

ANNUAL DEVELOPMENT EFFECTIVENESS REPORT 2019

WITH A SPECIAL FOCUS ON USHERING
IN THE DIGITAL ERA

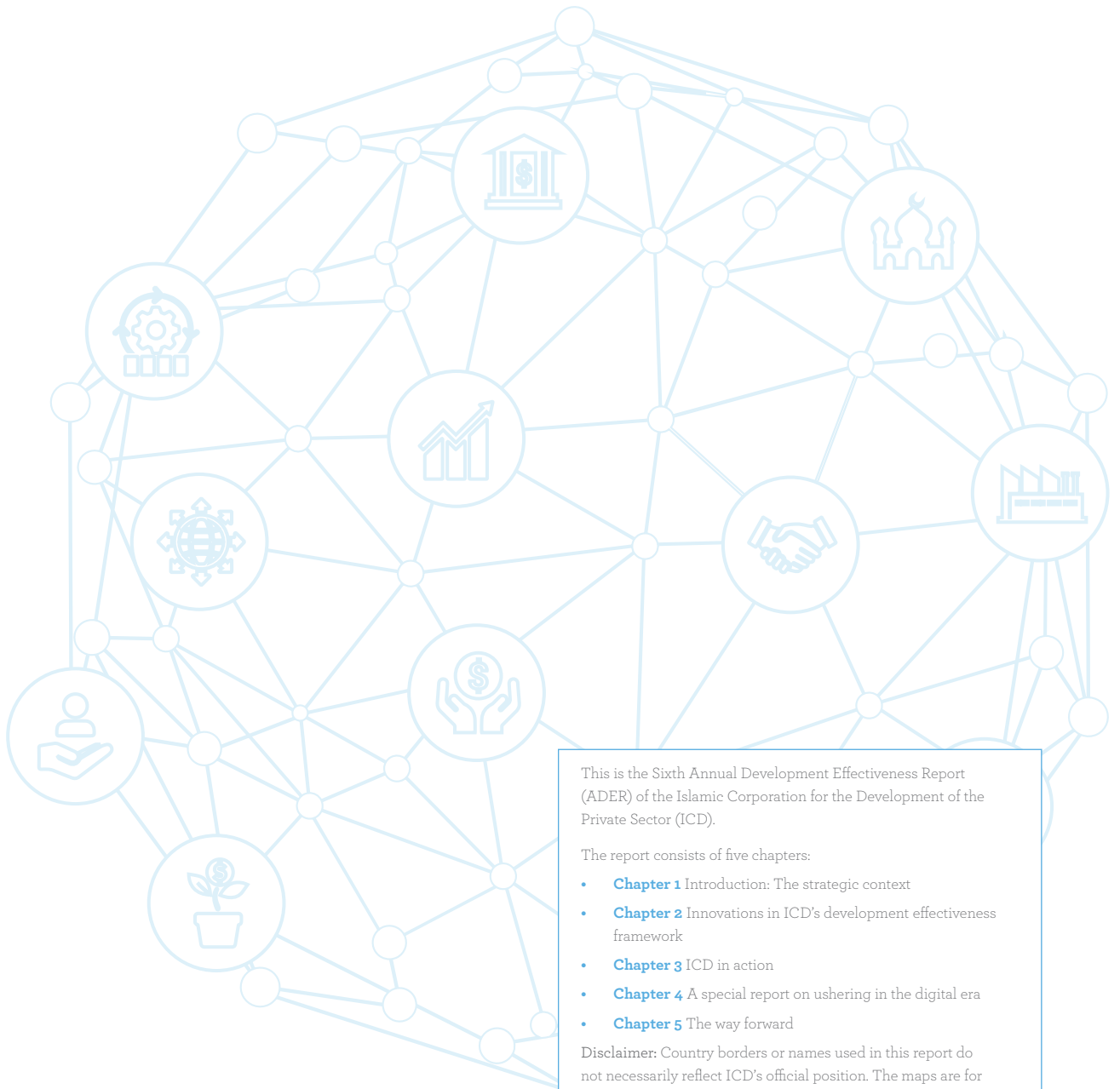


Member of the Islamic
Development Bank Group



APRIL 2020

ENABLING ENTERPRISE, BUILDING PROSPERITY



This is the Sixth Annual Development Effectiveness Report (ADER) of the Islamic Corporation for the Development of the Private Sector (ICD).

The report consists of five chapters:

- **Chapter 1** Introduction: The strategic context
- **Chapter 2** Innovations in ICD's development effectiveness framework
- **Chapter 3** ICD in action
- **Chapter 4** A special report on ushering in the digital era
- **Chapter 5** The way forward

Disclaimer: Country borders or names used in this report do not necessarily reflect ICD's official position. The maps are for illustrative purposes and do not imply the expression of any opinion of ICD concerning the legal status of any country or territory or concerning the delimitation of frontiers or boundaries.

TABLE OF CONTENTS

Abbreviations	04
Highlights: 2019 Development Effectiveness Survey Results	06
Message from the CEO	12
Executive Summary	14
CHAPTER 01	
INTRODUCTION: THE STRATEGIC CONTEXT	
1.1. Overview	18
1.2. The Global Landscape	19
1.3. Development Status of Member Countries of ICD's Member Countries	21
1.4. Responding to the International Development Outlook: The IsDB Group President's Five-Year Program (P5P)	24
1.5. Updates on ICD's Strategy in 2019	26
1.6. ICD's Targets for 2019	27
CHAPTER 02	
INNOVATIONS IN ICD'S DEVELOPMENT EFFECTIVENESS FRAMEWORK	
2.1. Overview	28
2.2. Improvements in ICD's Development Effectiveness Agenda in 2019	29
2.3. The ICD's Impact Grading Model	30
CHAPTER 03	
ICD IN ACTION	
3.1. Overview	34
3.2. Portfolio and Investment Analysis of ICD's Activities in 2019	35
3.3. 2019 Development Results	37
3.4. ICD's Scorecard	40
3.5. International Cooperation to Achieve the SDGs	40
CHAPTER 04	
A SPECIAL REPORT ON USHERING IN THE DIGITAL ERA	
4.1. Overview	42
4.2. Participation in the New Digital Era	43
4.3. Digital Financial Services (Fintech)	44
4.4. Financial Technology in Member Countries	45
4.5. ICD's Current Involvement in Digital Technology	48
CHAPTER 05	
THE WAY FORWARD	
5.1. Overview	50
5.2. Future Development of the MCs	51
5.3. Finding New Solutions	52
5.4. Enhancing Development Effectiveness and Efficiency	53

ABBREVIATIONS

AQSH	Al Qadi Speciality Hospital	IT	Information Technology
BRAVE	Business Resilience Assistance for Value-adding Enterprises	LICs	Low-Income Countries
BHF	Bidaya Home Finance	LMICs	Low Middle-Income Countries
BoM	Bank of Maldives	LoF	Line of Finance
DFI	Development Finance Institutions	MCs	Member Countries
EMDE	Emerging Markets and Developing Economies	MDBs	Multilateral Development Banks
Fintech	Financial Technology	MENA	Middle East and North Africa
GDP	Gross Domestic Product	MIB	Maldives Islamic bank
GIFS	Global Islamic Fintech Summit	MoU	Memorandum of Understanding
GIIN	Global Impact Investing Network	MSME	Micro, Small and Medium Sized Enterprises
HDI	Human Development Index	OECD	Organization for Economic Co-Operation and Development
HIPSO	Harmonized Indicators for Private Sector Operations	P5P	The President's Five Year Program
IAP	Investment Account Platform	SDGs	Sustainable Development Goals
IBES	Industry and Business Environmental Support	SME	Small and medium Sized Enterprises
ICD	Islamic Corporation for the Development of the Private Sector	STI	Science, Technology and Innovation
IsDBG	Islamic Development Bank Group	SWF	Sovereign Wealth Fund
IDEX	Islamic Digital Economy		
IFI	Islamic Financing Institutions		
IMF	International Monetary Fund		
IPCC	Intergovernmental Panel on Climate Change		
IRIS	Impact Reading and Investment Standards		
IsDB	Islamic Development Bank		



SAGITTA
VIGEVANO
ITALIA

2019 HIGHLIGHTS



Cumulative approvals
have reached
USD 6.5 billion.



