



# **ICD's Progress Report**

*Submitted to*  
***42<sup>nd</sup> FOLLOW-UP COMMITTEE MEETING OF COMCEC***

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**Ankara**

## **Brief Information about ICD**

<b>The Year of Establishment</b>	1999
<b>Headquarters</b>	Jeddah, Saudi Arabia
<b>Member</b>	The Islamic Development Bank Group
<b>Mandate</b>	<i><b>Our Vision:</b> To become a leading Islamic multilateral financial institution for the development of the private sector.</i>  <i><b>Our Mission:</b> 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>
<b>Authorized Capital</b>	USD 4 Billion
<b>Paid-up Capital</b>	USD 1.59 Billion
<b>Cumulative Approved Projects Since Inception</b>	USD 7.2 Billion (till 31/03/2026)
<b>Cumulative Disbursements Since Inception</b>	USD 5.6 Billion (till 31/03/2026)
<b>Cumulative Approvals by Sector (till 31/03/2026)</b>	Finance Sector (SME Financing) = 63% Industry and Mining = 16% Energy Sector = 7% Other Sectors = 14%
<b>Total Number of Member Countries Served Since Inception</b>	56
<b>Number of Projects</b>	463 (till 31/03/2026)

1. The Islamic Corporation for the Development of the Private Sector (ICD), a member of Islamic Development Bank (IsDB) Group, currently has an authorized capital of USD 4 billion and its shareholders feature 56 OIC member states and 5 public financial institutions. The mandate of the ICD is to support the economic development of OIC member states through the provision of finance, advisory and technical assistance to private sector projects in accordance with the principles of Shariah.
2. Since its inception, ICD has built twenty-six years of strong developmental and operational achievements. ICD continues delivering innovative private sector solutions and serves as a bridge between private investment and sustainable development in its 56 member countries. As of end of first quarter of 2026, ICD's cumulative approvals stand at USD 7.2 billion, and cumulative disbursements total USD 5.6 billion.
3. As per IMF's latest World Economic Outlook in April 2026, global growth is projected at 3.1% in 2026 and 3.2% in 2027, slower than its recent pace of about 3.4% in 2025, and below pre-pandemic historical averages. The downward revision from the pre-conflict forecast of 3.4% reflects the outbreak of war in the Middle East, which has disrupted the

momentum that was expected to carry over into 2026. However, a swift resolution of the war, productivity gains from a faster adoption of AI or easing in trade tensions could uplift the global economy.

4. To support private sector development across its member countries, ICD approved total financing of USD 556 million in 2025. The approvals comprised Line of Finance (LoF) at 72% and Term Finance at 28%, reflecting ICD's strategic commitment towards achieving a balanced credit financing portfolio. This momentum continued into 2026, with ICD approving a further USD 83 million in Q1 2026, comprising USD 53 million under Line of Finance and USD 30 million under Direct Finance.
5. From a sectoral standpoint, the finance sector comprised the majority of 2025 approvals or 72%, reinforcing ICD's strategic focus on deepening financial markets and enhancing the capacity of domestic financial institutions. Non-financial sector investments were selectively channeled to transportation (10.80%), industry and mining (9.16%), and energy (8.48%), reflecting ICD's role in supporting connectivity, industrial development, and energy resilience, key enablers of long-term private sector growth.
6. Whereas, regionally, ICD's 2025 approvals demonstrate both responsiveness and balance. Europe and Central Asia (ECA) accounted for 47.86% of total approvals, followed by Sub-Saharan Africa (21.55%), the Middle East and North Africa (18.00%), and Asia (12.60%). This distribution reflects ICD's ability to respond to varying regional financing needs while maintaining a diversified geographic footprint across its membership.
7. On the implementation front, ICD continued to convert commitments into impact. Disbursements progressed steadily during the year, supporting the execution of ongoing projects and reinforcing ICD's focus on portfolio quality, operational efficiency, and timely delivery. Overall, the disbursement-to-approval ratio reached 105%. This emphasis on execution ensures that approved proposals translate into real economic activity, private investment, and development outcomes on the ground. In 2025, ICD disbursements totaled USD 584 million, an 11% increase from USD 527 million in 2024. The finance sector received the largest share, making up 65.50% of total disbursements, while the remaining allocations were as follows: Energy 10.24%, Industry & Mining 7.95%, Transportation 6.80%, and others 9.51%. During Q1 2026, further disbursements of USD 41.8 million were made by ICD.
8. To better serve its member countries, ICD has developed its 2026 Operations Plan around three strategic pillars collectively known as the Triple Es:
  - Endurance (Enhanced Business and Financial Resilience)
  - Efficiency (Process Efficiency and Excellence in Delivery)
  - Effectiveness (Inclusive and Innovative Solutions).
9. Simultaneously, ICD has recently concluded its long-term planning cycle, culminating in the submission of its comprehensive 5-Year Corporate Strategy (2026–2030) for Board approval. The strategy is designed to sharpen ICD's focus, strengthen its impact, and ensure full alignment with the IsDB Group's 10-Year Strategic Framework, including its

