



**TOBB**  
**TÜRKİYE**  
**ODALAR VE BORSALAR**  
**BİRLİĞİ**

Tüm Oda ve Borsalar Genel Sekreterlikleri

Tarih : 22.02.2019  
Sayı : 34221550-724.01.03- 2070  
Konu : İslam Ticaret, Sanayi ve Tarım Odası'nın  
Özel Sektörün Gelişimi için İslam  
Kalkınma Bankası Girişimi

İlgi : İslam Ticaret, Sanayi ve Tarım Odası'nın 31.01.2019 tarihli ve 35/İDB/0051 sayılı yazısı.

İlgide kayıtlı yazıda, İslam Ticaret, Sanayi ve Tarım Odası (İCCIA)'nın, İslam Kalkınma Bankası Grubu (IsDB) ile İslam İşbirliği Teşkilatı (İİT) üyesi ülkelerin özel sektörüne yönelik sunabileceği işbirliği ve hizmet imkanlarına ilişkin girişimlerde bulunduğu belirtilmektedir.

The Islamic Corporation for the Development of the Private Sector (ICD), İslam Kalkınma Bankası Grubu (IsDB) bünyesinde 1999 yılından beri faaliyet göstermektedir.

ICD'nin faaliyet alanları, İslami finans kanallarının geliştirilmesi, yüksek katma değerli sektörlerde yatırım, özel sektör iş yapma ortamının iyileştirilmesine katkı ve kaynakların harekete geçirilmesi gibi ana konular üzerinde geliştirilmiştir. ICD hakkında ayrıntılı bilgi yazımız ekinde yer almaktadır.

Bilgilerinizi ve ICD'nin iş dünyası için sağladığı imkanların üyelerinize duyurulmasını rica ederim.

Saygılarımla,

*e-imza*

Ali Emre YURDAKUL  
Genel Sekreter Yardımcısı

21.02.2019 Uzman : Ş.ALİ HASAN  
21.02.2019 Müdür : E.E.ÖNAL  
22.02.2019 Dai. Bşk. V. : M.BAYBURTLU

EK: FW: ICCIA's Initiative to introduce Islamic Development Bank Group's Programmes for the Member Chambers (17 sayfa)



**Bu belge 5070 sayılı Elektronik İmza Kanununun 5. Maddesi gereğince güvenli elektronik imza ile imzalanmıştır.**

Evrakı Doğrulamak için : <http://belgedogrula.tobb.org.tr/dogrula.aspx?V=BE5U5F5U>

Dumlupınar Bulvarı No:252 (Eskişehir Yolu 9. Km.) 06530 /ANKARA

Tel : +90 (312) 218 20 00 (PBX) • Faks : +90 (312) 219 40 90 - 91 - 92...

E-Posta : [info@tobb.org.tr](mailto:info@tobb.org.tr) • Web :

Ayrıntılı bilgi için : Şehla ALİ HASAN Tel :

E-Posta : [sehla.hasan@tobb.org.tr](mailto:sehla.hasan@tobb.org.tr)

Birliğimizde  
ISO 9001:2015  
Kalite Yönetim  
Sistemi  
uygulanmaktadır

## BACKGROUND

The Islamic Corporation for the development of the Private Sector (ICD), an affiliate of the Islamic Development Bank (IDB), is an international multilateral financial institution created for the development of its member countries through the provision of investment financing and financial services to the private sector.

## MISSION

To complement the role played by the Islamic Development Bank through the development and promotion of the private sector as a vehicle for economic growth and prosperity.

## VISION

To become a premier Islamic multilateral financial institution for the development of the private sector.

## INVESTMENT PRODUCTS

The major investment products of the ICD are as follows:

- i. Equity: Participating in investment through modes such as *sher capital* (*Musharaka*), profit sharing with declining participation.
- ii. Term financing such as leasing, installment sale, *istisna'a*, *salam* and parallel *salam*, *murabaha*.
- iii. Quasi-equity in the form of term financing convertible into equity at some stage of the project life.

## CURRENCY DENOMINATION

The US Dollar is the currency of account of ICD and its financing will be extended in either US Dollar, or in any other convertible currency.

