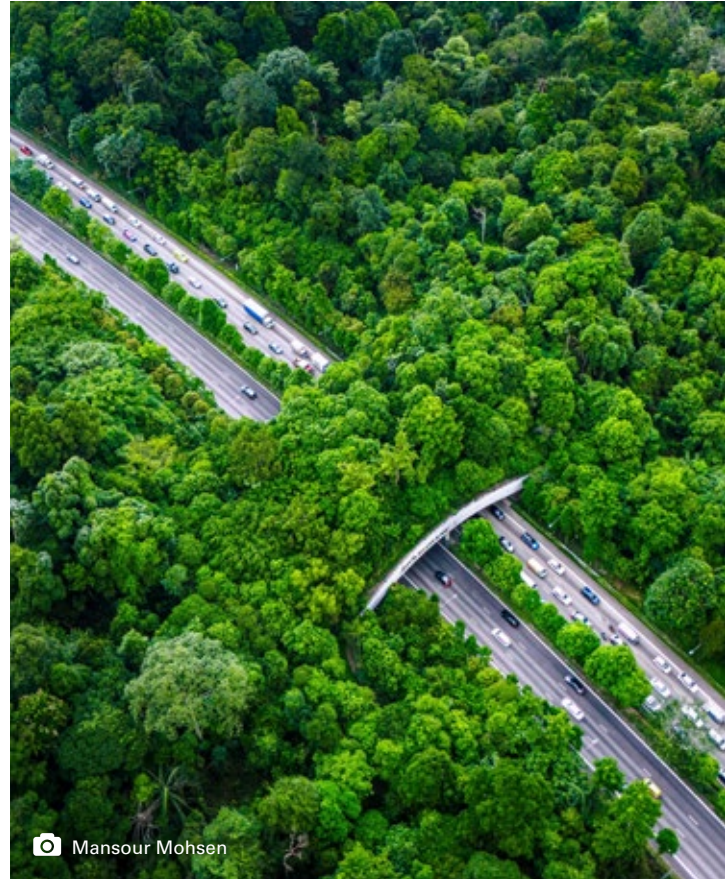
6 <https://africa24tv.com/turan-bank-azerbaijan-signs-15-million-line-of-financing-agreement-with-the-islamic-corporation-for-the-development-of-the-private-sector-icd>

7 <https://icd.africa-newsroom.com/>

- In November 2025, ICD closed a EURO 20 million Shariah compliant medium term syndicated facility for AKLease, a major leasing company in Türkiye, to expand leasing services for SMEs and corporates, enhancing access to capital and enabling business growth.<sup>8</sup>
- On the capital markets front, ICD issued a USD 500 million five-year Reg-S senior unsecured Sukuk under its ICDPS Sukuk Limited program, listed on Nasdaq Dubai. The issuance was heavily oversubscribed, reflecting strong investor confidence, and will support ICD's financing activities across its MCs.<sup>9</sup>

These engagements reflect ICD's broadening geographic reach and consistent commitment to strengthening private sector capacities, financial inclusion, and economic diversification in member and partner countries.

Among its global initiatives, ICD, in collaboration with London Stock Exchange Group (LSEG), released the 2025 edition of the Islamic Finance Development Indicator (IFDI) report. This global benchmark evaluates the state of Islamic finance



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IN AUGUST 2025, ICD LED THE SUCCESSFUL CLOSURE OF A USD 145 MILLION SHARIAH COMPLIANT SYNDICATED FINANCING FACILITY FOR TURK EXIMBANK, AIMED AT SUPPORTING EXPORT-ORIENTED BUSINESSES AND FACILITATING PRIVATE SECTOR EXPANSION IN TÜRKIYE.

across 140 countries and helps stakeholders identify opportunities and gaps, supporting the development of Shariah compliant finance ecosystems worldwide. Through these leadership and knowledge generation efforts, ICD is reinforcing its role not only as a financier, but as a thought leader and enabler in the global Islamic finance ecosystem.

The milestones of 2025 reflect ICD's growing momentum along its "*Development Compass*," characterized by:

- A diversified portfolio of financial interventions,

<sup>8</sup> <https://www.icd-ps.org/ru/news/icd-successfully-closed-the-first-ever-shariah-compliant-medium-term-syndicated-financing-facility-for-aklease-to-boost-leasing-to-smes-and-private-sector-growth-in-türkiye>

<sup>9</sup> <https://www.mediaoffice.ae/en/news/2025/november/20-11/nasdaq-dubai-welcomes>

from SME credit lines to large, syndicated facilities and capital market sukuk issuance, addressing a broad range of private sector needs.