USD 147 million
were approved



USD 220 million
were disbursed

2019 Approvals with sectoral breakdown



Energy
65,000,000



Finance
82,484,185



Grand Total
147,484,185

2019 Disbursements with sectoral breakdown



Energy
44,329,709



Finance
96,266,623

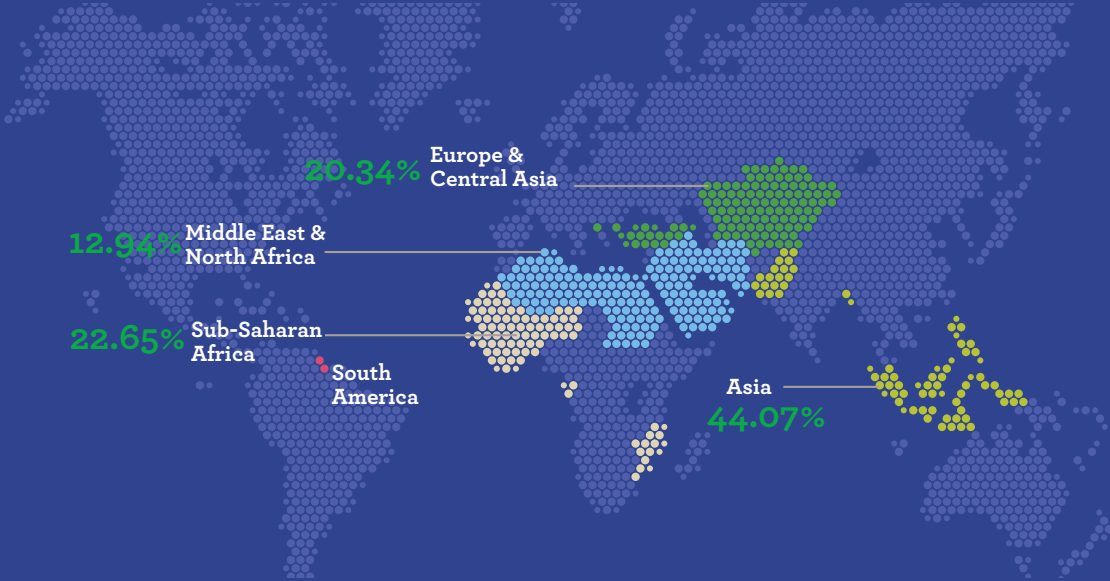


Industry & Mining
56,607,025

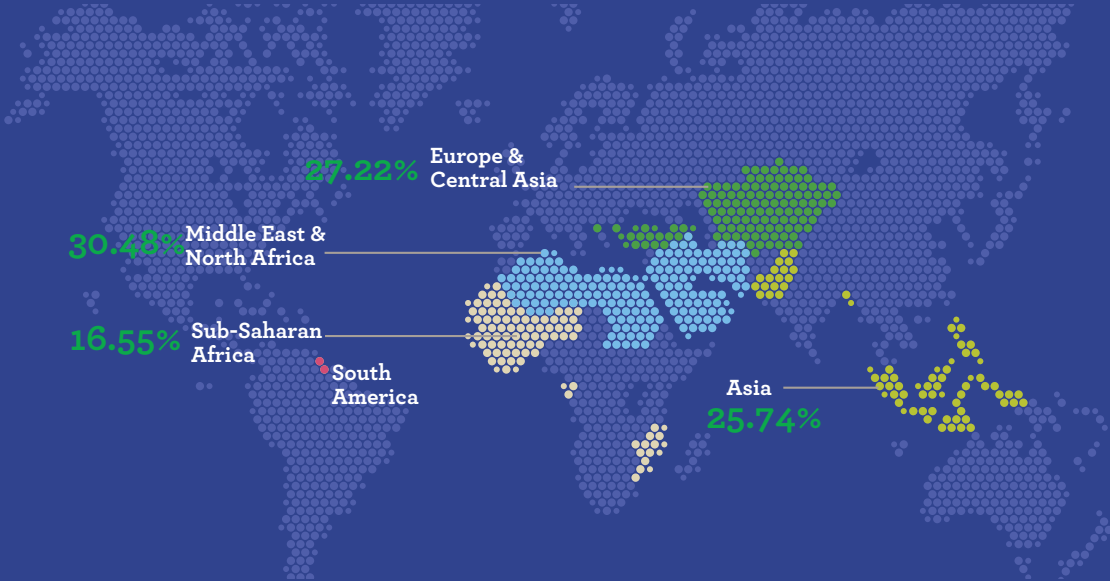


Institutional Equity
22,694,517

2019 Approvals by Region

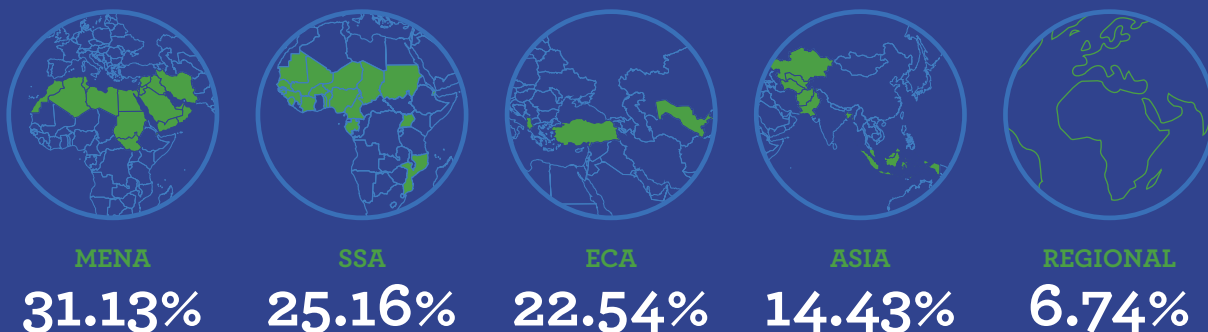


2019 Disbursements by Region

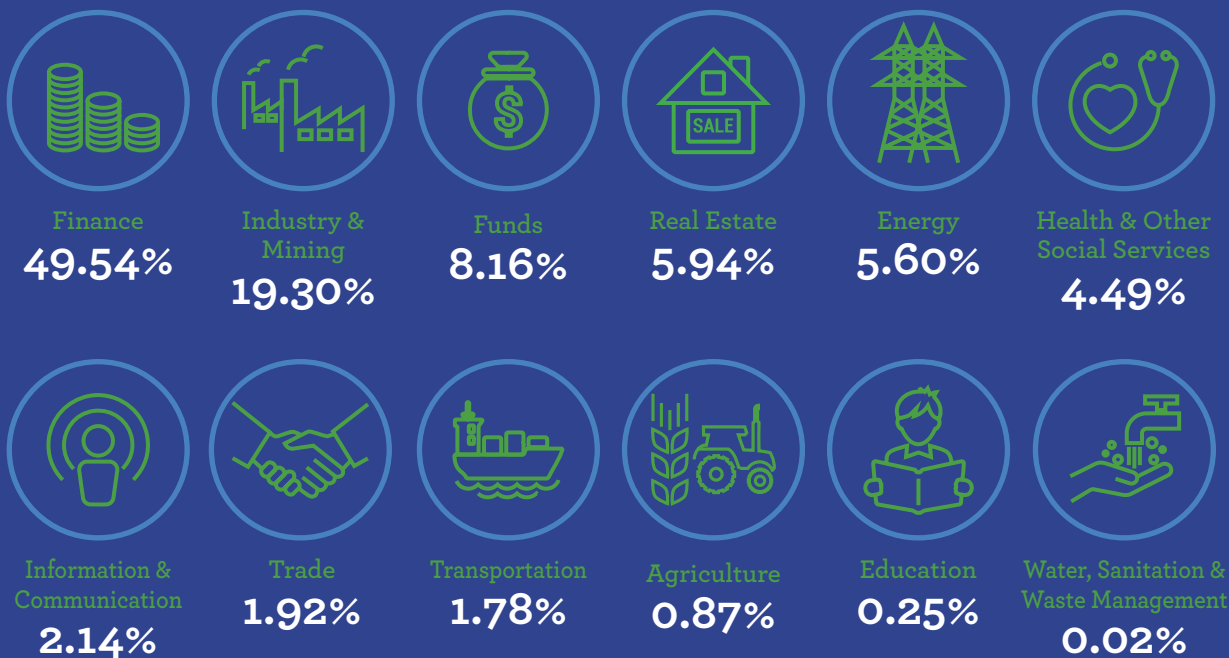


Approved Projects Since Inception

By Region



By Sector



2019 Development Effectiveness Survey Results

(Survey period is January-December 2018)

Survey response rate



70%

Aggregate Survey Results



1,042,311 individuals had gained access to Islamic Finance



There were **93,273** new clients reported by responding financial institutions. The majority of the new clients came from urban areas (**68%**), **22%** were from rural areas and **9%** from Peri-urban areas



42,365 MSMEs were funded with the majority (**70%**) from Urban areas followed by **20%** from Rural and **10%** from Peri-urban areas



Government revenues (including all form of taxes or dividends paid to the government) from the responding institutions amounted to **USD 115.69 million**



Responding ICD clients employed **42,626** persons. The number of new employees hired during the survey period was 16,405



45 persons were trained by ICD teams



of ICD clients reported to have an approved policy of fairly compensating its employees.

Highlights of Sectoral Results



Direct Financing

Generated
USD 1 Billion
in incremental export sales



Bank Equity

88,625 people opened new
Islamic Finance Accounts



Collaboration with International financial institutions

4,100 new people with access
to Islamic Finance Accounts
USD 12 billion
of deposits collected



Ijara (Leasing)

7,013 full-time employees
in the funded MSMEs



USD 68million

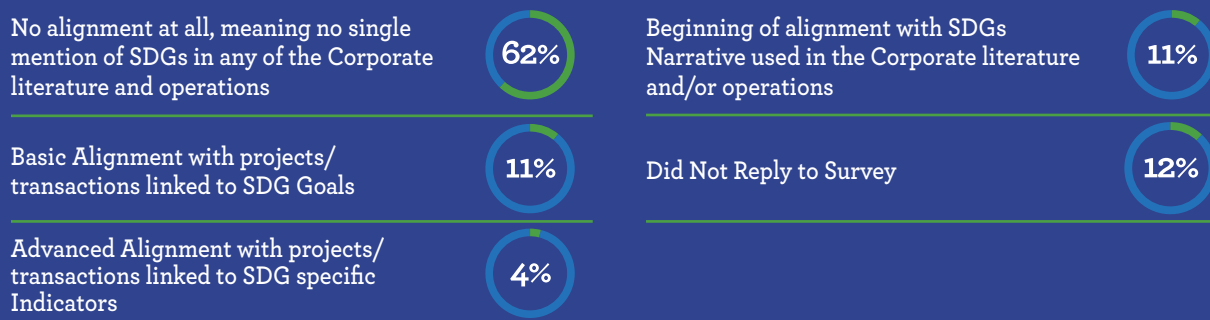
spent in community
development



For Sustainable Development Goals “SDGs”:



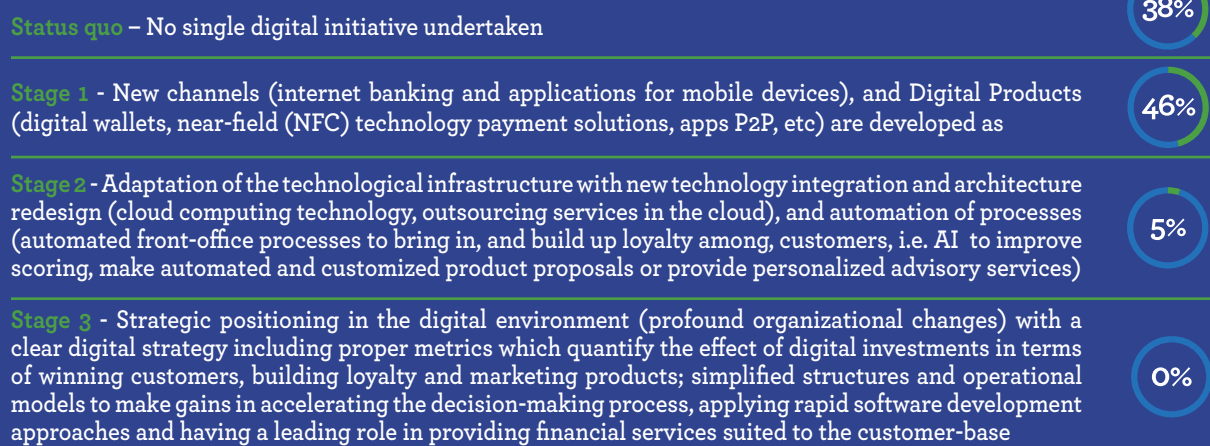
Which stage would you classify your institution in terms of alignment with SDGs (United Nations Sustainable Development Goals Agenda);



For Digital Transformation:



Where would you classify the your institution with respect to Digital Transformation.



MESSAGE FROM
THE CEO



“IN THE NAME OF ALLAH, THE BENEFICENT, THE MERCIFUL”

On behalf of ICD, I am pleased to present the 2019 Annual Development Effectiveness Report (ADER). The focus of the ADER is to inform our member countries (MCs), partners and other stakeholders of ICD’s development results and its efforts at increasing the efficiency of processes used to obtain them. Achieving development effectiveness is fundamental to ICD’s purpose as a Development Finance Institution (DFI).

2019 has been a transformative year for ICD. We have announced our new ten-year strategy consistent with the five-year Program (P5P) of the Islamic Development Bank Group. Our objective is to make ICD the premier Islamic multilateral financial institution for private sector development contributing to the achievement of the Sustainable Development Goals (SDGs) of its MCs. We will do what we do best by focussing on developing financial institutions in the MCs and supporting them through innovative financial mechanisms consistent with Islamic financing practices. At the same time, we intend to rationalize the operational performance of the Corporation itself by designing an optimal product portfolio. ICD has set ambitious targets in its new ten-year strategy (2020-2029) and we intend to meet them, Allah Willing.

ICD will continue to be responsive to the divergent development needs of the MCs in the current uncertain

global environment. Most of our MCs are now middle-income countries and are in the process of integrating into the global economy. For them, digital technologies are going to be critically important. ICD and the MCs can collaborate usefully in the area of financial technologies to further mainstream Islamic financing practices.

I am delighted to report that, according to our most recent Annual Development Effectiveness Survey, ICD has achieved significant development results in 2019. This ranged from more than one million new clients gaining access to Islamic financing to more than 42,000 new micro, small and medium size enterprises being supported to a majority of the survey respondents having a policy of fair compensation for their employees. All our services provided useful support to our MCs. For example, our advisory services served as catalysts to help MCs mobilize more development funds.

The achievement of the development results and the streamlining of our operations to make the Corporation more effective would not have been possible without the guidance of the Chairman of the Board and the Board Members. I would also like to take this opportunity to thank ICD staff for their dedication and hard work. A critical component of our success has been the support of our partners and clients.

I pray to Allah the Almighty to guide and help us in our efforts to contribute to the well-being and prosperity of the people in our member countries. Amin.



Ayman Amin Sejiny
Chief Executive Officer

EXECUTIVE SUMMARY

Development Outlook in the Member Countries

The global economy is showing signs of slowing down. Growth for the developed economies is expected to reduce to 1.7 percent in 2020, while emerging and developing economies may experience an increase to 4.6 percent in the same period. The slowdown is a consequence of an uncertain global landscape as the developed nations in the North are seemingly drawing back from globalization processes through protectionist policies, the continuing US-China trade tensions, as well as heightened geo-political uncertainty particularly in the South.