## ELIGIBILITY CRITERIA

Countries: All member countries of the ICD  
Sectors: All sectors with the exception of recreation and defence.  
Clients: The client must operate in an ICD member

country and the majority of its share capital should be owned by the private sector entities of ICD member countries.

Activities: All productive or service activities that are Shari'a compliant, legal, and have a development impact.

Ownership: Investment can only be made in privately owned companies or in companies where the government ownership does not exceed 49% of voting stock.

Types of Projects: Both Greenfield or expansion projects may be considered as well as cross-border investment within ICD member countries.

## TENURE OF FINANCING

The tenure of ICD's financing shall be based on the specific conditions of the project and will normally be in the range of five to seven years inclusive of the gestation period. However, longer tenure can be approved on an exceptional basis.

## MINIMUM AMOUNT OF INVESTMENT

The average size of the investments to be undertaken by the ICD will be USD 5 million

Investment that meet the eligibility criteria, but with a total cost lower than USD 2 million, may benefit from an indirect financing through specific funds set up by the ICD or via financing facilities granted to financial intermediaries.

## Maximum Amount of Investment

The maximum investment by the ICD in a single project should not exceed the following:

### *Equity and Quasi Equity*

Under equity participation in the share capital of a company, ICD's investment shall not exceed 33% of the company's paid-up share capital. Moreover, the ICD's shall never be the largest single shareholder.

### *Term Financing*

Under term financing, ICD's exposure shall not exceed

the following:

- 40% of the project investment cost for greenfield projects.
- 50% of the project investment cost for expansion/rehabilitation of the existing projects.

## COLLATERAL

ICD may accept any of the following forms of collateral/guarantee for its financing:

- i. Land (real estate within the boundaries of a municipality)
- ii. Building
- iii. Plant and equipment
- iv. Quoted shares
- v. Unquoted shares
- vi. Bank guarantee
- vii. Corporate guarantee
- viii. Assignment of receivables
- ix. Any other acceptable security

The amount of financing granted will be dependent on the type and value of the collateral provided.

## COVENANTS

ICD will include in its terms and conditions both positive and negative covenants to ensure that its interest as a financier/investor is protected.

These covenants shall cover amongst others the following areas:

- i. Use of financing proceeds.
- ii. Maintaining specific levels of financing ratios so as to ensure the financial viability of the project/ company.
- iii. Continuous commitment of the original shareholders.
- iv. Major changes in business affecting its financial position.

Further, certain identified pre-disbursement conditions will be imposed before the utilization of the financing by the client and in case where the regulatory requirements are not satisfactory to the ICD, additional covenants will be included.

## EXIT STRATEGY AND REPAYMENT PROGRAM

### *Equity and Quasi-Equity*

A clear and definitive exit strategy must be foreseen prior to ICD undertaking any equity investment. In any event, the point of exit must not exceed seven years from the date of implementing the investment.

The exit route may be through any of the following:

- i. Public flotation on a stock exchange.
- ii. Private placements.
- iii. Put options/Buyback options to be entered with the sponsors of the project/company.
- iv. Redemption of the investment by the company (for quasi-equity)
- v. Management Buyouts.

### *Term Financing*

The structuring of the repayment program should be based on the repayment capability of the client and will either be in the form of:

- i. Equal installments (either monthly, or quarterly or any other fixed interval period)
- ii. Repayment in the form of ballooning basis.
- iii. Lump sum (bullet) repayment from definite sources.
- iv. Repayment through redemption of certain percentage of revenue stream.

## OTHER PRODUCTS

### *Indirect Financing through Funds*

ICD may establish funds, on a country or regional basis, in promising sectors, such as telecommunications, new technologies, health, etc. The objective of establishing such funds is to make a development impact on the concerned country through contributing in the capital of successful companies and achieve capital gains for ICD.

### *Co-Financing and Syndication*

ICD can participate in co-financing of projects with other financing institutions. In some cases, ICD shall play a catalyst role in mobilizing other financiers in favor of a project.

ICD can structure and participate in syndications to

mobilize additional resources in favor of its clients and facilitate their access to the Islamic capital markets.

### *Securitization*

ICD may carry out securitization as a means to mobilize resources for its own operations or as a remunerated service to its clients.