- Geographical breadth with expanded operations in Egypt, Azerbaijan, Türkiye, Indonesia, and beyond, enhancing ICD's reach and influence.
- Strengthened institutional capacity and leadership.
- A more pronounced role in shaping the global Islamic finance ecosystem.
- Closer alignment with national priorities in MCs through strategic frameworks and cooperation with governments and partners.

These developments underscore ICD's evolution from being primarily a financing institution to a pivotal enabler of private sector led, inclusive, and sustainable development across its MCs. Anchoring impact, inclusion, and sustainability in ICD's work is more than an institutional commitment, it is a strategic direction that defines ICD's evolution. As MCs navigate global uncertainty, pursue economic recovery, and advance national visions, ICD is positioning itself to deliver deeper, more measurable, and more transformational development results.

Through targeted financing, innovative Islamic financial solutions, robust results systems, and a renewed focus on green and inclusive growth, ICD continues to shift the development narrative from progress achieved to prosperity sustained, mirroring the spirit of ADER 2025 and reaffirming its mandate to empower the private sector as the engine of sustainable development.

## **b. Prospering through Development**

Prosperity within the ICD context extends beyond short term economic gains. It embodies the creation of enduring value through strengthened markets,



DEVELOPMENTS UNDERSCORE ICD'S EVOLUTION FROM BEING PRIMARILY A FINANCING INSTITUTION TO A PIVOTAL ENABLER OF PRIVATE SECTOR LED, INCLUSIVE, AND SUSTAINABLE DEVELOPMENT ACROSS ITS MCs. ANCHORING IMPACT, INCLUSION, AND SUSTAINABILITY IN ICD'S WORK IS MORE THAN AN INSTITUTIONAL COMMITMENT, IT IS A STRATEGIC DIRECTION THAT DEFINES ICD'S EVOLUTION.



empowered entrepreneurs, expanded access to finance, and sustainable resource use. In 2025, ICD's interventions were intentionally structured to deliver this expanded vision of prosperity, one that enhances productivity, improves lives, and supports countries in building diversified, competitive, and inclusive private sectors.

### Cumulative Impact Metrics

- *USD 7.1 billion in Approvals:* ICD has leveraged its resources towards the betterment of its beneficiaries thereby amplifying its development impact.
- *USD 5.6 billion in Disbursements:* Spanning sectors such as energy, healthcare, finance and manufacturing, these interventions have directly contributed to job creation, poverty reduction, and improved infrastructure.
- *Enhanced Financial Inclusion:* Through its partnerships, ICD has expanded access to finance for SMEs and underserved populations in MCs.

Moving beyond the foundational goal of generating economic progress, ICD's operations increasingly focus on enabling prosperity that is broad based, resilient, and sustainable. This holistic understanding of prosperity is central to the ADER 2025 theme, reflecting ICD's commitment not merely to facilitate growth, but to shape transformative outcomes that uplift communities, strengthen economies, and cultivate opportunity for future generations.

Through targeted financing, capital market development, and capacity building, ICD is supporting MCs in transitioning from economic stabilization to sustained, innovation driven growth. Whether through SME financing in fragile markets, renewable energy investments in energy scarce states, or line of finance facilities in emerging economies, ICD's projects reflect a deliberate orientation toward long term prosperity.



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PROSPERITY WITHIN THE ICD CONTEXT EXTENDS BEYOND SHORT TERM ECONOMIC GAINS. IT EMBODIES THE CREATION OF ENDURING VALUE THROUGH STRENGTHENED MARKETS, EMPOWERED ENTREPRENEURS, EXPANDED ACCESS TO FINANCE, AND SUSTAINABLE RESOURCE USE.

True prosperity requires robust institutions, capable enterprises, and vibrant markets. Recognizing this, ICD intensified its support in three mutually reinforcing areas:

### 1. People and Skills

ICD's strengthening of SMEs, and financial intermediaries helps expand economic participation and job opportunities. Through enhanced access to Islamic finance, entrepreneurs gain the tools to start, grow, and sustain businesses that generate income and uplift households.

### 2. Markets and Competitiveness

ICD's financing solutions contributed to greater competitiveness in manufacturing, agribusiness,

energy, and services sectors. By enabling firms to adopt modern technologies, improve productivity, and integrate into regional and global value chains, ICD supports the creation of high value, future ready private sectors.

### 3. Institutions and Systems

Through the Development Anticipation and Reporting Tool (DART) and the Development Indicators Management System (DIMS), ICD strengthened institutional capacity for project design, impact assessment, and development data management. This systematic approach helps ensure that investments are both effective and aligned with strategic priorities.