overarching goals, long-term vision, and development mandate. It sets a clear foundation for ICD's next phase of growth and transformation, subject to the Board's consideration and approval.

10. In 2025, ICD successfully issued a 5-year USD 500 million public sukuk that was oversubscribed by four times, underscoring strong investor confidence in its creditworthiness and business model. The book was anchored by substantial demand from several member country central banks, including Bank Indonesia, the Central Bank of Libya, the Saudi Central Bank (SAMA), and the Central Bank of Oman, alongside other institutional investors. This broad and diversified participation confirmed ICD's status as a high-quality supranational issuer in the global Islamic capital markets. It also provided a liquid benchmark for future Islamic issuances by other sovereigns and corporates from member countries, helping to develop the global sukuk market and lower entry barriers for new issuers.
11. On the partnership development front, ICD has been working closely with other IsDB Group entities, namely ITFC and ICIEC, to foster greater intra-group partnerships and cooperation. This was achieved through regular Technical Coordination Committee (TCC) meetings and Entities' CEOs Forum' Meetings, where the activities of the TCC were quarterly reviewed by the CEOs of the respective entities. In 2025, TCC enabled the entities to approve deals with a total value of USD 1.2 billion and facilitated several Business to Business (B2B) and Business to Government (B2G) Bilateral Business Meetings and Networking. Accordingly, 2025 was a successful year for TCC in terms of engagements, the shared deal pipeline and joint approvals.
12. During 2025, the Corporation continued with improving its asset quality as well as its governance and operational framework through the enhancement of key policies and procedures. In 2025 and Q1 of 2026, the Corporation updated key policies and procedures across capital, risk, ethics, liquidity, data privacy, and procurement.
13. Furthermore, ICD completed the annual rating review exercise in 2025 with three major rating agencies. Out of these three rating agencies, Fitch and Moody's have affirmed on their ICD's ratings while S&P Global Ratings has upgraded the Corporation's long-term issuer credit rating to 'A' from 'A-' and revised the outlook to stable from positive. The upgrade recognizes ICD's significant progress in strengthening its balance sheet and expanding its development finance activities in accordance with Shariah principles across member countries.
14. In terms of development outcomes, ICD's interventions in 2025 have led to substantial social and economic benefits. Through its financing interventions, the Corporation has supported the creation and sustainability of approximately 347,216 jobs (including 77,178 jobs for women) and has extended significant financial assistance to over 2,381 SMEs, summing up to USD 661.9 million. Moreover, the efforts led to the creation of 23,531 new jobs, out of which 7,288 are new women jobs. These efforts are strategically aligned with the SDGs, particularly those related to economic growth, industry innovation, and infrastructure development. ICD's focus extends beyond financial inputs to include the enhancement of capacities and frameworks that support sustainable and inclusive economic expansion.