The impact of this reduction in overall growth projections will have diverse impacts on ICD's member countries (MCs). The good news is that most of these countries (38 out of 55) are now middle-income countries with an increased ability to address their development issues. The downside is that many of these MCs have become fragile nations as a result of intensifying conflicts and emergence of physical fragilities. Inequality continues to be a problem across the board. Moreover,

- Sub-Saharan Africa remains home to most of the low-income member countries, but with tremendous growth potential. MCs in this region will need external assistance to meet their basic needs and to realize their potential;
- At 7.4% per annum, Bangladesh in South Asia will likely be one of

the fastest growing countries in the world. However, Pakistan will suffer from weak domestic demand. Growth rates in Southeast Asia will slide below 5%;

- The European and Central Asian MCs are expected to perform reasonably well as long as their fiscal policies are stable and global risks remain minimal;
- Economic activities in oil-producing countries in the Middle East and North Africa "MENA" will remain sluggish as a result of weak oil prices and global tensions.

ICD's Response

ICD's response to the development status of the MCs is part of the overall response of the Islamic Development Bank (IsDB) Group. The Bank's

current ten-year strategy has three main objectives - inclusiveness, connectivity, and growth of Islamic finance. The IsDBG President's Five-Year Program (P5P) addresses these objectives by aiming to transform the Bank from a provider of funds to a development enabler, market creator, and investment facilitator.

ICD's new 2020-2029 strategy addresses all of the objectives of P5P. Its concentration remains on the spread of Islamic Financing practice and the development of the private sector. The five pillars of the ICD strategy are: i) focus on financial institutions; ii) introduction of innovative products and financial channels, iii) robust and sustainable financial performance of ICD; iv) engaging with MCs based on their development needs and v) deepening collaboration with other entities of the IsDB Group.



ICD's Ten-Year Targets (2020-2029)



Supporting 550,000 jobs



Reaching 95,000 MSMEs (Micro, Small and Medium Enterprises)



Providing 1,000,000 people with access to Islamic finance



Generating USD 11.5 billion in disbursements



Maintaining and further improving credit ratings



Generating a return on equity of 4-5%



Achieving a cost-income ratio (excluding funding) of 30%



Setting and scaling up a digital Global Private Sector Platform

Improvements in ICD's development effectiveness framework

ICD continued its efforts to improve the development efficiency impact and to measure these results in order to better monitor the achievements of its ten-year targets. In 2019, it further formalized its development effectiveness grading model by introducing a development impact assessment system. This work benefitted from the ICD's active involvements in multilateral efforts to harmonize impact investment

frameworks. The impact grading model aims to provide estimates of the development impact of ICD's projects at the approval stage, monitor and report on accountability and effectiveness and assign ratings to project performance based on its contribution to the ICD's targets. The impact rating system, an integral part of the grading model, promotes and supports the clients and the partners' engagement measuring development impact of financial return. The ICD updated its scorecard to have more developmental indicators reflecting the management focus on the impact of our investments. The ICD has also focused on the digitization of internal and external communication in an effort to increase its efficiency.

ICD in action

2019 was a transition year for ICD as it engaged in the development of a

new ten-year strategy based on the IsDBG President's P5P. While this slowed new approvals, disbursement commitments were met.

The development results achieved by ICD continued to be significant as evident from the results of the 2019 Annual Development Effectiveness Survey. Support provided to the creation of micro, small and medium enterprises (MSMEs) was crucial for its poverty reduction efforts. Overall in, 2019, as a result of ICD's efforts,



1,042,311 individuals had gained access to Islamic Finance;



93,273 new clients reported by responding financial institutions;



42,365 MSMEs were funded;



Government revenues from the responding institutions amounted to USD 115.69 mn;



Responding ICD clients employed 42,626 persons. The number of new employees hired during the survey period was 16,405;



64% of ICD clients reported to have an approved policy of fairly compensating its employees.

Financial sector operations, particularly the Lines of Finance (LoF), continued to be the ICD's main line of activity and were particularly relevant for increasing access to

Islamic financing. The ICD's advisory services played an important role in creating an enabling environment for private sector development and to leverage available resources to mobilize more funds. The ICD is increasingly collaborating with other Multilateral Development Banks (MDBs) to achieve its development objectives.

Member Countries and the Digital Era

The ability of the MCs' to benefit from the global markets will be conditioned by their ability to absorb and utilize digital technology. Financial technology (Fintech) is at the cutting edge of this digitization process and will be particularly useful as a collaboration tool between ICD and the MCs. The MCs experience with connectivity is varied with Sub-Saharan countries having relatively low number of internet users. This is particularly true in the low-income countries (LICs). Fintech is underutilized and there is considerable scope for expansion with support from ICD. There is reason for optimism as IMF reports indicate that there has been a rapid spread of mobile money transactions in African MCs.

There is broad support within the IsDBG Group in taking an ecosystem approach to Islamic finance. For example, the President has highlighted the potential for Sharia-compliant fintech within the global finance landscape.





CHAPTER 01

INTRODUCTION AND THE STRATEGIC CONTEXT

1.1 Overview

This chapter outlines the strategic and operational directions of the Islamic Development Bank Group (IsDB) and how ICD as its private sector development entity is aligning with these directions to help its member countries navigate and prosper in an uncertain and risky global context.

1.2 The Global Landscape

The global economy is in a slowdown mode. While, growth in 2020 is projected to improve modestly to 3.4 percent (IMF, October 2019), momentum remains weak. A subdued recovery in investment growth in emerging markets and developing economies (EMDEs) has dampened potential growth prospects and hampers progress toward achieving the Sustainable Development Goals (World Bank, June 2019). Growth for the developed economies is expected to slow to 1.7 percent in 2020, while EMDEs may experience a growth pickup from 3.9 percent in 2019 to 4.6 percent in 2020.

This slow growth is a consequence of rising trade barriers - the negative impact of US-China trade tensions is estimated to cumulatively reduce the level of global GDP in 2020 by 0.8% (World Bank, June, 2019); heightened geopolitical uncertainty; macroeconomic strains in several emerging market economies (IMF, October 2019); and structural issues like low productivity growth and aging demographics in developed economies.

There are considerable downside risks including the possibility of escalating trade tensions such as an escalation in the tariff war between the United States and China, sharper-than-expected slowdowns in major economies, and increased financial stress in EMDEs. An intensification of geopolitical uncertainties such as a disorderly exit of the United Kingdom from the EU, and increasingly polarized political landscapes in major economies could contribute

to a continued deterioration in global activity, with significant consequences for trade and investment. For instance, “a sustained increase of 10 percent in an index of U.S. economic policy uncertainty could, after one year, reduce EMDE output growth by 0.2 percentage point and EMDE investment growth by 0.6 percentage point” (World Bank, June 2019). A realization of these risks could expose financial vulnerabilities built up over years of low interest rates. Low inflation in advanced economies could become entrenched and constrain monetary policy space further into the future, limiting its effectiveness. The risks from climate change are playing out now and will dramatically escalate in the future, if not urgently addressed.

At the same time, there has been a substantial increase in government debts in EMDEs by an average of 15 percentage points of GDP since 2007 to 51% of GDP in 2018 (World Bank,

June 2019). This has weakened the ability of the EMDE governments to offset adverse international events and may lead to lower investment growth making the achievement of SDGs more difficult.

Impact on the EMDEs

There are currently 34 countries globally classified as low-income countries, about half of the number in 2001. However, the prospects for today's LICs, situated mainly in Sub-Saharan Africa, appear much more challenging. They are heavily reliant on agriculture and primary resources, making them vulnerable to climate change and extreme weather events. Their ability to boost external trade is limited by geography. Nevertheless, non-commodity exporters, such as Vietnam and Bangladesh can expect stronger growth, while the performance of commodity exporters, such as Nigeria, is projected to remain lackluster.

Many EMDEs are part of the international value chains (such as East Asia and Central Europe). Economic risks such as financial uncertainties, declining trade activities and further drop in commodity prices (affecting Africa in particular) will also affect their growth performance. Man-made and natural fragilities pose significant risks, as well.



Potential for renewed conflict or intensification of existing ones in various parts of the world— the Korean Peninsula, the Middle East and North Africa, South Asia, the South China Sea, Sub-Saharan Africa, and

Ukraine—could severely disrupt economic activity;



Climate change is contributing to a multitude of risks for more exposed EMDE regions (IPCC, 2018). More extensive droughts and extreme heat are causing more frequent harvest failures and desertification. Rapidly spreading forest and grassland fires threaten built-up areas and resource-based industries. Cyclones of unprecedented force have caused catastrophic floods in agricultural plains and heavily populated river deltas and mudslides in mountainous regions. Rising sea levels threaten low-lying islands and coastal regions.

By 2030, 46% of the world's poor will live in fragile, conflict and violence affected countries.





The Brookings Institution's World Poverty Clock estimates that about 590 million people (just under 8% of the world population) lived in extreme poverty (less than USD 1.90 per day) in December 2019. African nations account for 72.5 percent (428 million) of the poor. While extreme poverty is set to decrease by another 154 million people by 2030, it is expected that African nations will house 92 percent of the remaining poor. Nigeria is now the "poverty capital" of the world with 94 million citizens living in extreme poverty, and it is expected to retain this position in 2030.



1.3 Development Status of ICD's Member Countries

Sixteen of the 55 ICD's MCs were Low- Income Countries (LICs) based on their 2018 GDP per capita (Figure 1.1). All but three of the LICs are in Africa. Almost all of the Upper Middle- Income and High-Income MCs are in Asia. However, many of the oil and resource dependent MCs experienced a decline in income and economic growth. The encouraging news has been an increase in economic growth in some LICs and Low Middle-Income Countries (LMICs) in Africa. At the same time, many of the MCs and regions continued to be characterized by intensifying conflicts and physical fragilities.

Figure 1.1: Per Capita GDP (current USD), 2018

Classification	Africa	Asia	The Americas	Europe
 Low Income Countries (LICs): 16	Benin, Burkina Faso, Chad, Gambia, Guinea, Guinea-Bissau, Mali, Mozambique, Niger, Sierra Leone, Somalia, Togo, Uganda	Afghanistan, Tajikistan, Yemen		
 Lower Middle-Income Countries (LMICs): 18	Cameroon, Comoros, Cote d'Ivoire, Djibouti, Egypt, Mauritania, Morocco, Nigeria, Senegal, Sudan, Tunisia	Bangladesh, Indonesia, Jordan, Kyrgyz Republic, Pakistan, Syria Arab Republic, Uzbekistan		
 Upper Middle-Income Countries (UMICs): 14	Algeria, Gabon, Libya	Azerbaijan, Iran, Iraq, Kazakhstan, Lebanon, Maldives, Malaysia, Turkey, Turkmenistan	Suriname	Albania
 High Income Countries (HICs): 6		Bahrain, Brunei, Kuwait, Qatar, Saudi Arabia, UAE		

Note: For the current 2020 fiscal year, low-income economies are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of USD 1,025 or less in 2018; lower middle-income economies are those with a GNI per capita between USD 1,026 and USD 3,995; upper middle-income economies are those with a GNI per capita between USD 3,996 and USD 12,375; high-income economies are those with a GNI per capita of USD 12,376 or more.

Source: World Bank Development Indicators, <http://data.worldbank.org/indicator/NY.GNP.PCAP.CD> Classifications, accessed in December 2019. No per capita GDP was available from World Bank Sources for Palestine. Per capita GDP for West Bank and Gaza is listed as USD 3199.

The 2019 UN Human Development Report (UNHDR) suggests that some of the gains made in human development in the MCs have been lost due to income and other inequalities. It is estimated that, on an average, the value of the Human Development Index (HDI) is reduced by about 25 percent due to these factors. For example, the HDI value for Bangladesh was 0.614 in 2018 however, the inequality adjusted HDI was 0.465 - a loss of 24.3 percent of its original value. Similar statistics for Nigeria are 0.534 and 0.349 (loss of 34.6 percent), for Pakistan 0.560 and 0.386 (loss of 31.1 percent) and for Egypt 0.700 and 0.492 (loss of 29.7 percent). A Brookings Institution survey of existing evidences suggests that there is a great disparity of wealth in MENA countries as well.