#### *Broadening Access to Islamic Finance: A Pathway to Shared Prosperity*

Prosperity is inclusive when the financial system enables equitable participation. ICD's efforts in 2025 accelerated the expansion of Shariah compliant finance by:

- deepening partner financial institutions' capacity to serve underserved segments,
- promoting digital and alternative Islamic finance channels,
- facilitating sukuk issuances that mobilize broad pools of capital, and
- supporting institutional development of new financial intermediaries.

These efforts reduce barriers for SMEs and emerging enterprises, making prosperity more attainable for vulnerable groups and communities.

*Crowding in Private Capital for Scalable Prosperity*  
A hallmark of ICD's development footprint in 2025 was its ability to mobilize external capital, both domestic and international. Through syndicated





facilities, co-financing arrangements, and innovative Islamic finance structures, ICD expanded the financing available to private sector actors, multiplying the scale and reach of its interventions. This catalytic effect is essential for building self-sustaining markets capable of delivering prosperity independent of long-term development finance.

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IN 2025, ICD REAFFIRMED THAT PROSPERING THROUGH DEVELOPMENT IS NOT MERELY ABOUT GENERATING RETURNS, IT IS ABOUT TRANSFORMING SYSTEMS, EXPANDING OPPORTUNITIES, AND ENSURING THAT IMPROVEMENTS IN ECONOMIC CONDITIONS TRANSLATE INTO MEANINGFUL SOCIAL AND ENVIRONMENTAL PROGRESS

### *A Prosperity Oriented Future*

As MCs pursue growth focused reforms, climate resilience strategies, and private sector led national visions, ICD remains a central partner in their journey. By aligning its operations with market needs, development outcomes, and sustainability principles, ICD is shaping a future in which prosperity is not an exception but an expectation, accessible to entrepreneurs, enterprises, and communities across all regions.

In 2025, ICD reaffirmed that prospering through development is not merely about generating returns, it is about transforming systems, expanding opportunities, and ensuring that improvements in economic conditions translate into meaningful social and environmental progress. This is ICD's development promise, and the guiding compass for its path from progress to prosperity.

## CHAPTER 03

# From Progress to Prosperity - Our Development Compass

Chapter Three marks the transition from strategic intent to real world outcomes. It brings to life how the ICD translates its mandate into tangible development results through partnerships with private sector institutions across its MCs. While preceding chapters set out what ICD aims to achieve and how it measures effectiveness, this chapter demonstrates where impact happens, at the level of individuals, enterprises, and communities.

# 03





Anchored in ICD's Development Compass, this chapter presents a curated set of success stories that illustrate how financial intermediation and direct investments converge to deliver inclusive and sustainable growth. These stories reflect ICD's core development narrative of strengthening financial systems, supporting productive sectors, promoting Islamic finance, enabling private sector led job creation, and advancing environmental and social sustainability. Collectively, they underscore ICD's role as a catalytic development partner, one that mobilizes capital, mitigates risk, and aligns commercial viability with development outcomes.


The success stories featured in this chapter are intentionally diverse in location, sector, and instrument, yet unified by a common thread. Each demonstrates how ICD supported clients to have expanded access to finance, increased productive capacity, strengthened value chains, and generated positive spillovers for local economies. Beyond balance sheets, these cases highlight improvements in livelihoods, resilience of small and medium enterprises, gender inclusion, food

and energy security, and adherence to responsible business practices.

Importantly, this chapter also reflects ICD's evolution from financing transactions to shaping development trajectories. By embedding impact considerations into client selection, structuring, and monitoring, ICD ensures that progress achieved at the project level translates into broader prosperity over time. The Development Compass serves not only as an analytical framework, but as a practical guide that aligns ICD's interventions with the long-term development priorities of its MCs and the wider Islamic Development Bank Group.

As readers move through these success stories, Chapter Three invites an appreciation of development as a cumulative process, one built through trusted partnerships, patient capital, and a shared commitment to sustainable and inclusive growth. Together, these narratives affirm ICD's conviction that when the private sector thrives responsibly, progress becomes prosperity.