15. In 2025, ICD endeavored to pursue its developmental goals as prescribed by its Islamic Finance development mandate. In total, 682,360 clients gained access to Islamic finance due to ICD interventions. Additionally, there were 100,044 new Islamic finance clients, out of which 19,240 were women. For small and medium-sized enterprises (SMEs), 2,381 were supported through ICD financing, and out of these, 585 were led or managed by women.
16. Looking ahead, ICD continues to face the challenge of scaling up its contributions to meet the ambitious targets of the SDGs amid fluctuating global economic conditions and ongoing geopolitical tensions. The organization is committed to strengthening its role as a facilitator of sustainable development through strategic partnerships, innovative financial products, and a concerted focus on sectors and regions that are pivotal for holistic development. The overarching goal remains to not only bridge financial gaps but also to foster a conducive environment for sustainable development across its member countries.
17. The following case studies highlight notable success stories that demonstrate the transformative impact of ICD's investments in the private sector. These case studies illustrate how strategic financial support can drive economic growth, create jobs, and foster sustainable development in member countries.

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

a. **Unlocking Priority Sectors in Uganda: ICD's USD 30 million Facility to a Leading Financial Institution in Uganda**

ICD has approved and disbursed a facility to a leading financial institution in Uganda, marking its inaugural LOF transaction in both Uganda and the wider East Africa region.

This financing facility is structured as a long-term Commodity Murabaha that equips the recipient financial institutions with Shariah compliant resources to support enterprises in agriculture and agro-processing, manufacturing, tourism, infrastructure, and human capital development. Through the client's established pipeline, the financing is expected to catalyze SME investment in agribusiness, education, healthcare, and fixed assets, contributing to job creation, productivity gains, and improved service delivery across key sectors.

This financing is a strong example to showcase how Islamic finance can be effectively integrated into a conventional DFI framework while remaining aligned with national development priorities. Strategically, this facility opens a new geography for ICD's LOF product line and establishes a scalable model for future partnerships with state-owned development banks in other member countries.

It further lays the groundwork for co-financing, repeat lines, and advisory support to strengthen Islamic finance capabilities within the client financial institution and the broader

financial ecosystem. By mobilizing targeted, long-term financing, the initiative reinforces ICD's role in fostering inclusive and resilient private sector development.

The facility advances several Sustainable Development Goals (SDGs) by expanding access to longer-tenor, Shariah compliant finance for productive sectors and SMEs. It primarily supports:

- SDG 8: Promoting sustained, inclusive, and sustainable economic growth and productive employment through SME financing and job creation.
- SDG 9: Building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation via investments in agriculture, manufacturing, education, and health.
- SDG 17: Strengthening partnerships for sustainable development by leveraging a national development bank as a channel for impact-oriented Islamic finance.

**b. Transforming Healthcare in Northern Kazakhstan: A Public Private Partnership (PPP) Project in Healthcare Industry**

This Healthcare Project financed by ICD represents a transformative initiative in Kazakhstan, setting a new benchmark for PPPs in Central Asia. Launched in 2024 by the Government of Kazakhstan and the Ministry of Healthcare, the project is being developed with financing from EBRD, AIIB EBRD and AIIB (EUR 105 million each), DEG, ICD, Proparco, and DBK co-financing the remainder. ICD committed EUR 40 million in this project, and this was ICD's first financing under PPP scheme in Kazakhstan.

This initiative responds to the Akmola region's reliance on 55-year-old hospitals that were overcrowded, outdated, and dispersed across multiple sites. The new 111,000 m<sup>2</sup> regional medical hub integrates emergency, surgical, diagnostic, inpatient, and educational functions, featuring 630 inpatient beds, 63 day-hospital beds, 23 operating rooms, 38 intensive care units, and advanced MRI and radiology systems. It also serves as a clinical training base for Kokshetau University and the Higher Medical College, strengthening the region's medical education ecosystem. The project employs 1,730 workers including 430 international specialists, with the workforce expected to reach 2,000.

As a flagship PPP, the hospital is emerging as a catalyst for socio-economic development, international investment, and improved regional healthcare delivery. By 2026, it will replace scattered, aging facilities with a state-of-the-art 630-bed integrated hub offering modern equipment such as MRI and linear accelerator systems, efficient service delivery, and onsite medical education and research, addressing one of the region's most urgent social needs.