Continued oil price decline

In its October 2019 Commodity Markets Outlook, the World Bank forecasts that energy and metal commodity prices are expected to continue to fall in 2020 following sharp declines in 2019 on a weaker outlook for global growth and consequent softer demand. Crude oil prices averaged 60 U.S. dollars per barrel in 2019 and are projected to weaken to 58 dollars per barrel in 2020. In line with the slowdown in global growth, oil consumption is now expected to rise at a much slower pace.

The GDP and government revenue of the oil exporting countries are closely linked to oil price changes. However, some countries and regions are more vulnerable to oil price shocks than others. For example,



Less vulnerable countries: Most Gulf Cooperation Council "GCC" countries have continued to

diversify their economies through establishment and use of Sovereign Wealth Funds (SWF) generated from previous oil revenues. For example, as of 2019, Abu Dhabi's SWF was valued at USD 697 billion; Kuwait's SWF valued at USD 592 billion and Qatar and Dubai's SWF's had assets worth USD 328 billion and USD 240 billion respectively.

generated from the oil and gas sector) and their SWFs are limited too. In Sub-Saharan Africa, revenues from fossil fuels account for about 20- 30 percent of the economy of Nigeria and the smaller producers. Their SWFs are virtually non-existent while the reserves per capita are very low. This makes these countries very vulnerable to long periods of low oil prices.



Increasing fragility and conflict in some regions particularly the Middle East:

Debilitating and often intensifying conflicts have eroded previous development gains and destabilized the future of countries such as Syria, Iraq, Libya and Yemen. 54 percent of the MCs (29 out of 55) were classified as fragile in 2018. The provision of healthcare and education have become scarce in the conflict-prone regions. An end to the conflicts will restore security, increase investment, and allow for reconstruction and rehabilitation activities and permit the governments to shift budgetary resources to education and health, particularly to the poor.



More vulnerable countries: Although Iran has a relatively more diversified economy, it is still

highly dependent on the fossil fuel sector (30 percent of GDP) and its SWF and reserves per capita are limited. In North Africa, Libya has relatively high reserves per capita, while those of (more populated) such as Algeria are very low. Their economies are still highly dependent on the fossil fuels sectors (about 30 percent of national income is

Regional Outlooks

Sub-Saharan Africa

While the region has tremendous growth potential, difficult international and national conditions have constrained its ability to have a sustained economic expansion. Growth in the region is expected to increase to an average of 3.4% in 2020-21 from 2.9 percent in 2019. This rate is subject to downside risks stemming from geo-political uncertainties, prospects for armed conflicts and adverse weather conditions. This growth is also insufficient to make meaningful progress in poverty reduction. MCs in this region will continue to need external support in meeting their basic human needs and in building capacity to nurture an internally viable economic structure including private sector growth.

South and Southeast Asia

South Asia will likely be the fastest growing region in the world with an expected average growth rate of 7 percent during 2020-21 due to robust domestic demand. Bangladesh, in particular, will grow rapidly at 7.4 percent per annum during this period. However, Pakistan will be a notable exception with weak domestic demand predicated by tightening policies addressing macroeconomic imbalances. The main risks for the region are a reescalation of political uncertainty, weakness in the financial sectors and a global slowdown.

Member Countries in this region have a combined population of over 620 million and an economy of USD 2.6 trillion, Southeast Asia will be the world's fifth largest economic region by 2020. Annual growth in the region is expected to stay at about 5.9 percent during 2019-21. Indonesia

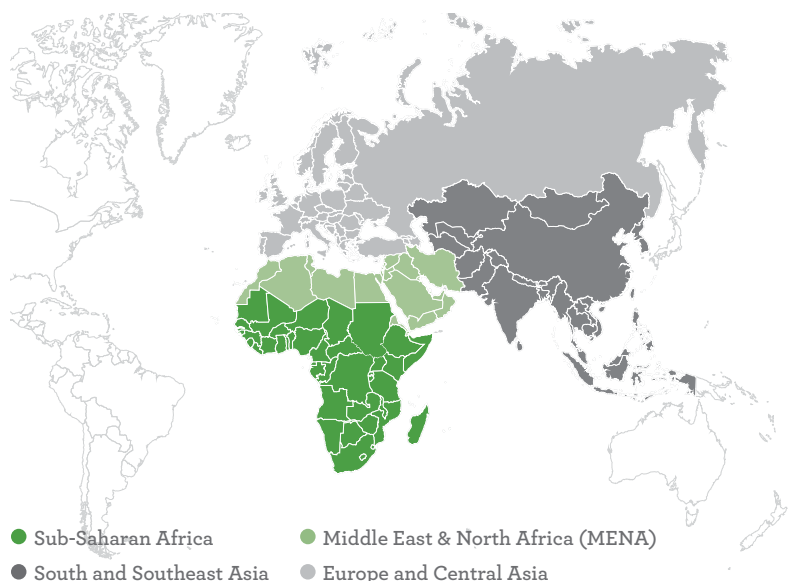
and Malaysia's growth rate will slide below 5 percent in 2020 affected by the US-China trade tensions and increasing geo-political fragilities. These risks can have a negative economic impact with prospects for severe capital outflows for Indonesia.

Europe and Central Asia

Growth in the region is projected to increase from 1.6 percent in 2019 to an average of 2.8 percent during 2020-21. The Turkish economy is expected to grow around the regional average even though the government has set a more ambitious target of 5 percent. The IMF expects annual GDP growth in Azerbaijan and central Asian countries to reach at least 4 percent including the oil exporting countries like Kazakhstan, Turkmenistan and Uzbekistan. The major risks are weak fiscal policy, global slow down, a decrease in commodity prices and an increase in geopolitical risks.

Middle East & North Africa (MENA)

Growth in the region will likely increase to an average annual rate of 3 percent during 2020-21 from 1.3 percent in 2019, supported by capital investment and policy reforms. However, activities in the oil exporting countries will remain sluggish due to weak output and intensified US sanctions on Iran. The oil importing countries will continue to benefit from low energy prices and some business environment reforms. There are significant downside risks such as increasing fiscal deficits due to falling oil prices, geo-political tensions, intensified internal conflicts and continued escalation of global trade tensions.



1.4 Responding to the international development outlook: an update on the IsDB Group President's Five-Year Program (P5P)

IsDBG's current ten-year strategy (10YS) has three strategic objectives: inclusiveness, connectivity, and growth of the Islamic finance. These objectives address the need to create inclusive and technologically capable societies. In addition, the growth of Islamic finance offers opportunities for creating equitable and inclusive societies that pays particular attention to the poor and for creating conditions for participation in global value chains for its MCs.

The President's Five-year Program (P5P 2016-2021), operationalizes these strategic objectives. The aim of P5P is to transform the IsDBG from a provider of funds to a development enabler, market creator, and investment facilitator. The P5P focuses on making markets work for development and building resilient market systems, repositioning Islamic finance for development, mobilizing private resources, improving visibility of IsDBG and sustainable financial growth for the institution.

Making Markets Work for

Development: IsDBG will adopt a global value chain-based approach that builds on a country's inherent competitive advantages to accelerate growth, improve productivity, and foster decent work. The focus on value chain allows IsDBG to prioritize its projects in sectors that have the most linkages and hence, the greatest impact.

H.E. the President illustrated IsDBG's approach at a lecture given at the Oxford Center for Islamic Studies in November 2018. To maximize

the benefits from global value chains, MCs should transition from a raw material export focus toward exporting manufactured products. This transition requires a range of technological, managerial and institutional abilities, and industrial capabilities that help countries create markets and increase local content for export.

For the MCs, this strategy would entail promoting labor-intensive, high value-added industrialization processes. It would require improving the quality of education to create a new generation of skilled and semi-skilled workers. EMDEs should also create incentives for the transfer of sophisticated technological know-how and industrial capabilities. The expected outcome would be the creation of decent and high paying jobs in EMDEs.

Investing in science, technology and innovation (STI) is an integral part of remaining relevant in the evolution of the global value chains and of sustainable socio-economic development. IsDBG has launched a

flagship STI Programme (Engage) in 2018 with the USD 500mn Transform Fund.

Innovative Islamic Finance:

Islamic financing has a strong role to play in achieving the SDGs in the MCs. IsDBG has been a pioneer in introducing Islamic finance practices in many of its MCs and non-MCs. It is a regular issuer of Sukuk (financial certificates complying with Sharia law). Over USD 19 billion Sukuk have been invested in different currencies and maturities to finance large-scale development projects and promote socio-economic development in its MCs. IsDBG also promotes other Islamic finance instruments, including the Waqf and Zakat. For instance, in July 2017, IsDBG approved USD 1.2mn under the IsDBG Waqf Fund to contribute to educational and health projects for Muslim communities in Bosnia and Herzegovina, Fiji, Kenya, Malawi, Somalia, and South Africa. It has also created a USD 57.1mn waqf for financing development projects in MCs.



Partnerships and Resource

Mobilization: IsDBG has played a catalyst and a facilitator role in mobilizing resources through building networks and helping Member Countries replicate their successful projects in other Member Countries with similar development needs. The Bank aims to mobilize financial and human resources through crowd-funding and crowd-sourcing platforms. The goal is to tap into global capital market instruments such as the Sovereign Wealth Funds (SWFs) to bridge the financing gap in MCs in order to achieve the SDGs. Twenty nine SWFs with a value of USD 3.4 trillion are

owned by the MCs, representing 44% of the total assets held by SWFs worldwide.

The Bank also recognizes the increasing role of Public Private Partnerships (PPP) in building up the infrastructure sector in the MCs. It has launched a PPP Advisory Fund to help create an enabling environment to catalyze private sector engagement in promoting inclusive and sustainable infrastructural development.

IsDBG will extend its principle of inclusion to include persons with disabilities. In a statement delivered

on the occasion of the International Day of persons with Disabilities (3 December 2019), H.E. Bandar Hajjar indicated that, “The IsDBG in line with the Convention on the Rights of Persons with Disabilities supports ongoing efforts to respond to the urgent need for accelerated action at scale to achieve disability-inclusive development in support of the 2030 Agenda for Sustainable Development. Our commitment of leaving no one behind necessitates the inclusion of persons with disability in economic opportunities and development programs, and projects in our member countries to make sure that they achieve the SDG goals.”

1.5 Updates on ICD'S Strategy in 2019

ICD's ten-year strategy (published in August 2019) is based on IsDB's P5P and covers the period between 2020 and 2029. ICD's aim is to become the premier Islamic multilateral financial institution for the development of the private sector that is leaner and more agile. ICD will remain committed to contributing to the achievement of the Sustainable Development Goals (SDGs).

ICD has set five priorities to improve operation efficiency and effectiveness.

Five Pillars of ICD's ten-year Strategy 2020 -2029



Focus on financial institutions: ICD will concentrate on its existing large network of financial institutions (FIs), its established product offering, and on creating a stronger financial ecosystem in the MC's with tailored product offerings in order to enhance its development impact. It is establishing a Global Private Sector Platform as a key enabler of business transactions, and as a means to strengthen the collaboration within the FI network.



Introduce innovative products and financial channels: ICD will introduce a set of new products to utilize its balance sheet in a more effective and efficient manner, with a focus on off-balance sheet resource mobilization (syndication, co-financing and parallel financing). The organization will also strengthen advisory services capabilities and offerings especially in the Sukuk Program. The Global Private Sector Platform will be a key enabler of future business transactions. To take advantage of the digital revolution, ICD will roll out a number of financial technology (Fintech) initiatives.



Ensure robust and sustainable financial performance: ICD will strengthen its operational performance by designing an optimal product portfolio. In addition, the establishment of Expenditures Review Committee (ERC) and Consultancy Review Committee (CRC) will help improve efficiency and effectiveness. It will discontinue non-profitable and non-core business lines.