## PROJECT INFORMATION BRIEF

The ICD cares about the efficiency in dealing with its clients and aims at having a prompt project processing cycle and decision making process. As a result, the ICD gives prime importance to the relevance, quality and accuracy of the project information provided by the clients in relation to any project.

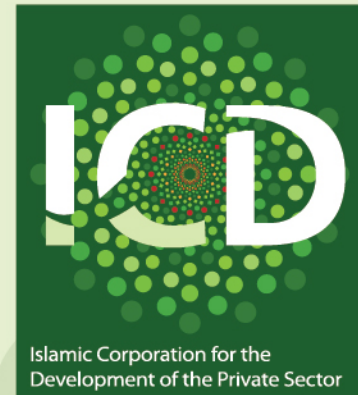
When undertaking a preliminary evaluation of a project, the ICD requires the following information:

- i. Description and objectives
- ii. Details on company and sponsor
- iii. Ownership structure
- iv. Market
- v. Project cost
- vi. Financing requirements

Further, following a first expression of interest in the request by the ICD, the basic information on the project has to be complemented by a feasibility study and other relevant information that the ICD may request.

### Contact Details:

Islamic Corporation for the Development of the  
Private Sector (ICD)  
P.O.Box 54069, Jeddah 21514  
Kingdom of Saudi Arabia  
Tel. +966 2 6441644 - Fax +966 2 644 4427  
E-mail: [icd@isdb.org](mailto:icd@isdb.org)  
Website: <http://www.icd-idb.org>



Member of the Islamic  
Development Bank Group

Enabling Enterprise,  
Building Prosperity

## INVESTMENT GUIDELINES



Islamic Corporation for the  
Development of the Private Sector

January 2019

## Islamic Corporation for the Development of the Private Sector

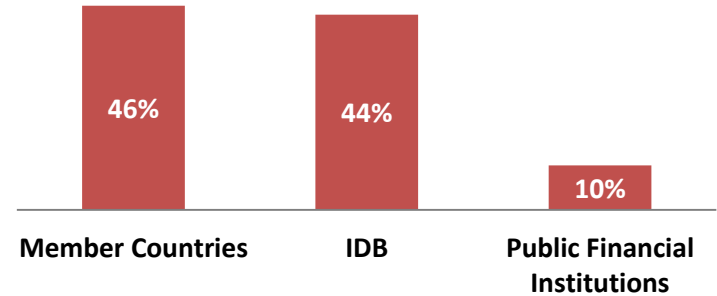
Member of the Islamic Development Bank (IsDB) Group

# ICD - The Private Sector Arm of the IsDB Group



**1 ICD Group Organization**  
 ICD is the private sector arm of IDB, a multilateral development finance institution

**2 Capital Base and Shareholding**  
 ICD was established in 1999, and has authorized capital of USD 4bn, capital available for subscription of USD 2bn and paid up capital of USD 1.2 bn



**3 Strong Credit Rating**  
 ICD is rated Aa3' by Moody's, 'AA-' by Fitch, and 'A+' by S&P.

# ICD - Member Countries

*ICD, with its 54 member countries, provides access to financing and investment opportunities in some of the fastest growing economies and regions in the world*

## North Africa

Bridge between vibrant Asian economies, European-Mediterranean partnership opportunities and Africa's significant potential for development.



## CIS & Europe

Opening up of economies, Improved regulations and business environment presents attractive investment avenues



## Sub Sahara Africa

Sub-Saharan Africa includes some of the fastest growing economies



## South East Asia

Region represents some of the biggest consumer markets and fastest growing economies



## Middle East

Middle East represents hub of Islamic Capital and Finance in the World with approx. more than 1 Trillion Dollar of investment capital available to be deployed