“ THE DEVELOPMENT COMPASS SERVES NOT ONLY AS AN ANALYTICAL FRAMEWORK, BUT AS A PRACTICAL GUIDE THAT ALIGNS ICD'S INTERVENTIONS WITH THE LONG-TERM DEVELOPMENT PRIORITIES OF ITS MCs AND THE WIDER ISLAMIC DEVELOPMENT BANK GROUP

 Hicham Filali Zehri

## 3.1 Success Stories

### Success Story 1

#### **Manisa City Hospital – Türkiye**

THE MANISA CITY HOSPITAL, ALSO KNOWN LOCALLY AS MANISA ŞEHİR HASTANESİ, REPRESENTS A STRATEGIC INVESTMENT BY ICD TO SUPPORT TÜRKİYE'S HEALTH SECTOR. THE HOSPITAL STANDS AS A FLAGSHIP EXAMPLE OF HOW LARGE-SCALE PRIVATE SECTOR PARTICIPATION, SUPPORTED BY DEVELOPMENT FINANCE, CAN DELIVER TRANSFORMATIVE SOCIAL OUTCOMES. AS AN ICD SUPPORTED CLIENT, THE HOSPITAL ILLUSTRATES THE CORPORATION'S COMMITMENT TO STRENGTHENING ESSENTIAL SOCIAL INFRASTRUCTURE WHILE ADVANCING INCLUSIVE, SUSTAINABLE DEVELOPMENT IN ITS MCS

Developed under Türkiye’s city hospitals program, Manisa City Hospital significantly expanded access to high quality healthcare services in the Aegean region. The facility was designed to consolidate and modernize previously dispersed public hospitals into a single, integrated healthcare complex, thereby improving efficiency, service quality, and patient outcomes. With advanced medical equipment, specialized departments, and increased bed capacity, the hospital has enhanced the region’s ability to respond to both routine and complex healthcare needs.

The purpose of the project was to finance construction works and the provision of services for the Manisa Education and Research Hospital through a Public Private Partnership (PPP) model. The Manisa City Hospital is one of the city hospitals in the scope of the “HealthTransformation” program run by Ministry of Health (MoH). The project was based on a PPP investment finance model which has become widespread in recent years. The reason was that since resources were limited due to public debt-burden, there was a need to increase the private sector’s participation in infrastructure investment.

The project has a capacity of 558 beds, and these were installed over an area of 97,515m<sup>2</sup>. The construction period of the project was two years, and the period of the operation is 25 years. ICD’s

total contribution reached EUR 19.7 million in debt financing. This represented roughly 8.4% of total project cost. Other financiers included the Islamic Development Bank, Ziraat Bank and Siemens A.G.

From a development impact perspective, the project has delivered measurable social benefits. It has improved access to affordable and timely healthcare for a rapidly growing population, reduced pressure on overstretched public facilities, and shortened waiting times for critical treatments. The hospital has also contributed to better health outcomes by enabling early diagnosis, specialized care, and continuity of services across multiple medical disciplines.

The project’s economic impact is equally significant. During construction and operation,

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THE PROJECT HAS A CAPACITY OF 558 BEDS, AND THESE WERE INSTALLED OVER AN AREA OF 97,515M<sup>2</sup>. THE CONSTRUCTION PERIOD OF THE PROJECT WAS TWO YEARS, AND THE PERIOD OF THE OPERATION IS 25 YEARS. ICD’S TOTAL CONTRIBUTION REACHED EUR 19.7 MILLION IN DEBT FINANCING. THIS REPRESENTED ROUGHLY 8.4% OF TOTAL PROJECT COST.





Manisa City Hospital generated substantial employment opportunities, spanning skilled medical professionals, administrative staff, and service providers. Beyond direct jobs, the hospital has supported local supply chains and service industries, contributing to regional economic activity and skills development. By anchoring long-term private investment in social infrastructure, the project demonstrates how public private collaboration can stimulate local economies while addressing public needs.

The project was a resounding success as it increased access to high quality health services in Manisa and the region with state-of-the-art technology and services. The project constructed and equipped the hospital with 558 beds providing services in 52 different medical areas with new and modern medical equipment as planned at design. Furthermore, the Manisa City Hospital project demonstrated a successful case of the Istisna'a mode of Islamic Finance in the PPP projects. Specific to the health sector it is believed to be the second of its kind in the country and as such was relatively novel. Funds were mobilized effectively, and the project was completed successfully in a timely manner allowing for the start of high-quality medical services as of October 2018. Moreover, this projects showcased the benefits of inter-group collaboration in serving our MCs.

As of today, it has treated approximately 11 million patients, both inpatient and outpatient, mainly

from the Manisa region and nearby city of Izmir in addition to almost 220 thousand surgeries.