Engage with member countries based on their development needs: ICD will adjust its product and service offerings to meet the development needs of its member countries. It will continue to operate on the basis of an in-depth understanding of its target markets. ICD will continue to track and measure its development impact based on a scorecard and to transparently communicate effectiveness through development effectiveness reports in order to ensure accountability.



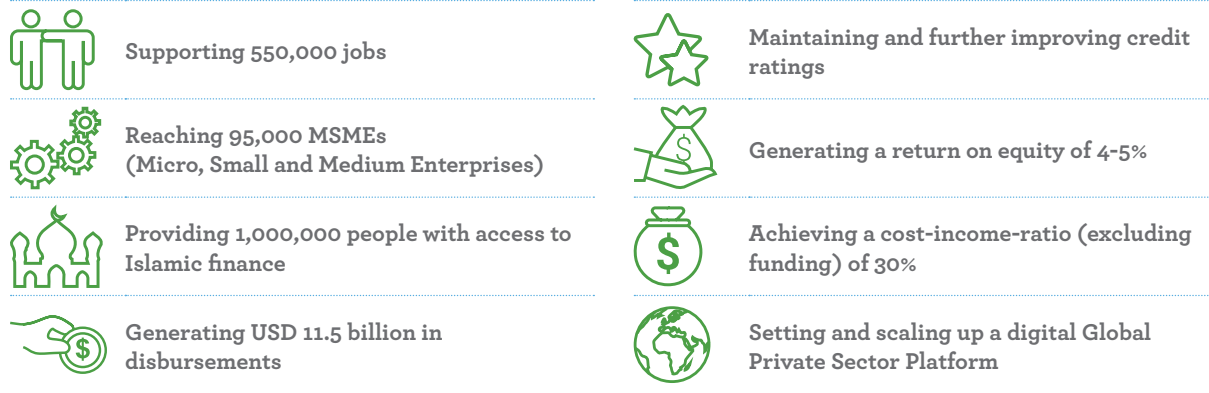
Deepen our collaboration within IsDB Group, with FIs and partners: ICD will increase its partnership with other entities of the IsDB Group through mechanisms such as the development of co-financing products. Externally, ICD will form strengthened partnerships with multilateral development banks (MDBs) and other financial institutions. These partnerships will help to enhance ICD's capabilities and its brand name within the development finance industry.



1.6 ICD's Targets for 2020-2029

ICD has formulated eight concrete and measurable goals for the next ten years. See figure below.

Figure 1.2: ICD's Ten-Year Targets (2020-2029)



The world is now living in the era of the fourth industrial revolution involving technological innovation especially in areas such as artificial intelligence, big data analytics, and virtual and augmented reality. The realization of the expected long-term gains in efficiency and productivity resulting from this revolution will depend critically on private sector development. In particular, the private

sector will become an increasingly important tool in promoting sustainable and equitable development as well as in enhancing social welfare. By creating the enabling environment and helping the government and the private sector acquire the necessary tools, ICD can help its MCs to become part of this revolution.

CHAPTER 02

INNOVATIONS IN ICD'S DEVELOPMENT EFFECTIVENESS FRAMEWORK IN 2019

2.1 Overview

In 2019, ICD integrated a formal development impact measurement system into its development effectiveness framework. The measurement system builds on the best practices of other IFIs promoting private sector development and also enables the identification of the contribution of ICD's projects to the SDGs.

2.2 Improvements in ICD's Development Effectiveness Agenda in 2019

ICD continued its process of institutionalizing a development effectiveness culture in 2019, building on changes introduced in the past years. These changes included key process changes such as the modification of the credit and advisory approval process to incorporate the Development Indicators Monitoring System (DIMS) information and an SDG alignment analysis for each project submitted to the Investment Committee and to the Executive Committee of the Board. In 2018, ICD introduced a more focused approach in measuring its development impact as well as accurately identifying attribution using experimental and quasi-experimental methods, a project grading system at appraisal and an SDGs dashboard to maximize impact.

In 2019, ICD introduced its development impact grading system as an integral part of its development effectiveness grading model. The purpose of this model is to estimate the impact of ICD's initiatives. The development of this system was grounded in best practices in measuring the impact of private sector development initiatives in other multilateral development banks (MDBs) (Box 2.1). Emphasis was placed on identifying the contribution to the SDGs.

Box 2.1: Multilateral Efforts at Harmonizing Impact Investment Frameworks

The Global Impact Investing Network (GIIN) is the global champion of impact investing, dedicated to increasing its scale and effectiveness around the world. The GIIN builds critical market infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry.

GIIN created the Impact Reporting and Investment Standards (IRIS) a catalog of more than 400 generally accepted performance metrics, to help impact investors measure social, environmental, and financial results of their investments. IRIS provides a common language and makes it easier to compare both financial and nonfinancial investment performance. It also helps in accurately aggregating and analyzing results from a variety of impact investments.

Attempts are currently underway to synchronize the IRIS metrics with the HIPSO (Harmonized Indicators for Private Sector Operations) created by a working group on indicator harmonization set up by 26 multilateral institutions promoting private sector development. The HIPSO standardized the different reporting criteria required by each of these institutions in order to reduce the administrative burden of their clients in developing countries, allowing them to focus on what matters most: delivering results on the ground. Over 400 indicators used by the IFIs involved in the effort were reviewed. A first set of 27 indicators was agreed in the form of an MoU, signed in October 2013. It mandates that if an IFI tracks development results, it will use the harmonized definitions and units of measurement. There is no obligation, however, to start tracking and using the harmonized indicators if an IFI does not wish to track the development outcomes they capture.

Fifteen of the HIPSO indicators are now aligned to IRIS metrics.

2.3 ICD Impact Grading Model

The objective of the grading model was to:



The model prescribed that projects will specify an impact hypothesis based on the proposed theory of change. This hypothesis would then be assessed through an impact monitoring system based on emerging impact evidence (Figure 2.1).

Figure 2.1 Dimensions of an Impact Measurement Framework



The premise of the model is that ICD's interventions help address many of the challenges that the private sector, especially MSMEs, are facing in the MCs, including access to finance, financial inclusion, value chain development, business environment and capacity building.

Joint activities by ICD's financing and advisory services and the client(s) in the MCs produce a series of tangible products (outputs). These outputs help clients improve their business processes and products that, in turn, lead to economic development in terms of an

increase in job creation, sales, profit, exports, and government revenues (outcomes). The outcomes ultimately contribute to the improvement of living conditions of the community and the achievement of the SDGs (impacts).

The Impact Rating System

The core of the grading model is an impact rating system. The rating system is a decision-making tool developed to:



Identify projects that maximize ICD's Development Impact at the appraisal stage;



Monitor the overall quality of ICD's direct contribution to development of MCs;



Promote and support clients/partners engagement towards measuring impact alongside with financial return.

The Rating system comprises of four impact categories each with its own indicators and scores

Figure 2.2: ICD's Impact Rating System for Lines of Finances (LoFs)

Impact Category	Score	Rating Indicators
1. Strategic alignment with a focus on the fragility of the country and alignment with the beneficiary country's priorities	20%	<ul style="list-style-type: none"> - Fragility status based on OECD fragility index - Alignment of sub-projects to country's priorities - Contribution of the projects to IsDB Group synergy
2. Additionality to assess the unique contribution of ICD	20%	<ul style="list-style-type: none"> - Financial additionality - Non- financial additionality (Based on the MDB'S harmonized framework for additionality in private sectors)
3. Project outcomes	40%	<ul style="list-style-type: none"> - Share of the amount of the LoF going to Micro, Small and Medium-sized Enterprise (MSMEs) - Percentage of MSMEs benefitting from the project - Percentage of funded businesses that were historically underserved (low-income groups, rural areas, women, displaced populations) - Percentage of businesses having access to financing for the first time - Percentage of new businesses created - Percentage of new employees in the sub-projects funded under the ICD's LoF (Using the HIPSO and the GIIN's IRIS Framework)
4. Direct proven contribution of the project to at least one SDG indicator	20%	Direct Links of the sub-projects to specific indicators of the SDGs.

A four-point rating scale was adopted to differentiate between the different levels of impact:

- Score (0) if the project is not making any difference
- Score (1) if the impact is MARGINAL, i.e., there is a potential impact, but no evidence can be provided
- Score (2), if the impact is SIGNIFICANT, i.e., there is strong evidence that the project will make a difference for the client
- Score (3), if the impact is PRINCIPAL, i.e., there is strong evidence that the project will make a difference for the whole sector.

The concept was field tested in the project “ICD’s Technical Assistance to RHB Group in Malaysia to support the Implementation of its Development Impact System”. Which resulted in the Bank’s professionals addressing the market failures that constrain access to finance for SMEs thereby helping improve their SME clients profits and growth prospects.

Improving internal ICD's processes

ICD will seek to improve its internal business processes and efficiencies through better utilization of technology and IT solutions. In particular, ICD’s will focus on digitization of internal and external communications, automation of several support functions and the development of a set of dashboards for use by ICD Management and staff. This process has already led to the creation of target market sheets and enriched process flowcharts.

ICD will also focus on improving its internal processes through the creation of a set of instruments that will align roles and responsibilities across different functions.

Finally, the investment project approval process will be improved by enhancing the quality at entry process and reducing the lag between approvals and disbursements.





CHAPTER 03

ICD IN ACTION

3.1 Overview

2019 was a transition year for ICD as it engaged in an analysis and articulation of a new ten-year strategy. While this slowed new approvals, disbursement commitments were met. The Annual Development Effectiveness Survey confirmed that the ICD progressed in its contribution towards the promotion of Islamic financing practices as well as creating development impacts like new job creation. MSME promotion continued to be a strong component as were lines of finance. The Corporation consolidated its efforts at becoming more efficient and in participating in international efforts to achieve the SDGs.

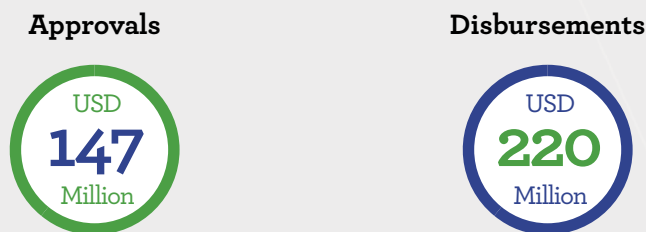
3.2 Portfolio and Investment Analysis of ICD's Activities in 2019

2019 marks the twentieth (20th) anniversary of the inception of ICD. During these 20 years, ICD's authorized capital has gone from USD 1 billion to USD 4 billion. ICD has been a pioneer in introducing Islamic financing as a viable mechanism with the expansion of its Lines of Finance (LoF) and the Sukuk and Capital Markets (SCM) programs, as well as its Islamic Financing Institutions (IFI) Program. In particular, the IFI program shows great promise for providing shariah-complaint financial services in MCs as well as to Muslim communities in non-MCs.

3.2.1 Approval & Disbursements

2019 represented a transition year for ICD as it adjusted to the evolution of IsDBG and its own strategic directions. As a result, approvals were lower than usual at USD 147 million, bringing its cumulative approvals to USD 6.5 billion (Figure 3.1). Nevertheless, as of year end 2019, the Corporation did disburse its previous commitment of USD 220 million in its entirety.

Figure 3.1



ICD's portfolio has always been dominated by Lines of Finance (LoF), and 2019 was no exception with LoF commitments accounting for about 43% of total approvals, comprising USD 63.4 million. Consistent with its strategy of focussing on high performers, about 55% of the approvals worth nearly USD 82.5 million were in the financial sector mainly focussed on SME development. The majority of the approvals were for projects in Asia (44%) followed by Sub-Saharan Africa (23%), CIS and MENA (20% and 13% respectively). This pattern was generally consistent with the development statuses of these regions.

ICD disbursed USD 220 million in 2019. Financial related projects received 44 percent of this sum while industry and mining related projects received about 26 percent. Roughly 20 percent of the 2019 disbursed funds went to the energy sector.



3.3 2019 Development Results (Survey from Jan 1, 2018 – Dec 31, 2018)

The 2019 ICD Annual Development Effectiveness Survey continued to gather evidence on the contribution of the ICD's clients/partners in addressing the SDGs as well as their specific development impacts.