# ICD - Member Countries

- 
- |   |               |   |               |   |              |   |              |
|---|---------------|---|---------------|---|--------------|---|--------------|
|    | Albania       |    | Egypt         |    | Libya        |    | Senegal      |
|    | Algeria       |    | Gabon         |    | Malaysia     |    | Sierra Leone |
|    | Azerbaijan    |    | Gambia        |    | Maldives     |    | Sudan        |
|    | Bahrain       |    | Guinea        |    | Mali         |    | Suriname     |
|    | Bangladesh    |    | Guinea Bissau |    | Mauritania   |    | Syria        |
|    | Benin         |    | Indonesia     |    | Morocco      |    | Tajikistan   |
|    | Brunei        |    | Iran          |    | Mozambique   |    | Tunisia      |
|    | Burkina Faso  |    | Iraq          |    | Niger        |    | Turkey       |
|    | Cameroon      |    | Jordan        |    | Nigeria      |    | Turkmenistan |
|    | Chad          |    | Kazakhstan    |    | Pakistan     |    | UAE          |
|    | Comoros       |    | Kuwait        |    | Palestine    |    | Uganda       |
|   | Côte d'Ivoire |   | Kyrgyzstan    |   | Qatar        |   | Uzbekistan   |
|  | Djibouti      |  | Lebanon       |  | Saudi Arabia |  | Yemen        |
|   |               |  | Somalia       |  | Afghanistan  |   |              |

# ICD Offering

*ICD mainly utilizes 4 groups of product offerings for developing the private sector*

1	<b>Financial Sector</b>	Line of Finance Institutional Equity
2	<b>Real Sector</b>	Term Finance Corporate Equity
3	<b>Asset Management</b>	SME Fund Income Fund Private Equity Fund
4	<b>Advisory Services</b>	Islamic Financial Institutions Development Program Sukuk and Capital Markets Program Industry and Business Environment Support Program