Manisa City Hospital exemplifies ICD's Development Compass in action, where financial structuring, private sector expertise, and development priorities converge to create lasting impact. By supporting a project that delivers essential services, creates jobs, and strengthens institutional capacity in the healthcare sector, ICD has helped translate progress into prosperity. The success of Manisa City Hospital underscores ICD's role as a catalytic partner in enabling private sector solutions that improve lives and support inclusive growth across its MCs.



## Success Story 2

### Vakif Katilim Bankasi - Türkiye

ICD'S PARTNERSHIP WITH VAKIF KATILIM BANKASI IN TÜRKİYE EXEMPLIFIES HOW STRATEGIC ENGAGEMENT WITH ISLAMIC FINANCIAL INSTITUTIONS CAN STRENGTHEN FINANCIAL SYSTEMS, DEEPEN INCLUSION, AND SUPPORT REAL SECTOR DEVELOPMENT. SINCE THE INCEPTION OF THE RELATIONSHIP, ICD HAS WORKED CLOSELY WITH VAKIF KATILIM TO EXPAND THE REACH AND EFFECTIVENESS OF SHARIAH COMPLIANT FINANCE, IN LINE WITH ICD'S MANDATE TO PROMOTE PRIVATE SECTOR DEVELOPMENT ACROSS ITS MCS.



**VAKIF KATILIM**  
**GENEL MÜDÜRLÜK**

Vakif Katilim Bankasi represents a strategic investment by ICD to support Türkiye's financial and SME sector. The project aimed to provide financial support and strengthen the private sector in Türkiye all while contributing to improved food security by boosting the country's agricultural sector. Vakif Katilim is one of the youngest members of the six participation (Islamic) banks in the country and was established on June 25, 2015. The headquarters of Vakif Katilim Bank is in Istanbul, and it extends its services across the country via its multiple branch offices. Vakif Katilim operates in accordance with the principles of interest free banking as a participation bank. The Bank mainly collects funds through current accounts, profit sharing accounts based on profit/loss sharing agreement, investment agency pools, and extends financing to corporates, retail finance, profit and loss sharing investments, finance lease, financing commodities against documents and joint investments.

Vakif Katilim Bankasi was approved for ICD LOF facility of USD 30 million in 2024. This facility was then extended to various large firms and SMEs active in the country, mainly in Istanbul of which some were involved in the production of food. One of the beneficiaries of this LOF facility was the company Kaanlar Dairy. Kaanlar Dairy is a Türkiye based agribusiness company operating in the



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dairy processing and distribution segment, serving domestic markets with a range of milk and dairy products. As part of ICD's partnership with Vakif Katilim, Kaanlar Dairy was financed through Shariah compliant facilities extended by Vakif Katilim using ICD provided funds, demonstrating effective end-client financing to the real economy.

The company was established in Unkapani, Istanbul in 1978. The company's origins are very modest as they started by acquiring a small dairy farm with a daily capacity of 600 liters in Tekirdağ-Malkara to





manufacture high-quality natural products suitable for Turkish taste. As of today, it has expanded its production capacity to process ten thousand liters of fresh milk daily and has set up multiple collection points and processing facilities across the country. To meet the mandatory physio-sanitary and hygienic requirements as well as to ensure a product of highest quality they have their own state-of-the-art laboratories to conduct quality checks, provide extension services to dairy farmers and provide technical support. The ICD financing was used to support Kaanlar in purchasing one of its core inputs for its daily operations, the dairy milk.

The financing supported Kaanlar Dairy's working capital and investment needs, enabling the company to stabilize input sourcing, improve processing efficiency, and scale its operations. This support was particularly important in a sector characterized by input price volatility and tight liquidity conditions, where access to appropriately structured Islamic financing can be limited. Through Vakif Katilim, ICD's funds were channeled in a manner consistent with asset based Islamic finance principles, ensuring a direct link between financing and productive economic activity.

From a development impact perspective, the transaction contributed to several positive outcomes. At the firm level, the financing helped Kaanlar

Dairy sustain and expand production, supporting employment across its processing facilities and along its supply chain, including small scale milk producers. At the sector level, the operation strengthened value chains in the agribusiness and food processing sector, which is critical for food security, rural livelihoods, and regional economic stability in Türkiye.



The financing also demonstrated ICD's additionality through Vakif Katilim by extending access to Shariah compliant funding on terms that support business continuity and growth, while encouraging adherence to sound environmental, social, and governance practices. By supporting a productive SME type agribusiness, the operation aligned with ICD's mandate to promote inclusive private sector development and with the IsDB Group's broader focus on food security and resilience.