The survey also took into account the development indicators of the IsDBG's Scorecard updated in January 2018, the ICD's Scorecard and the development indicators agreed upon with 25 multilateral development financial institutions (DFIs). In terms of scope, the survey covered ICD's operations in Banking Equity, Banking LoF, Ijara, Non-Banking Institutions, Direct Investment, Corporate Equity, Funds and Advisory Services.

The 2019 survey response rate was 70 percent .

3.3.1 Aggregate Survey Findings

Overall, the 2019 survey showed that ICD continued to contribute substantially in promoting Islamic financing practices as well as creating employment. The focus on poverty reduction was further substantiated by the growth in micro, small and medium enterprises. The gains to government revenues was noticeable. In particular:



1,042,311 persons had gained access to Islamic Finance



There were 93,273 new clients reported by responding financial institutions. The majority of the new clients came from urban areas (68%), 22% from rural areas and 9% from peri-urban areas.



42,365 MSMEs were funded with the majority (70%) from urban areas followed by 20% from rural and 10% from peri-urban areas.



Government revenues (including all form of taxes or dividends paid to the government) from the responding institutions amounted to USD 115.69m.



Responding ICD's clients employed 42,626 persons. The number of new employees hired during the survey period was 16,405.



45 persons were trained by ICD teams.








64% of ICD's clients confirmed having an approved policy of fairly compensating its employees.

3.3.2 Breakdown by ICD's Business Lines

Financial Sector Operations

Line of Finance (LoF)

ICD's portfolio has always been dominated by Lines of Finance (LoF), and 2019 was no exception. LoF are particularly relevant for economies with limited access to Islamic and/or affordable financing. Notable results achieved by responding ICD clients financed through an LoF were,

	Direct financing provided to 39,335 MSMEs
	1,751 new staff were hired directly
	USD 139mn goods and services purchased locally
	USD 30mn collected in taxes by the government
	USD 840,171 spent in community development
	69% of the responding clients have an approved policy to fairly compensate its employees.
	62% of the responding clients are at the first stage of the digital transformation.
	35% of the responding clients are starting to align with the SDGs.

Direct Financing

Term Finance is one of the most important financial instruments of ICD. The term finance team has adopted a three-pronged approach, namely: (i) focusing on its core business activities, with priority given to the financing of projects and resource mobilization, (ii) building its internal capacity, and (iii) establishing a presence in the market. In planning its financing operations ICD has given priority to sectors with high value added and where its contribution can result in a dual objective, namely achieving a developmental impact on the concerned countries and generating revenue for the Corporation.






Today, ICD term financing team has co-financed a number of transactions with multilateral development financial institutions (MDFIs) globally, namely International Finance Cooperation (IFC), European Bank for Reconstruction and Development (EBRD), the German Development Finance Institution (DEG), and the Arab Fund for Economic and Social Development amongst others.

Responding ICD clients receiving direct financing have:

	Hired 14,723 new employees
	Had 9,338 Women employees
	Generated USD 1 Billion in incremental export sales
	Paid USD 41mn taxes
	Spent USD 3mn in community development

Bank Equity

Provision of equity finance is one of ICD's key strategies to promote Islamic financing practices. It also promotes SME growth as a "funder of funds" by providing financing to SMEs through a domestic financial intermediary. ICD maximizes the development potential of its contribution by encouraging the creation of new jobs and transferring knowledge and technologies. Development results reported by responding clients in this sector included,

	88,625 people opening new Islamic Finance Accounts
	New Funding provided to 1,957 MSMEs
	1,165 new hires
	USD 30mn paid in taxes
	USD 68mn spent in community development

Ijara (leasing) Companies

The equity investment projects provide equity capital to set up or strengthen non-Banking financial Institutions (NBFIs), such as Ijara Companies. The reported development results are:



3,363 new clients with access to Islamic finance accounts. 55 % of the new clients came from urban areas,



New funding to 668 MSMEs;



7,013 full-time employees in the funded MSMEs. The responding Ijara companies had 273 employees,



USD 11mn paid in taxes,



USD 0.2mn spent in community development,



81 % of the responding clients had an approved policy to fairly compensate their employees.

Industry and Business Environmental Support (IBES) Advisory Services

Advisory Services play a key role in the implementation of ICD's two strategic pillars: fostering an enabling private sector environment and resource mobilization. The Corporation aims at providing world-class advice for member countries and private sector entities to help them improve their development potential and raise capital. As one of the ICD's four advisory services, IBES's development results reported by its clients are:



New funding to 266 MSMEs;



6,060 full-time employees at MSMEs level including 1521 new employees;



45 people trained.

International Financial Institution partners

The ICD has also been working with a number of international financial institutions on collaborative initiatives to achieve its development objectives. Results reported by the responding partners include,



4,100 new people with access to Islamic Finance Accounts;



USD 12 billion of deposits collected;



New funding to 132 MSMEs;



21 women led/managed MSMEs funded with Islamic finance facilities;



88 % of the responding clients have an approved policy of fair compensation to all its employees;



50% of the responding clients are at the first stage of the digital transformation.



3.4 ICD Scorecard

ICD is committed to improving its asset allocation processes including a portfolio restructuring program as well as ensuring effective cost management. It has approved a new business plan and strategy with 12 concrete actions planned for 2019.



In 2019, the ICD achieved significant progress in two equity exits totalling USD 28mn (Santé Alexandra and Maldives Islamic Bank);



It has restructured and recovered long-standing non-performing projects worth USD 54.3mn;



The treasury operations have been transformed from being a cost center to a front office operation. This has realized USD 27mn in cost savings;



ICD has built a solid pipeline to further boost its revenues;



MOUs were signed with different clients to issue sukuk and potentially generate more than USD 14mn fee-based revenues in 2020;



ICD has received strong support from its shareholders for the 2nd General Capital Increase. Total subscriptions amounted to USD 828mn with the three largest shareholders fully subscribing. The ICD has also received USD 492.5mn (83% in 2019) in capital payments from 26 different shareholders.

3.5 International Cooperation to Achieve the SDGs

The International Development Club (IDFC), created in 2011, is a network of 24 leading Development Finance Institutions (DFIs) and IFIs from all over the world. Twenty of these institutions are based in developing countries. The ICD has become a member of the IDFC since 2015 and the CEO of ICD is a member of the Steering Group of the Club. The IDFC members are working together to implement the SDGs and the Paris Climate Agreement agendas. They are endeavoring to create a platform to promote and leverage sustainable development investments worldwide.





During 2018, ICD has been actively involved in two MDB Taskforces on blended financing and private sector resource mobilization. It represented the IsDB Group among its peer MDBs including IFC, European Investment Bank, EBRD, African Development Bank and Asian Development Bank. The MDB taskforce on blended financing has prepared a flagship report on blended finance for private sector projects, which included a set of projects and case studies from the ICD. Similarly, ICD, in close collaboration with other IsDB Group Entities (IsDB, ITFC, ICIEC and ISFD), produced a number of reports on IsDB's private sector resource mobilization activities including selected case studies from the Group operations for the MDB taskforce on private sector resource mobilization.



CHAPTER 04

A SPECIAL REPORT ON USHERING IN THE DIGITAL ERA

4.1 Overview

The MCs' participation and integration into the fourth industrial revolution processes will depend heavily on their ability to absorb and utilize digital technology including artificial intelligence devices. Financial technology (Fintech) is at the cutting edge of this revolution and will be particularly useful as a collaboration tool between ICD and its MCs. The MCs experience with connectivity is varied with Sub-Saharan countries having relatively low number of internet users. Fintech is underutilized and there is considerable scope for expansion with support from ICD.

4.2 Participation in the New Digital Era

Digital Economy is defined as the part of economic output derived solely or primarily from goods and services produced using digital technologies (ICT). In 2016, the global digital economy was worth about USD 11.5 trillion, equivalent to 15.5% of the world’s overall GDP. It is expected to outpace the growth of the overall global economy reaching 25% of the global output in less than a decade. However, a wide digital literacy gap excludes the poorest from the benefits of the digital world. These skills are a prerequisite for benefiting from any technology across all sectors of the economy and at all levels of the skills spectrum (from user literacy to producer technical skills).

To benefit from the emerging digital era, developing countries will need to build key foundational elements of a digital economy. These foundations are synergistic and require active participation of both the public and the private sector (Figure 4.1).

Figure 4.1 : Foundational Elements of a Digital Economy

Digital infrastructure	Digital platforms	Digital financial services (Fintech)	Digital entrepreneurship	Digital skills
<p>Provide means for people, businesses, and governments to link with local and global digital services.</p> <p>Includes:</p> <ul style="list-style-type: none"> Universal internet network coverage Affordable internet for all Increasing broadband connectivity 	<p>Enable producers and users to create value by interacting with each other.</p> <p>Includes:</p> <ul style="list-style-type: none"> Online government services Digital identity for individuals Internet access to government or commercial services 	<p>Enable individuals and businesses to transact electronically or online and open a pathway to a range of digital financial services</p> <p>Includes:</p> <ul style="list-style-type: none"> Universal access to digital financial services Payments infrastructure platforms 	<p>Create an ecosystem for the digital economy with new, growth-oriented ventures and the transformation of existing businesses.</p> <p>Includes:</p> <ul style="list-style-type: none"> Digitally enabled businesses Financing for Venture Capital 	<p>Technology skills, together with business skills for building or running a start-up or enterprise.</p> <p>Includes:</p> <ul style="list-style-type: none"> Youth with basic digital skills competencies Graduates with advanced digital skills

Source: World Bank, Nigeria – Digital Economy Diagnostic Report, 2019

4.3 Digital Financial Services (Fintech)

Financial technology (Fintech) improves and automates the delivery and use of financial services and helps companies, businesses and consumers to better manage their financial operations, processes, and lives. Fintech is applied in different sectors and industries such as education, banking, civil society organizations, personal and commercial finance and investment management. It describes a variety of financial activities such as money transfers, depositing a check with a smartphone, electronically applying for credit, raising money for businesses, or managing investments.

The major clients for Fintech are financial institutions such banks, the private sector (including the MSMEs) and the consumers. The spread of mobile banking, increased information, data, and more accurate analytics and decentralization of access will create opportunities for all of these groups to interact in innovative ways.

- Up until now, financial services institutions offered a variety of services under a single umbrella in specific physical locations. These services ranged from traditional banking activities to trading services to financing the purchase of properties. Fintech unbundles these services into individual offerings irrespective of the location of the financial institutions or the clients. This application of digital technology enables Fintech companies to be more efficient and reduce transaction costs;
- It is estimated that one-third of consumers globally, utilize at least two or more fintech services.

Fintech is rapidly adapting new technologies like machine artificial intelligence (AI), predictive behavioral analytics, and data-driven marketing to allow financial institutions to better service its clients helping them to make better financial decisions. The financial institutions have been keen adaptors of automated customer service technology and utilizing AI interfaces to assist customers with basic tasks. Fintech is also being used to fight fraud

by automatically flagging transactions that are outside the norm.

North America has been responsible for producing most of the fintech innovations, with Asia a relatively close second. Funding for global fintech development hit a new high in the first quarter of 2018 led by a significant uptick in deals in North America. Asia, which could surpass the United States in fintech deals, also saw a spike in activity.



4.4 Financial Technology in Member Countries

For ICD’s MCs, the expansion of the global digital economy offers opportunities. But there is also a risk that they may be left behind.

A critical precondition is improved digital connectivity. This can improve economic opportunity and inclusive growth when combined with improvements in digital skills and literacy, digital identity schemes, and access to digital financial services. With such capabilities, the MCs can harness digital data and new technologies, generate new content, link individuals with markets and government services, and roll out new and sustainable business models.