# Milestone Achievements in Operations (as of end of 2017)

## Highlights of ICD's Achievements

CUMULATIVE  
DISBURSEMENT OF

**\$2.65  
Billion**  
SINCE INCEPTION

CUMULATIVE  
APPROVAL OF

**\$5.9  
Billion**  
SINCE INCEPTION

APPROVALS  
EXTENDED TO

**51**  
COUNTRIES SINCE  
INCEPTION

DISBURSEMENT/  
APPROVAL RATIO

**44%**  
IN THE LAST 3  
YEARS (AVERAGE)

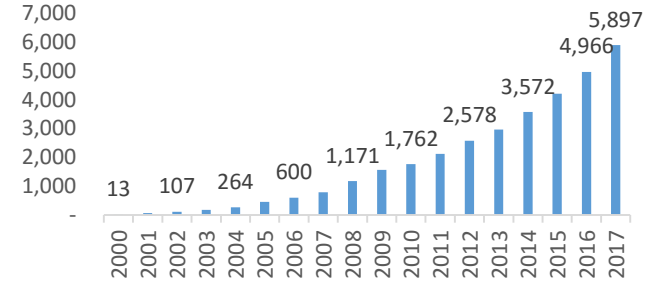
CAGR OF  
Cumulative  
APPROVALS

**15%**  
IN THE LAST 3  
YEARS

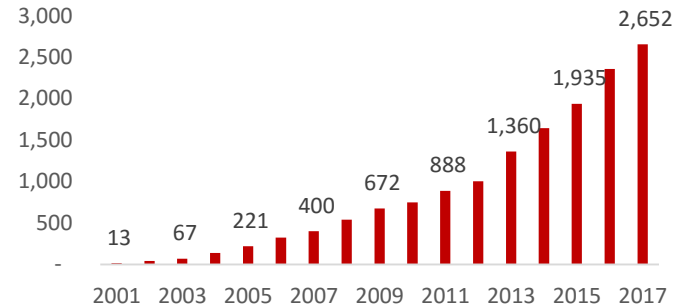
APPROVALS FOR

**>390**  
Projects

## Cumulative Gross Approvals (\$ Million)

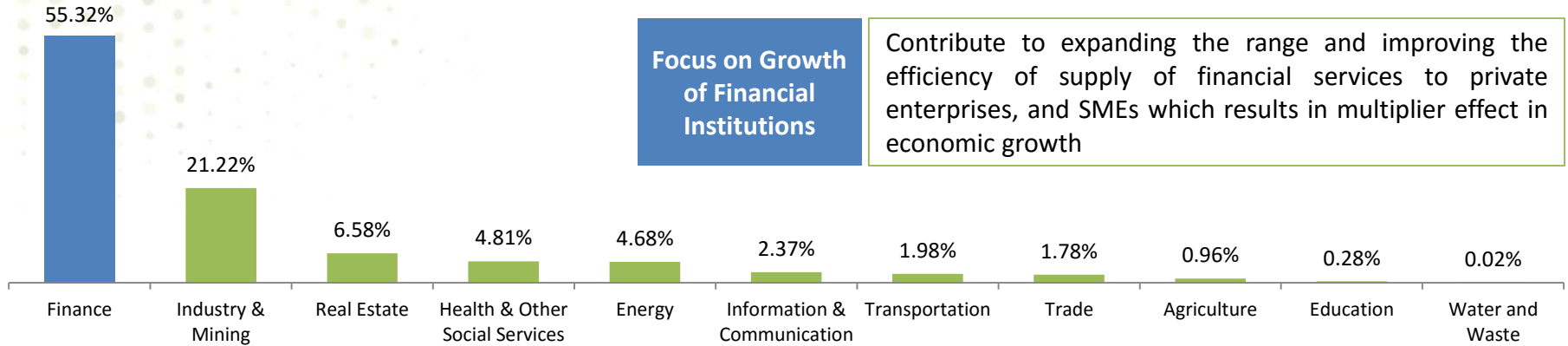


## Cumulative Disbursements (\$ Million)



# Regional & Sectorial Breakdown of ICD Operations

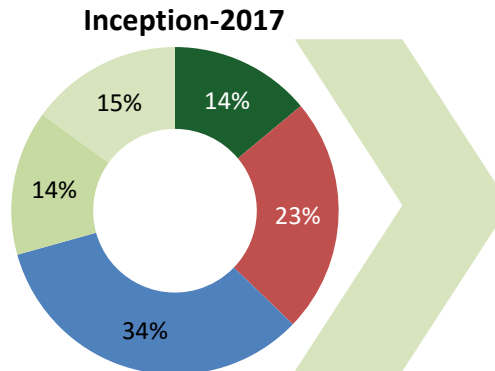
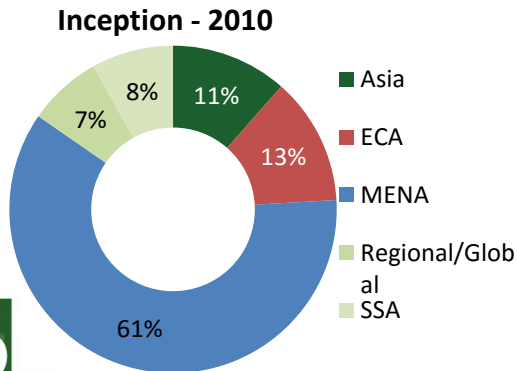
Approvals since inception, by sectors (%)



Focus on Growth of Financial Institutions

Contribute to expanding the range and improving the efficiency of supply of financial services to private enterprises, and SMEs which results in multiplier effect in economic growth

Approvals since inception, by regions (%)



- Focus shifting away from pure MENA region investments
- Central Asian and Sub Sahara Countries offering high growth opportunities
- Increased focus on developing and acquisition of regional expertise in Asia, ECA and SSA region

# ICD Development Effectiveness Results - 2017



**95,609**

people opened  
new Islamic  
finance accounts



**9,367**

micro, small and medium  
sized enterprises  
(MSMEs) were provided  
with new funding



**USD 1.2bn**

outstanding  
deposits were  
recorded



**10,795**

new employees  
were hired by ICD  
clients/partners



**USD 13m**

was spent in  
community  
development



**USD 629m**

export sales was  
generated



**USD 612m**

value of net Inflows  
of foreign currency  
was generated



**USD 445m**

In goods and  
services were  
purchased locally



**USD 113m**

were collected In taxes  
for government  
revenues



**603**

employees were trained in  
Islamic finance or In  
Business Continuity Plan

# EXTENSIVE PARTNERSHIP NETWORK OF LEADING MDBs AND DFIs



# Our 10 Year Strategic Direction & Targets

## IDB Group 10-Year Strategy

*In response to member countries demand, the IDB Group prepared a 10-year strategy, which resolves around five strategic pillars:*