The development impact of this collaboration is evident at both the micro and macro levels. At the enterprise level, increased access to Shariah compliant financing has enabled businesses to invest, expand operations, and create jobs. At the system level, ICD's support has helped strengthen Türkiye's participation banking segment, promoting financial inclusion and diversification of the financial sector. This is particularly relevant in a context of economic volatility, where resilient and well capitalized Islamic financial institutions can play a stabilizing role.

Overall, the Vakif Katilim success story demonstrates ICD's ability to leverage partnerships with strong local institutions to deliver sustainable private sector development. By combining financing, institutional support, and strategic alignment, ICD has contributed to measurable development impact in Türkiye while advancing the broader objectives of Islamic finance and inclusive economic growth.

## Success Story 3

### Al Baraka Bank - Egypt

AL BARAKA BANK (ABBE) IS ONE OF THE PIONEERS OF ISLAMIC BANKING IN EGYPT, OFFERING A WIDE RANGE OF SERVICES AND FINANCIAL PRODUCTS. ABBE HAS BEEN OPERATING FOR ALMOST 40 YEARS, WITH A NETWORK OF 40 BRANCHES COVERING CAIRO, ALEXANDRIA, AND DELTA. ABBE AIMS TO HAVE A GEOGRAPHICAL EXPANSION BY INCREASING THE NUMBER OF BRANCHES IN MOST GOVERNORATES BY THE END OF 2025. ABBE IS A SUBSIDIARY OF AL-BARAKA GROUP THAT TAKES BAHRAIN AS ITS HEADQUARTERS. THE GROUP HAS A WIDE GEOGRAPHICAL PRESENCE IN THE FORM OF SUBSIDIARY BANKING UNITS AND REPRESENTATIVE OFFICES IN 3 CONTINENTS (13 COUNTRIES), WITH ROUGHLY 600 BRANCHES. AL BARAKA GROUP HAS OPERATIONS IN JORDAN, EGYPT, TUNIS, BAHRAIN, SUDAN, TÜRKIYE, SOUTH AFRICA, ALGERIA, PAKISTAN, LEBANON AND SYRIA, IN ADDITION TO TWO BRANCHES IN IRAQ AND A REPRESENTATIVE OFFICE IN LIBYA.

The image shows a large, curved building facade with a grid of windows. At the top of the building, the 'alBaraka' logo is prominently displayed in a stylized, orange-red font. The logo consists of the word 'alBaraka' followed by a circular emblem containing a stylized 'B' or similar symbol. The entire scene is bathed in a warm, orange-red light, likely from a sunset or sunrise, creating a strong color cast over the building and the text.This is a smaller version of the 'alBaraka' logo seen above, positioned lower on the building facade. It features the same stylized text and circular emblem, set against the orange-red background of the building's exterior.

## Developmental Impact

SMEs are the backbone of Egypt's economy, representing over 90% of private businesses, contributing 75% to private sector employment and 80% to the country's GDP according to the Ministry of Trade and Industry. As part of its mandate to support the private sector, ICD provided a LoF facility totaling USD 30 million. This has helped ABBE to deliver the following results.

- 1,349 jobs sustained at the partner level; with 429 Female jobs; 18 women are in top management positions within the company
- 250 new hires in 2024 at the partner level with 120 positions allocated for women
- 14 SMEs financed using ICD facility; includes two SMEs led by women
- 1,500 jobs supported at the financed SME level with 200 Female jobs
- 400 new hires in 2024 by the financed SMEs with 150 new women positions
- 150,000 patients received medical attention from SMEs financed using ICD facility

- USD one million was donated to local community development initiatives
- USD 45 million in government revenues
- USD 30 million - Amount of goods and services purchased locally

Three of SMEs that have been empowered through Al Baraka Bank's financial support using ICD funds included:

- Ahmed Farid Medical Centers – Provides comprehensive healthcare services with a strong focus on quality and medical specialization.
- National Food Stuff Packaging – Specializes in packaging and processing food products using modern, safe solutions.
- Creative Pan Group – Supplies 40% of Cairo's coffee shops with locally sourced food, crafted menus, and premium fair-trade coffee, filling a key gap in Egypt's market.

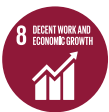
These projects are a testament to the power of strategic financing and meaningful partnerships in advancing local economic development.





**Alignment with SDGs:**

The LOF facility was closely aligned with the following SDGs:



SDG8 (decent work and economic growth): Through SME financing, ABBE has directly supported private sector development, enabling businesses to create over 400 new jobs.



SDG9 (industry, innovation, and infrastructure): ABBE has provided Islamic financing to 14 SMEs that helped them expand their operations and hiring.