The connectivity of the MCs varies widely (Figure 4.2)

Figure 4.2 Digital Interconnectivity of the MCs

Regions	Internet Users as % of Population – Average and Range 2017	Mobile Cellular Subscriptions per 100 People – Average and Range 2018
Africa	LICs 12.25 - 2 (Somalia) to 24 (Uganda)	78.16 - 45 (Chad) to 140 (Gambia)
	LMICS 40.90 - 8 (Comoros) to 65 (Morocco)	92.72 - 41 (Djibouti) to 135 Cote d’Ivoire)
	UMICS 48.0 - 22 (Libya) to 62 (Gabon)	117 - 91 (Libya) to 138 (Gabon)
Asia	LICs 24.5 - 22 (Tajikistan) to 27 (Yemen)	83.5 - 55 (Yemen) to 112 (Tajikistan)
	LMICS 37.43 - 15 (Bangladesh) to 67 (Jordan)	96.42 - 73 (Pakistan) to 123 (Kyrgyz)
	UMICS 65.8 - 21 (Turkmenistan) to 81 (Malaysia)	119.33 - 64 (Lebanon) to 166 (Maldives)
	HICS 97.5 - 93 (Saudi Arabia) to 100 (Kuwait, Qatar)	153 - 123 (Saudi Arabia) to 209 (UAE)
Americas	UMICS 49 (Suriname)	131 (Suriname)
Europe	UMICS 72 (Albania)	94 (Albania)
World	LICs 16	61
	LMICS 35	94
	UMICS 59	116

Source: World Bank, December 2019

The evidence suggests that, compared to global standards, the population in the MCs are generally well-connected based on the percentage of internet users and the number of mobile cellular subscriptions. However, as the figure also suggests, there are wide variations within the groups. In particular, the LICs in Sub-Saharan Africa have relatively low number of internet users. Mobile phone

subscriptions are generally high (with the exception of Niger, Chad and Somalia) reflecting the leapfrogging of communication technology (from no land-line phones to mobile phones) that has taken place in many countries.

Yet in many of the MCs, too few citizens use Fintech locking them out of access to financial inclusion, and markets (Figure 4.2). Businesses

are only slowly adopting digital technologies and platforms to boost productivity and sales. There is a shortage of workers with the digital skills needed, and limited digital literacy holds back adoption and use of digital products and services. Inadequate policy and regulatory frameworks, including for data protection, cyber security, and competition, also constrain the development of a digital economy.

Figure 4.2 Status of Fintech in the MCs

Regions		ATMs per 100000 adults 2017 – Average and Range	Registered mobile money accounts per 1000 adults – Average and Range	Value of mobile transactions as % of GDP – Average and Range
Africa	LICs	3.88 – 1.4 (Chad) to 11.07 (Mozambique)	469.4 – 1.9 (Chad) to 1079 (Uganda)	25.1 – 0.4 (Guinea-Bissau) to 71 (Uganda)
	LMICS	12.94 – 4.4 (Cameroon) to 30.7 (Tunisia)	433.9 – 39 (Nigeria) to 1620 (Cotè d’Ivoire)	8.66 – 0.25 (Egypt) to 31.65 (Cotè d’Ivoire)
	UMICS	8.57 – 3.7 (Libya) to 12.85 (Gabon)	20.9 (Gabon)	*
Asia	LICs*	8.47 – Yemen (8.33) to 10.6 (Tajikistan)	*	*
	LMICS	24.66 – 8.9 (Bangladesh) to 54.38 (Indonesia)	423.2 – 58.4 (Jordan) to 850.5 (Indonesia)	6.7 – 0.25 (Jordan) to 16.84 (Bangladesh)
	UMICS	45.1 – 3.83 (Iraq) to 88.7 (Iran)	*	0 (Malaysia), 32.24 (Iraq)
	HICS	66.98 – 55.6 (Qatar) to 74.5 (Bahrain)	*	0.17 (Qatar)
Americas	UMICS	48.2 (Suriname)		*
Europe	UMICS	114.35 (Albania)		*

Source: IMF Financial Access Survey 2019. * denotes no data is available.



Part of the reason why Fintech is underdeveloped in the MCs may be the lack of secure locations or the relative safety of citizens using digital means for financial transactions such as cash withdrawals. In addition, the development of digital technologies requires effective prioritization. For example, if public service delivery is a key means to improve the targeting of the poor, government platforms connected to these delivery systems will need to be prioritized. Shifting cash into digital accounts for government payments, remittances, MSME payments, and agricultural value-chain payments can enable broad-based participation in the digital economy. The poorer segments of the population are often

underserved by financial services including digitized options. Efforts will need to be taken to make such services accessible for this part of the population especially for women and agricultural households.

There are reasons for optimism. For example, IMF's Mobile Money Note 2019 states that, after initial success in Kenya, Tanzania and Uganda, mobile money has spread beyond East Africa. M-Pesa —launched in Kenya in March 2007 by Safaricom (part of the Vodafone group)—now has almost 30 million users in 10 countries. In 2009, the value of mobile money transactions as a percentage of GDP in Uganda was 2 percent. By 2018, it had reached

71 percent. Mobile money has also proven to be a viable alternative to formal financial services in fragile states—where achieving financial inclusion is challenging. Currently, twenty-one fragile states have mobile money services. In these states, on average, for every commercial bank branch there are close to 47 mobile money agents, providing the population an additional way to access finance. In Guinea the ratio is 174 mobile money agents per commercial bank branch; it is 95 in Mali and 64 in Guinea Bissau. The growth of mobile money agents in fragile states far exceeds the growth in traditional financial access points.

4.5 ICD's Current Involvement in Digital Technology

At the 14th Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Annual Conference, Manama, Bahrain, November 3, 2019, H.E. Dr. Bandar Hajjar stated that “Islamic finance institutions should consider the untapped potential of Islamic Fintech and its likely role of catalyst to overcome current standardization challenges”. In his opening remarks at the conference titled “Revolutionary Changes in Global Islamic Finance Ecosystem: Need for Governance, Standardization and Regulatory Support”, Dr. Hajjar highlighted the importance of creating a unified Islamic Finance Ecosystem to harness the potential of Sharia-compliant fintech within the global finance landscape and to protect the consumers.

The IsDB Group, in close collaboration with AAOIFI, leads the Islamic finance institutions to create a common platform for the harmonization of Islamic financial services industry regulations. Moreover, H.E. Dr. Bandar Hajjar has discussed with H.E. Sheikh Ebrahim bin Khalifa Al Khalifa, Chairman of the Board of Trustees of the AAOIFI, effective ways to strengthen cooperation moving forward.

ICD is deeply committed to exploring the role of digital transformation in reshaping the Islamic finance industry. It believes that there are tremendous opportunities available for Islamic finance institutions to utilize digital technology to achieve multiple strategic objectives such as financial inclusion, customer-oriented financial services, operational excellence and competitive advantage. Crowdfunding, peer-to-

peer model and payment platforms, smart contracts and blockchains, cryptocurrencies, cybersecurity, and InsureTech are among a few emerging channels of digital transformation that could be utilized in the Islamic finance industry. ICD is keen to introduce FinTech products and become the number one platform facilitator selling investment funds consistent with the regulatory frameworks within its member countries.

ICD has organized several events promoting Fintech.

- High-level panel on the role of digital financing in restyling Islamic finance was organized at the IsDBG Private Sector forum held in Marrakech, Morocco, during 3-6 April 2019. The objective of the panel was to discuss the new opportunities offered by the digital

transformation applicable to the finance industry broadly, and Islamic finance in particular. The high level panels addressed three major questions:

- o How can Fintech and Digital Transformation be used to restyle the Islamic finance industry?
 - o What can be the areas of focus?
 - o What are the major requirements and prerequisites?
- Global Islamic Fintech Summit (GIFS), Islamic Digital Economy (IDEX), Kuala Lumpur, Malaysia, October 2019: Topics covered at GIFS included - how Islamic fintech is providing new financial solutions to the millennials and the unbanked globally and how the regulatory environment

is adapting to create a safe environment for investors. GIFS also provide a platform to the upcoming and innovative fintech players in Islamic finance.

- IDEX looked at the trends in entrepreneurship in the Muslim World and how to take advantage of the opportunities in the global Islamic Economy and the young and developing Islamic digital economy. The topics included halal Food, modest fashion, halal

travel, and education. What made IDEX unique was that it explored how the Islamic economy was going digital and how financial ecosystem partnerships could be formed.

- Second African Islamic Finance Fintech Summit – African Financial Inclusion in the Digital Era, Senegal, November 2019. The summit was organized by the International Islamic Finance Training Institute (IIFTI)

and ICD in collaboration with Tamweel Africa Holding (TAH). It served as a platform to enhance the entrepreneurship ecosystem and to contribute to the African Digital Financial Inclusion Agenda. African financial institutions and economic decision makers were invited to explore latest Fintech solutions and innovative ideas.

An ICD Fintech Collaboration

In October 2019, ICD signed a collaboration Memorandum of Understanding (MoU) with IAP Integrated Sdn Bhd (“IAP Integrated”), the owner and operator of the Investment Account Platform or IAP. IAP is a multibank crowdfunding platform that has helped raise funds of more than MYR200.0 million for various SMEs and private companies since it started in February 2016. It has six shareholder banks. These banks assume the role of investment intermediaries to ensure that both the investors and the entrepreneurs can benefit from the sharing the investment risk.



The MoU was about future collaboration, between ICD and the IAP Integrated. As Mr. Ayman Sejiny, the CEO of ICD commented “ICD is pleased to be the first organization that IAP Integrated turns to in an effort to market its crowdfunding fintech solutions to other major Islamic markets such as Central Asia and Africa, in addition to the traditional Islamic markets in the Arab regions. We believe that this collaboration will enhance our reputation as a trusted long-term partner towards contributing to the development of the economies of our member countries through private sector development”. IAP Integrated’s CEO, Joann Maryam Enriquez indicated that “for IAP to penetrate the above markets, it needs a partner that is reputable, has a good network and experience in those markets and more importantly, with a name and branding that interested parties and potential suitors in those markets can trust. In ICD, we have found a partner with all these traits”. This speaks to the potential of ICD to act a credible facilitator to promote fintech solutions in its member countries.

CHAPTER 05

THE WAY FORWARD

5.1 Overview

ICD has made considerable progress in enhancing programs and processes to increase its development effectiveness and efficiency to better serve the future development need of its MCs. The way forward includes forging new development coalitions, introducing innovative financial and other practices and collaborating to increase the digital capabilities of the MCs especially in financial technology. ICD's new strategy acknowledges the diverse nature of its MCs whether they are middle-income or low-income countries or suffer from conflict related or physical fragilities. ICD has an important role to play as a catalyst and facilitator to leverage resources for development.

5.2 Future Development Needs of the MCs

ICD's MCs are evolving rapidly. Most of them are now MICs than LICs with the latter concentrated in Sub-Saharan Africa. The MICs increased economic ability have enabled many of them to take ownership of their development processes. ICD's new ten-year strategy takes this reality into account. The five pillars of its strategy – (i) focus on financial institutions; (ii) introduction of innovative products and financial channels; (iii) robust and sustainable institutional financial performance of ICD; (iv) engaging with MCs based on their development needs and (v) deepening collaboration with other entities of the IsDB group – are indicative of ICD's objective to become a premier global development financial institution promoting private sector development.

Many of ICD's MCs, whether they are MICs or LICs, are fragile with ongoing conflicts or subject to physical disasters and effects of climate change. These countries will continue to require humanitarian assistance and support in areas like inclusive governments and peace building. ICD will also have to work at laying the groundwork for sustainable development in these uncertain environments.

Given the rapid global integration that has already taken place, most MCs are not insulated against international shocks such as protectionism threats from the North, US-China trade tensions and the possibility of continuing political economic tensions. While, the

MCs themselves will be primarily responsible for finding ways to absorb and mitigate shocks, organizations like ICD can help them pre-empt and offset adverse impacts by helping build a strong private sector and regulatory frameworks.

Increasing the scope and scale of Islamic financing continues to be a major focus of ICD. Its role in encouraging the establishment and sustainability of Islamic finance institutions, and more importantly, the systemization of these financial mechanisms by helping establish regulatory mechanisms will be critical. Nevertheless, the challenge still remains how one can transform Islamic financing into a mainstream mechanism.