1) Economic and  
Social  
Infrastructure

2) Islamic  
Finance Sector  
Development

3) Private  
Sector  
Development

4) Social  
Development

5) Cooperation  
between MCs

## ICD's 2024 Targets

Generate 400K  
new job  
opportunities

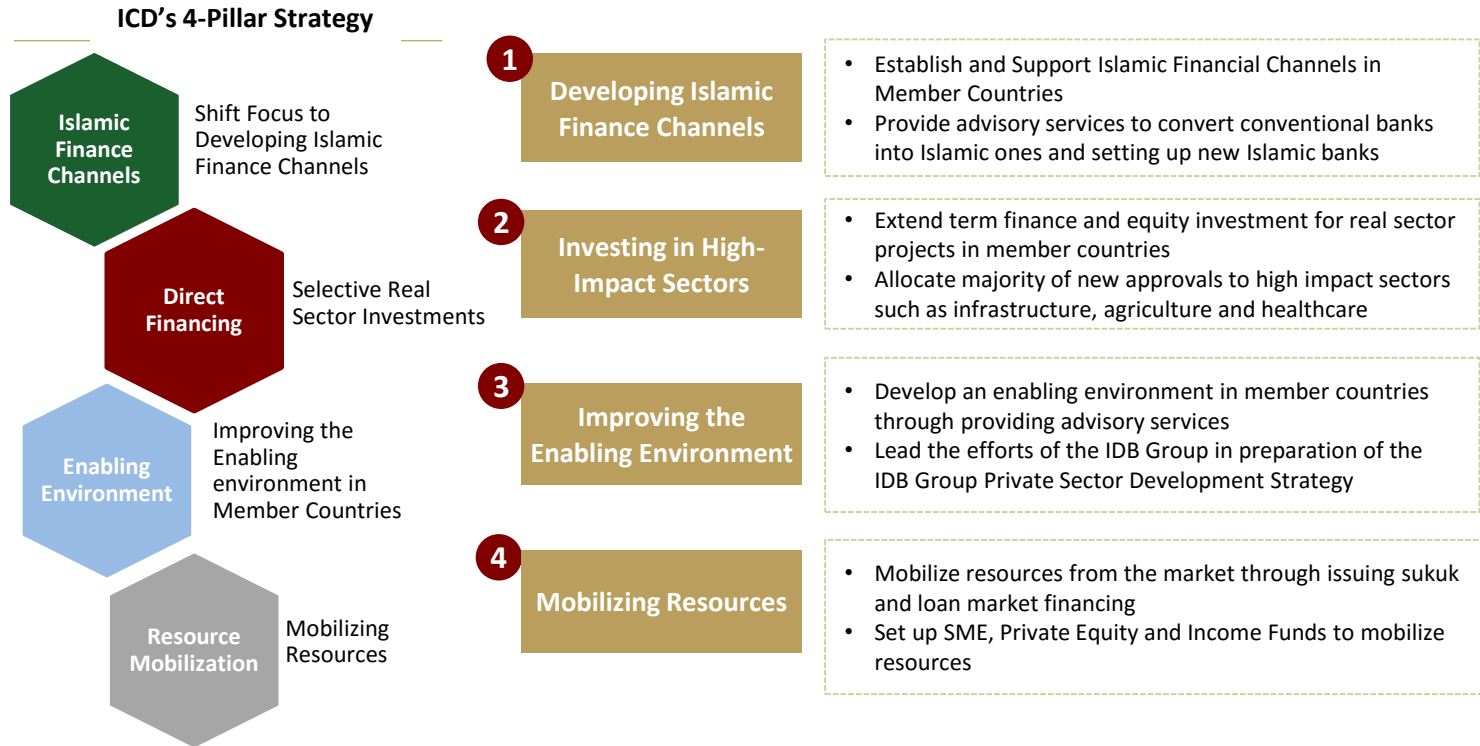
Provide access to  
finance for 40,000  
SMEs