SDG17 (partnerships for the goals): This partnership has helped ABBE attract additional external hard currency funding from other MDBs.

Its partnership with ICD, ABBE showcased the importance of Islamic financial solutions in driving sustainable development. This partnership has helped ABBE expand its operations and financing portfolio, strengthen its balance sheet, and support the creation of direct jobs at the SME level, all while improving financial return to stakeholders and raising tax revenues for the government.



## Success Story 4

### **Al-Sharkeya Sugar Manufacturing (ASSM) - Egypt**

AL-SHARKEYA SUGAR MANUFACTURING (ASSM) WAS ESTABLISHED IN 2011 OVER A LAND AREA OF APPROXIMATELY 1,774,500 M2. ASSM IS LOCATED NORTH OF THE INDUSTRIAL ZONE OF AL-SALIHIAH CITY, EGYPT. THE PROJECT WAS THE FIRST SUGAR PRODUCTION FACILITY IN AL-SHARKEYA GOVERNORATE WITH A CONSTRUCTION COST OF EGP 3.1 BILLION.

AL SHARKEYA SUGAR



الشرقية للسكر

ASSM was established to fill the gap in locally produced sugar in the Egyptian market, which exceeded a million tons annually, to enhance beet production, obtain foreign currency (FX) revenues through product export and contribute to job creation in the Agri Food Sector (AFS). ASSM was a green field project, building Egypt's first state-of-the-art sugar production facility in the governorate of Al-Sharkeya, with a total investment cost of EGP 6 billion. Its main activities are the production of sugar from sugar beets and refining raw sugar into white sugar, byproducts of which (molasses and fodder).

### Developmental Impact

ASSM represented ICD's strategic entry into Egypt's Agrifood Sector under an Islamic finance modality, reinforcing the institution's role in promoting private sector led, inclusive, and sustainable development. The project aligns with ICD's strategic objectives in three key areas:

- Food security through domestic value addition and reduced reliance on sugar imports.
- Private sector development by supporting industrial SME linkages.

- Islamic finance promotion by structuring a successful, scalable transaction using Shariah compliant instruments in the agribusiness sector.

ASSM contributes to Egypt's broader economic development agenda by enhancing agro industrial productivity, supporting import substitution, creating rural employment, and boosting local value addition in one of Egypt's strategic agricultural sectors, sugar beet processing. As one of the largest sugar beet processing plants in the country, ASSM helps Egypt address its chronic sugar trade deficit and reduce pressure on its current account. Its vertical integration model enhances domestic value chains from farm to consumer products, generating significant economic value both directly and indirectly. ASSM contributes to the non-oil industrial base, aligning with the national development goal of economic diversification. ASSM feeds into the AFS, which is a key focus under Egypt Vision 2030. It contributes to rural industrialization, given its location in the Al-Sharkeya governorate, providing an economic stimulus outside urban centers.



Alignment with SDGs: ASSM received roughly USD 50 million in combination of equity participation and debt from ICD. This has helped ASSM to deliver the following results:



SDG2 (zero hunger): ASSM relies on small local farmers, thereby enabling inclusive growth. The project sources its raw beet from roughly 25,000 local farmers, thereby enhancing rural livelihoods. This model strengthens agribusiness linkages and supports small farmers' inclusion; the result was increase in food security to the local population. Moreover, Sugar beet crops can be flexibly distributed for food and feed, and co-products can be used for animal feed, helping to increase the availability of edible crops.



SDG5 (gender equality): Roughly 40% of the workforce is under 30 years of age and about 12% are women



SDG8 (decent work and economic growth): 754 permanent jobs across production, maintenance, quality control, logistics, administration, and plant operations with 32 engineers. Additionally, ASSM employs about 250+ seasonal workers annually during the harvest season.



SDG9 (industry, innovation, and infrastructure): Molasses and pulp can be turned into valuable products like animal feed, biofuels (such as ethanol), fertilizers, or materials for paper and packaging. Likewise, the industrialization of the sugar sector provides market opportunities and integrates small-scale producers into broader value chains. This helps to boost the local economy and promotes inclusive industrial growth.



SDG17 (partnerships for the goals): This partnership has helped ASSM attract funding from other financiers which allowed it to sustain its growth targets.

ASSM aligns well with ICD's development mandate, delivering economic and social returns while catalyzing Islamic finance and private sector engagement. Although environmental performance can be enhanced, the project overall represents a successful case of supporting industrial food security, import substitution, and inclusive growth in Egypt.