5.3 Finding New Solutions



Forging new development coalitions: There are now many new development actors such as businesses, interest-based global coalitions, large southern and northern philanthropies, and mature indigenous organizations in the MCs. ICD has an opportunity to enhance its partnerships with these organizations particularly in MICs. Finding ways to work with new donors such as China can be challenging, but promising.



Technology and innovation as catalysts:

ICD has identified introducing innovative products and financial channels as one of its key priorities. These products can be technology-based and can “leapfrog” generations. One example is the introduction and popularity of mobile devices in MCs where no land lines existed. Popularizing Islamic finance can also be done through innovative investments and instruments. For example, the first Caribbean Islamic Finance Forum held in Suriname in November 2019 and organized by Trustbank Amanah and ICD, highlighted the opportunities and challenges for development of the private sector in Suriname, with a special focus on the role of technology and innovation as a catalyst. Trustbank Amanah and ICD have signed a MoU to formalize and strengthen the cooperation between the two institutions to foster SMEs and further developing the Islamic Finance in Suriname.

Technical cooperation mechanisms, reverse linkages that allow sharing of knowledge, expertise, technology and resources to develop capabilities will be important vehicles. ICD is developing a Global Platform with which the investors of the platform can identify investment opportunities and project owners can look for investors. Different types of financing structures may also be possible, including Green Sukuk.



Collaboration in the digital era:

Promoting the growth of digital technologies will be critical for the success of the MCs in integrating in the global markets and supply chains. One aspect of this will be the spread of financial technology (Fintech) to reduce transaction costs and increase the breadth of the financial sector. However, this will require initial digital infrastructure investment in many MCs. Enabling conditions such as safety and security

of the use of such technology will ease the process. ICD’s interest in using Fintech to further the reach of Islamic financing is encouraging.



ICD as a catalyst and facilitator:

Advisory services provided by ICD will become increasingly important delivery vehicles to promote sustainable development especially in the MICs. ICD can play a critical role as a catalyst and facilitator to leverage its credibility, brand and financing collateral into generating increasing financing for development in the MCs. The November 2019 line of financing and advisory agreement between ICD and the Asian Alliance Bank (AAB) is notable in this respect. The LoF will support small and medium enterprises (SMEs) in Uzbekistan. The Advisory Agreement was about launching an Islamic Window at the Bank. The interesting aspect of these agreements is the complementarity between them – the

USD 10mn Shari'ah compliant LoF facility based on Wakala structure will be utilized by AAB to provide financial support to the private sector

in Uzbekistan, including SMEs through Islamic modes of financing. The Islamic window will create an opportunity for AAB to be one of the

first wholly profit-sharing financial institution offering Islamic products & services in Uzbekistan.

5.4 Enhancing Development Effectiveness and Efficiency

ICD's ongoing efforts at creating an effective and efficient institution continued in 2019 with the introduction of the impact grading model based on best practices of the like-minded multilateral development finance institutions. In October 2019, ICD officially joined the Global Impact Investing Network (GIIN) - the leading nonprofit coalition dedicated to increasing the scale and effectiveness of impact investing. ICD's membership signifies its commitment to deepen its engagement in the impact investing industry.

Measuring expected impact at the design stages and monitoring implementation will be critical in further enhancing ICD's reputation as a DFI.



CASE STUDIES

CASE STUDY 1: BIDAYA HOME FINANCING (SAUDI ARABIA)



Context

Providing affordable housing in a shariah consistent manner is part of the broader strategy of the Saudi Arabian government as well ICD.

Company/Entity

Bidaya Home Finance (BHF) was founded and launched as a joint stock company with a total paid-up capital of 900mn Saudi Riyal (roughly USD 240mn). Headquartered in Riyadh, BIDAYA is licensed under the Saudi Arabian Monetary Agency (SAMA), and offers a suite of Sharia compliant products to end-users and partners in

order to maximize benefits, creating sustainable development impacts and achieving optimal financial returns

ICD Project

ICD has supported the establishment of BHF with institutional equity of USD 26.7mn which was injected into the company as founding capital. The objective was to assist in improving the access to finance for the private sector in Saudi Arabia in the housing sector.

Bidaya's Digital Footprint

The Company has developed focused sales and marketing platform all leading to: www.bidaya.com.sa. This scalable platform serving the entirety of KSA rests on four primary pillars

that comprise the company's sales sub-channel strategy:

Partnership with the government;
Real estate developers;
Digital marketing; and
Telesales activities.

An additional strategy that the Company has adopted is the utilisation of traditional methods in building new business leads through digital marketing and advertising efforts. The Company has received numerous awards recognizing its innovation and technology platform internationally. Recent awards won by the Company include:

Best Bill Payment and



Presentment 2019 by Global Finance;
 Best in Social Media and Marketing
 Services 2019 by Global Finance;
 Best Islamic Digital Bank in KSA
 2019 by Global Finance;
 Best Digital Mortgage Bank in KSA
 2019 by Global Finance;
 Best Islamic Digital Bank in KSA
 2018 by Global Finance;
 Best Digital Mortgage Bank in KSA
 2018 by Global Finance;
 Best Digital Mortgage Bank in the
 Middle East 2018 by Global Finance;
 Best Home Finance Provider 2018 by
 Global Business Outlook; and
 Best Digital Transformation in Online
 Payment 2018 by Global Business
 Outlook.
 The Company's policies and
 procedures have been tailored to meet

the requirements of Islamic home
 finance structures and applicable KSA
 laws and regulations. The Company's
 implementation of a unique business
 model, designed to benefit financiers
 as well as customers, will facilitate
 additional mortgage business,
 and provide mortgage portfolio
 management and servicing. This
 business model is focused entirely on
 the digital space using an integrated
 approach to drive the consumer to the
 digital platform, including document
 submission, applying for finance, or
 tracking an existing application with
 a "3-Easy-Step process view" via the
 Company's website.

Development Outcomes

Since it began its operations in early
 2016, BHF's leasing assets has grown
 from USD 233mn in 2016 to USD
 390mn in 2018.

By 2018, BHF had successfully
 financed 1,025 operations
 through about USD 367.2mn in
 Ijara contracts specially in the
 construction and the real estate
 sectors. BHF directly employs 53
 full time workers, out of which 20
 are women. These workers enjoy
 benefits like medical insurance,
 employees home financing
 program, cost of living allowance
 and annual performance bonus.

BHF has now become a preferred
 housing financing partner in
 Saudi Arabia because it is able
 to offer a full line of Islamic
 financial products in a digital
 platform.

Finally, BHF has contributed USD
 5.6mn in terms of fiscal revenue
 to the Saudi government.

CASE STUDY 2: BRAVE WOMEN (MULTI-COUNTRY PROGRAM)



Context

Women are often the most-affected persons in a conflict affected situation especially when they are forced to head up single parent families (with the men having been lost to the conflict). In such situations, the ability of the women to become independent and look after their families become critically important.

Company/Entity

Civil Society organizations and the Private Sector

ICD Participation

This project is fully funded by the Women Entrepreneurship Finance Initiative (We-Fi). The total amount of approved funding by We-Fi for the BRAVE Women intervention is USD 32.2mn.

IsDBG is one of the designated implementing partners of the We-Fi fund and is implementing this project in Yemen, the Federal Republic of Nigeria and Burkina Faso. ICD provides technical support for the implementation of the project.

The project was launched in July 2018 and its implementation in

Yemen formally began in February 2019. In Yemen, the executing agency is the Small and Micro Enterprise Promotion Service (SMEPS) agency along with 3 local banks who act as custodians of the beneficiary grants (Kuraimi, Tadhamon International Islamic Bank and Saba Islamic Bank).

The aim of the program is to reach at least 1,500 women MSMEs with specialized business trainings and 1,200 of them to qualify for combined grant matching support and technical assistance across three countries namely Yemen, Nigeria and Burkina Faso.

The BRAVE Women Program has five main components:

- Business Resilience Capacity Building through trainings of both business advisors (ToT) and MSMEs
- Business Recovery Support (BRS) through matching grants mechanism
- Value Chain Resilience by supporting the lead firms, business associations and sector specific cooperatives
- BRAVE Women IT Platform and Project Management Unit (PMU) to provide the local Execution Agencies with all necessary capabilities for the project
- A rigorous impact evaluation to assess what works and what does not work for women MSMEs in fragility context

Development Outcomes: Stories from the Beneficiaries

Providing affordable education services in war zone: According to Mrs. Elham Haider, Principle of the Alnabras school in Taiz, one of the most conflicted affected area in Yemen: “Due to the current situation in Taiz, most of public services were partially stopped including education. 80% of the education facilities were not functioning with most of them destroyed because of the ongoing conflict. In some areas, schools had been taken over by militaries and



were regularly targeted by airstrikes. Lately, with life conditions getting worse, I decided with my team to make our services affordable so many students will have a chance to go back to education system. In the last 3 years, we succeeded to cover our operational costs and allowed internally displaced students to come back to school as well. Our mission is not easy at all with the lack of basic services (electricity, water, fuel, etc.) and also the huge inflation rate. However, we will spend all efforts to continue with the available resources and I'm pretty sure that BRAVE Women project is a golden opportunity to help us to increase our number of students”.

BRAVE Women is different from other programs for women: Azah Shoukri, owner of Sabia for cloth in Yemen says: “We already got

in the past different support programs from several local or international organizations but, with BRAVE Women project it's completely different. This unique project starts first with a professional training to enhance our capabilities to prepare our business continuity plan and then we can get access to the matching grant support. In addition, local banks are supporting us as well to get loans. In the last 5 years, all the financial institutions in Yemen stopped giving loans to women entrepreneurs but now we are so excited to get back those services. This restores the trust relationship between women entrepreneurs and the banks which has been completely lost during the war”.

CASE STUDY 3: AL QADI SPECIALTY HOSPITAL, SAUDI ARABIA



Context

One of the key outcomes of the Saudi Arabia's Vision 2030 was to create a health delivery system including an effective regulatory system and a favorable environment to attract private health providers and investors from abroad. The "National Transformation Program 2020" – the first implementation program of the Saudi Vision 2030 aims to:

- substantially privatize the country's healthcare sector, including the privatization of one of the Kingdom's medical cities;
- establish public-private partnerships to procure key

infrastructure like hospitals and other healthcare facilities;

- develop new domestic healthcare programs; and,
- provide incentives to the Kingdom's partners abroad to invest in domestic healthcare.

In the case of the Najran province, patient out-migration for medical services has been high, driven by the lack of adequate local private medical services.

Company

Al Qadi Specialty Hospital (AQSH) is a private healthcare hospital in Najran. Its strategic objective is to fill the gap of missing local health

care services. The hospital was licensed in August 25, 2016 and was fully operationalized in January 1, 2017.

ICD Project

On January 12, 2016, ICD signed two financing agreements with AQSH. The first facility of USD 8mn financed the purchase of medical equipment. The second facility of USD 1mn was for working capital.

Development Outcomes

To date, AQSH has served 176,581 patients. According to the American Hospital Management Company, AQSH has more advanced equipment & technology compared to the public and private hospitals and healthcare facilities in the region. The hospital is equipped with digital radiology, MRI facilities and full body Dual-energy X-ray absorptiometry (DXA, previously DEXA) - a means of measuring bone mineral density (BMD) using spectral imaging. It has surgical capability (both in terms of equipment & physician/surgeon capability).

AQSH's provision of service to the community could have been more robust, but for the presence of conflict in the region.

PARTNERS & CLIENTS





**ISLAMIC CORPORATION FOR THE DEVELOPMENT
OF THE PRIVATE SECTOR**

Member of the Islamic Development Bank Group

P.O. Box 54069 Jeddah 21514 Kingdom of Saudi Arabia

Tel (966 12) 636 1400, 644 1644

FAX (966 12) 644 4427 **EMAIL** icd@isdb.org **WEBSITE** www.icd-ps.org



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