Maintain and  
Further Improve  
AA Rating

Achieve \$14Billion  
Approval and  
\$8Billion  
Disbursement

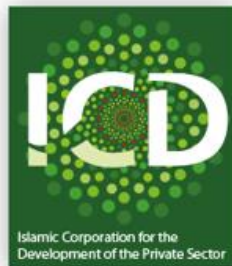
Generate Average  
ROE of 1.5%

# ICD's 4-Pillar Strategy



# THANK YOU

---





الغرفة الإسلامية للتجارة والصناعة والزراعة  
Islamic Chamber of Commerce, Industry & Agriculture  
La Chambre Islamique de Commerce d'Industrie et d'Agriculture

No. 35/IDB/0051

Honorable Members,

السلام عليكم ورحمة الله وبركاته

**Sub ICCIA's Initiative to introduce Islamic Development Bank Group's Programmes for the Member Chambers**

The General Secretariat of Islamic Chamber of Commerce, Industry and Agriculture (ICCIA) presents its compliments to its Member Institutions and has the honor to state the following:

ICCIA as part of its program is continuously exploring new avenues, which could facilitate opportunities to increase economic cooperation among the Private Sector of the Member States. In this context, some of the OIC Institutions, have programmes, which could benefit the Member Chambers. Within the Islamic Development Bank Group, there are some programmes, which could be of interest to Member Chambers.

In order to facilitate the Private Sector, the ICCIA has had meetings with various departments of the IDB Group to determine how the IDB Group could be involved with the Private Sector.

In this respect, the Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral development financial institution and is member of the Islamic Development Bank Group. It fosters sustainable economic growth in its 54-Member Countries by financing Private Sector investment, mobilizing capital in the international financial markets, and providing advisory services to business and governments. ICD financing projects are selected on the basis of their contribution to economic development considering factors such as job creation, Islamic finance development, contribution to exports etc. ICD also provides advisory services to governments and private sector groups on policies designed to encourage the establishment, expansion and modernization of private enterprises, development of capital markets, best management practices and to enhance the role of the market economy. Furthermore, ICD operates to complement the activities of the IDB in member countries and also that of national financial institutions.

In view of the above, the Honorable Member Institutions are requested to kindly study the enclosed information and to encourage their members to identify viable projects as per the attached Investment Guidelines, for possible consideration by the ICD. For further information and query, they may visit this link: <https://icd-ps.org> and contact the ICCIA or ICD at the following address:

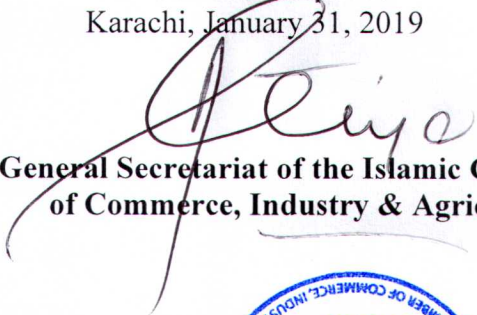
The Islamic Corporation for the Development of the Private Sector (ICD)  
P.O. Box 54069 Al-Nazlah Al-Yamaniyah  
Jeddah 21514, Kingdom of Saudi Arabia  
Tel: +966 12 6441644/+966 12 6361400  
Fax: +966 12 6444427  
Email: [icd@isdb.org](mailto:icd@isdb.org) / [obuyukmutlu@isdb.org](mailto:obuyukmutlu@isdb.org)

.../

A brief presentation of ICD is **attached** herewith alongwith the Investment Guidelines mentioning eligibility criteria, type of projects, tenure of financing and other terms and conditions for applying for ICD's investment and advisory facilities.

The General Secretariat of the ICCIA avails itself of this opportunity to renew to the Member Institutions, the assurances of its highest consideration.

24 Jumadal Ula 1440  
Karachi, January 31, 2019

  
The General Secretariat of the Islamic Chamber  
of Commerce, Industry & Agriculture



**ALL MEMBER INSTITUTIONS**

cc: The Islamic Corporation for the Development of the Private Sector (ICD), Email: [icd@isdb.org](mailto:icd@isdb.org) / [obuyukmutlu@isdb.org](mailto:obuyukmutlu@isdb.org)

Encl. ICD presentation & Investment Guidelines

Draft-2019/circular-ICD financing