## 3.2 The Way Forward

Building on a year of consolidation and targeted growth, 2025 marked an important inflection point for ICD. The Corporation strengthened its development effectiveness framework, deepened alignment with the IsDB Group priorities and reaffirmed its mandate to promote sustainable private sector development across MCs. These efforts provide a solid foundation for ICD's forward-looking agenda as it moves into 2026 and beyond.

In 2025, ICD advanced several institutional and operational milestones. The Corporation enhanced its results architecture, embedding clearer outcome indicators across financial performance, economic additionality, promotion of Islamic finance, private sector development, and environmental and social sustainability. Greater emphasis was placed on upstream engagement, selectivity, and value addition, particularly in strategic sectors such as renewable energy, agribusiness, manufacturing, and financial institutions. ICD also strengthened its supervision and evaluation processes, ensuring that development impact considerations are integrated throughout the project lifecycle, from origination to exit. These accomplishments reflect ICD's growing maturity as a development finance institution focused not only on volume, but on quality and impact.

These advances were undertaken in parallel with the refinement of ICD's strategic direction. The updated strategy reinforces ICD's core mandate: to foster a dynamic, inclusive, and resilient private sector in MCs through Shariah compliant financing, and partnerships. Going forward, ICD will further sharpen its focus on additionality, crowding in private

capital, supporting underserved markets, and addressing structural constraints that limit private sector growth. Priority will be given to projects that generate employment, enhance productivity, promote financial inclusion, and contribute to climate resilience and energy transition, in line with member country development priorities.

The way forward is also shaped by the IsDB Group's forthcoming 10-Year Strategic Framework (2026–2035), which provides a unifying vision for development impact over the next decade. The framework places strong emphasis on inclusive growth, sustainability, resilience, and innovation, while responding to global challenges such as climate change, food security, digital transformation, and rising fragility. ICD's strategy is closely aligned with this framework, positioning the Corporation as the Group's primary vehicle for private sector led solutions. Over the coming years, ICD will play a central role in translating the IsDB Group's long-term objectives into bankable, high impact private sector operations.

Looking ahead, ICD's outlook must also account for a rapidly evolving global and regional context. Heightened geopolitical uncertainty, tighter global financial conditions, and persistent development gaps continue to pose risks to private investment in many MCs. At the same time, these challenges present opportunities for ICD to act countercyclically, leverage its development mandate, and support transformative investments where market failures persist. The growing urgency of climate action, coupled with technological change and demographic pressures, underscores the need for innovative financing structures, stronger partnerships, and scalable solutions.

Against this backdrop, ICD's priorities for 2026 and beyond will center on three interconnected directions. First, deepening development impact by strengthening measurement, and accountability, ensuring that operations deliver tangible and sustainable outcomes. Second, enhancing




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strategic partnerships within the IsDB Group, with member governments, and with private investors to mobilize additional capital and expertise. Third, reinforcing institutional resilience through continued improvements in risk management, governance, and operational efficiency.

In summary, the way forward for ICD is defined by continuity of purpose and adaptability in execution. Anchored in its mandate and aligned with the IsDB Group's long-term vision, ICD enters the next phase with a clearer strategic focus, stronger development systems, and a renewed commitment to enabling private sector led growth. These foundations position the Corporation to respond effectively to emerging challenges and to maximize its contribution to sustainable development in MCs in 2026 and the years ahead.



 Tittu Shaji Thomas

### 3.3 Our Partners and Clients

#### BANGLADESH



#### PAKISTAN



#### EGYPT



#### TÜRKIYE



#### COTE D'IVOIRE



#### KAZAKHSTAN



KOKSHETAU HOSPITAL

#### NIGERIA



#### BURKINA FASO



#### SENEGAL




#### MALDIVES




 **TUNISIA**




 **MOROCCO**



 **GUINEA**




 **SRI LANKA**



 **SAUDI ARABIA**




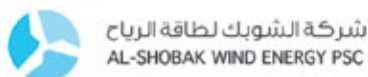
 **MALAYSIA**




 **KYRGYZSTAN**




 **JORDAN**




 **CONGO**




 **AZERBAIJAN**



 **BENIN**



 **PALESTINE**



 **UZBEKISTAN**





📷 Betül "Fizikçi" Şimşek



📷 Ahmed Emad





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.

**IsDB**   
البنك الإسلامي للتنمية  
Islamic Development Bank

Islamic Corporation for the Development of the Private Sector

PO Box 54069

Jeddah 21514

Kingdom of Saudi Arabia

+966 12 644 1644

+966 12 644 4427

icd@isdb.org



 @icd\_ps  icdps  www.icd-ps.org  icdps  icdpstv