The project contributes to multiple SDGs by expanding access to quality healthcare services and strengthening regional health system resilience. It directly supports:

- SDG 3: Ensuring healthy lives and promoting well-being for all ages through improved hospital capacity, equipment, and clinical training.

- SDG 9: Developing quality, reliable, sustainable infrastructure through a modern, integrated medical hub.
- SDG 17: Revitalizing global partnerships for sustainable development by mobilizing public and private capital for critical social infrastructure.

**c. Strengthening Türkiye’s Export Financing Through a Landmark Syndicated Facility**

In 2025, ICD arranged and closed USD 145 million syndicated Commodity Murabaha facility for a leading financial institution in Türkiye, representing its inaugural ICD-led syndication in the country. Structured with a three-year tenor, this facility was tailored to meet the client financial institution’s liquidity needs while offering a fully Shariah compliant alternative to conventional funding. ICD served as Mandated Lead Arranger, Bookrunner, and Investment Agent, underscoring its leadership in Islamic syndications and its ability to design complex financing solutions for member countries.

The syndication was oversubscribed, reflecting strong investor confidence and ICD’s mobilization capacity. ICD successfully mobilized USD 100 million from leading GCC-based Islamic banks, including Warba Bank K.P.S.C. and Kuwait International Bank K.P.S.C. as Joint Lead Arrangers, and Al Rayan Bank Q.P.S.C. as Co-Lead Arranger.

The facility strengthens the client institution’s ability to support private sector exporters, enhancing Türkiye’s trade competitiveness and export-led growth. By expanding access to Shariah-compliant financing instruments, the transaction deepens Islamic finance within Türkiye’s banking sector and reinforces ICD’s mission to catalyze private sector development across its member countries.

The syndicated facility advances the SDGs by strengthening export financing for private sector firms and deepening Shariah compliant finance in Türkiye. It primarily supports:

- SDG 8: Promoting sustained, inclusive, and sustainable economic growth and decent work by enhancing liquidity for exporters and supporting export-led job creation.
- SDG 9: Promoting inclusive and sustainable industrialization and fostering innovation through improved access to trade and investment finance.
- SDG 17: Enhancing global partnerships for sustainable development by mobilizing regional Islamic banks into a jointly structured transaction

18. Overall, during 2025, ICD achieved solid progress in all its strategic targets for promoting the private sector in its member countries including operational growth through core mandate realignment, enhancing the governance framework, and promoting organizational excellence.

### **Proposed Recommendations by ICD to be captured in the Report.**

- Taking into consideration the crucial role of private sector financing in mobilizing private investments and ensuring sustainable economic growth of the Member States, the Committee invited the Member States to better utilize the facilities of the ICD through financing and mobilizing resources for the projects aimed at creating competition, entrepreneurship, and employment opportunities.
- The Committee took note with appreciation that as of end of first quarter of 2026, ICD's gross cumulative approvals stand at USD 7.2 billion, and cumulative disbursements total USD 5.6 billion.
- The Committee took note with appreciation that in 2025, ICD's interventions have led to substantial social and economic benefits. Through its financing interventions, the corporation has supported the creation and sustainability of approximately 347,216 jobs (including 77,178 jobs for women) and has extended significant financial assistance to over 2,381 SMEs, summing up to USD 661.9 million. Moreover, ICD efforts during 2025 led to the creation of 23,531 new jobs, out of which 7,288 are new women jobs.
- The Committee took note with appreciation the dedicated cooperation efforts of ICD to develop joint transactions worth over USD1.2 billion where ICD partnered with ITFC and ICIEC during 2025 to capture synergies across Islamic Development Bank Group Entities.
- The Committee took note of ICD's efforts to address the private sector development needs including Lines of Finance, Term Finance, and Equity projects in OIC member countries through its USD556 million approvals allocation during 2025 and takes note with appreciation of its accomplishments in Q1 2026.