



ICD's Progress Report

Submitted to

41st Session of the COMCEC

November 1-4, 2025

Istanbul

Section 1: Brief Information about ICD

The Year of Establishment	1999
Headquarters	Jeddah, Saudi Arabia
Member	The Islamic Development Bank Group
Mandate	<p>Our Vision: <i>To become the leading Islamic multilateral financial institution for the development of the private sector.</i></p> <p>Our Mission: <i>To complement the role played by the Islamic Development Bank (IsDB) through the development and promotion of the private sector to boost economic growth and prosperity.</i></p>
Authorized Capital	US\$ 4 Billion
Paid-up Capital	US\$ 1.59 Billion
Cumulative Approved Projects Since Inception	US\$ 7.8 Billion
Cumulative Disbursements Since Inception	US\$ 5.4 Billion
Cumulative Approvals by Sector	Finance Sector (SME Financing) = 55% Industry and Mining = 18% Funds = 6% Energy Sector = 6% Other Sectors = 15%
Total Number of Member Countries	56

1. The Islamic Corporation for the Development of the Private Sector (ICD), a member of the Islamic Development Bank (IsDB) Group, has an authorized capital of US\$4 billion. Its shareholder base comprises 56 OIC member states and 5 public financial institutions. ICD's mandate is to promote economic development in its member countries by providing financing, advisory, and technical assistance to private sector projects, all in full alignment with the principles of Sharia.
2. With over twenty-five years of proven achievement and a strong developmental and operational footprint, ICD continues to deliver innovative private sector solutions and acts as a vital bridge between private investment and sustainable development across its 56 member countries. As of June 2025, ICD's gross cumulative approvals have reached US\$7.8 billion, with cumulative disbursements amounting to US\$5.4 billion.

Section 2: Institutional Progress Update - 2025

Strategic Orientation and Operations Plan

3. To better serve its member countries, ICD designed its 2025 Operations Plan around three strategic pillars (the Triple Es): Endurance (business and financial resilience), Efficiency (process efficiency and excellence in delivery), and Effectiveness (inclusive and innovative operations).
4. As of August 2025, ICD achieved robust progress in implementing this plan. Approvals and disbursements for private sector development in member countries stood at US\$243 million and US\$341 million, respectively. By year-end, ICD estimates total approvals and disbursements will exceed US\$500 million.

Financing Approvals by Product and Region

5. During the first eight months of 2025, ICD approved a total of US\$222.7 million in Lines of Financing and US\$20 million through direct corporate financing. Regionally, 44% of approved financing was allocated to Europe and Central Asia, 41% to the Middle East and North Africa, and 15% to Sub-Saharan Africa.

Disbursement Performance

6. By August 2025, ICD had disbursed US\$341 million, of which US\$214 million supported Lines of Financing and US\$127 million supported direct financing.

Partnership Development

7. ICD worked closely with other IsDB Group entities—ITFC and ICIEC—to foster intra-group cooperation. Through the Technical Coordination Committee (TCC) and Entities' CEOs Meetings, collaboration among the three group entities was strengthened. In the first eight months of 2025, the TCC enabled approvals of US\$554 million in joint deals, facilitated multiple knowledge-sharing workshops, and advanced several country programs under the Arab Africa Trade Bridges (AATB) initiative.

Credit Rating Developments

8. ICD successfully completed its 2025 annual rating review with three agencies. Fitch and Moody's affirmed their ratings, while S&P Global Ratings upgraded ICD's long-term credit rating to 'A' (from 'A-'), with a stable outlook, reflecting improved financial and operational strength.

Portfolio Rehabilitation and Risk Management

9. ICD maintained a strong focus on rehabilitating and restructuring its legacy portfolio while reducing its Non-Performing Finance (NPF) ratio. These efforts reinforced asset quality and financial sustainability.

Governance and Organizational Excellence

10. ICD made significant progress in enhancing governance through its 2025 Policies and Procedures Program, updating frameworks related to governance, equity risk, valuation, and liquidity management. Concurrently, ICD invested in staff empowerment and engagement through targeted training, skill development, and initiatives to cultivate a client-focused, result-oriented culture. A recalibration of human capacity ensured alignment of talent with strategic priorities.

Consolidated Achievements

11. Across 2025, ICD advanced its strategic agenda in line with its core mandate, delivering operational growth, strengthening governance, and fostering organizational excellence.

Outlook

12. Looking ahead, ICD remains focused on scaling up contributions to meet the Sustainable Development Goals (SDGs) amid global economic volatility and geopolitical tensions. The Corporation is committed to enhancing its role as a facilitator of sustainable development through strategic partnerships, innovative financial solutions, and targeted interventions in priority sectors and regions. ICD's overarching goal is not only to bridge financial gaps but also to create enabling environments for sustainable private sector-led growth across its member countries.

Section 3: ICD Success Stories

A. Supporting Export-Oriented SMEs, Europe and Central Asia (ECA), US\$ 45 Million.

ICD's **Sharia-compliant Line of Financing to a financial institution within the ECA Region** supported export-oriented SMEs and corporates while delivering measurable development results.

- **Reach and Sectors:** The facility is expected to benefit **16 firms** across diverse sectors, including textiles, electrical appliances, machinery, logistics, and food.
- **Job Creation:** The operation is projected to support approximately **70+ jobs at the partner level** and about **450+ jobs among end clients**, of which **200+ jobs are expected to benefit women**.
- **Sustainability and Performance:** The client already has an **ESG policy in place**, and the intervention is anticipated to enhance financial performance. Additionality has been assessed as **satisfactory**, recognizing ICD's financing structure and its role in promoting international best practices.
- **Resource Mobilization & Intra-OIC Linkages:** Beyond its direct financing, ICD also **mobilized resources from other regional financial institutions**, reinforcing its catalytic role. The transaction further advances ICD's mandate of **promoting intra-OIC trade and investment**, strengthening cross-border economic integration within member countries.

SDG Linkages:

- **SDG 9 (Industry, Innovation, and Infrastructure)** – expanding access to finance for industrial and export-linked firms.
- **SDG 8 (Decent Work and Economic Growth)** – enabling job creation and SME participation in the export economy.
- **SDG 17 (Partnerships for the Goals)** – mobilizing resources through collaboration with a national export bank and regional partners.
- **SDG 2 (Zero Hunger)** – supporting agrifood value chains where eligible.

This transaction demonstrates ICD's ability to combine innovative Islamic financing structures with tangible development outcomes, while reinforcing its role as a **resource mobilizer, trade facilitator, and promoter of sustainable private sector growth** across its member countries.

B. Advancing the SDGs through Islamic Finance for SMEs, Sub-Saharan Africa (SSA), €15 Million.

ICD's intervention in the SSA region channelized Shariah-compliant financing to SMEs in agriculture, healthcare, trade, and services. It strengthened decent work and inclusive growth and upgrades industrial capacity and innovation through targeted SME financing, with clear links to poverty reduction, food security, and access to education.

Financing targets include expanding the SME client base, increasing payments to the public sector, and supporting job creation with a focus on women's employment. ICD, through this facility, has a theory of change which maps **primary contributions to SDGs 8 and 9**, with knock-on effects for **SDGs 1, 2, and 4**, and **engagement under SDG 17** through collaboration with multiple stakeholders.

Developmental Impact and Measurable Results

Beyond SDG alignment, the developmental impact rests on additionality and measurable results. The facility applies Islamic finance structures to lower costs and address risk while encouraging standards and operational improvements for intermediaries.

Expected results include more than a hundred new jobs at end clients, significant growth in women-held roles, direct support to roughly two dozen SMEs, and increased fiscal contributions over the facility tenor.

C. Developmental Impact of ICD's Financing in renewable energy, Asia, US\$ 20 Million.

ICD's financing for building a renewable energy plant in Asia region played a catalytic role in strengthening private sector growth by enabling the adoption of advanced technologies, especially in promoting and developing renewable energy sector.

This financing is expected to support enhanced productivity, competitiveness, and resilience within a key sector of the economy, while also ensuring that businesses can access long-term funding in a challenging financial environment. By addressing capital constraints, the financing contributes to broader economic diversification and supports sustainable value creation across supply chains.

The project directly invests in SDG 8 (Green Economy), SDG 9 (Industry, Innovation and Infrastructure, impacts SDG 7 (Affordable and Clean Energy), engages in SDG 13 (Climate Action), as well as in SDG 17 (Partnership for Goals).

The developmental benefits extend beyond the enterprise level, with significant positive spillovers for society. The project is expected to generate new employment opportunities during construction as well as at operational stage that are attributable to ICD financing. Also, it will help the country to reach net zero targets with lower emissions thanks to renewable energy infrastructure.

In addition, this financing encourages the integration of local suppliers into global markets and promotes environmentally responsible practices, aligning with ICD's long-term goals of inclusive growth, private sector empowerment, and sustainable development.

Section 4: Proposed Resolutions:

1. The Committee **commends** ICD for its efforts in promoting private sector development and aiding the economic progress of OIC member states by offering financial support and advisory services to the private sector.
2. The Committee **acknowledges with appreciation the progress achieved** by ICD as of end of August 2025, where ICD's gross cumulative approvals stand at \$7.8 billion, and cumulative disbursements total \$ 5.4 billion.
3. The Committee **welcomes and appreciates** the dedicated cooperation efforts of ICD to develop more than 10 joint transactions worth more than \$550Million where ICD partnered with IsDB Group entities ITFC and ICIEC during 2025 to capture synergies across Islamic Development Bank Group Entities.
4. The Committee **took note contribution of ICD** to address the private sector development including Lines of Finance, Direct Finance, and Equity projects in OIC member countries through its more than \$500 million approval and disbursement in 2025 for promoting the private sector and takes note with appreciation of its outstanding accomplishments during 2025.
5. The Committee **took note with appreciation** of ICD's upgrade in credit rating during 2025 by S&P Global Ratings to 'A' from 'A-' with a Stable Outlook.
6. **Recognizing** the crucial role of private sector financing in mobilizing private investments and ensuring sustainable economic growth of the Member States, the Committee invites the Member States to better utilize the facilities of the ICD through the solid projects aimed at creating entrepreneurship and employment opportunities.
7. The Committee **encourages** ICD to continue its growth momentum for its financing activities during 2026 and following years in order to address the ever-increasing challenges facing the private sector of OIC member countries including access to finance and access to affordable infrastructure.