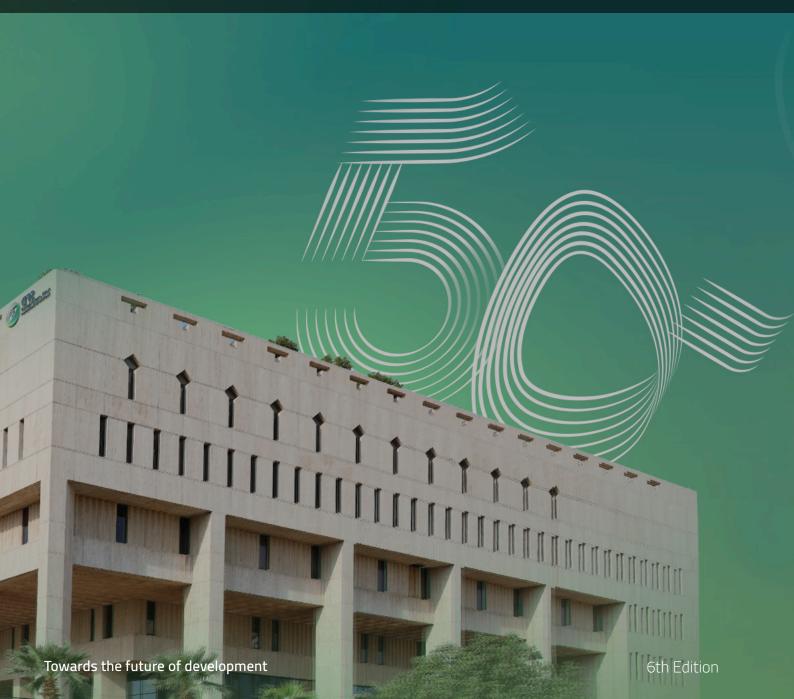
## **Khuta**

A Monthly Newsletter Published by the Development Ecosystem in the Kingdom.



# Saudi Fund for Development: 50 Years of Global Impact

20\$ Billion Funding Supports Over 800 Development Projects and Programs in more Than 100 Countries



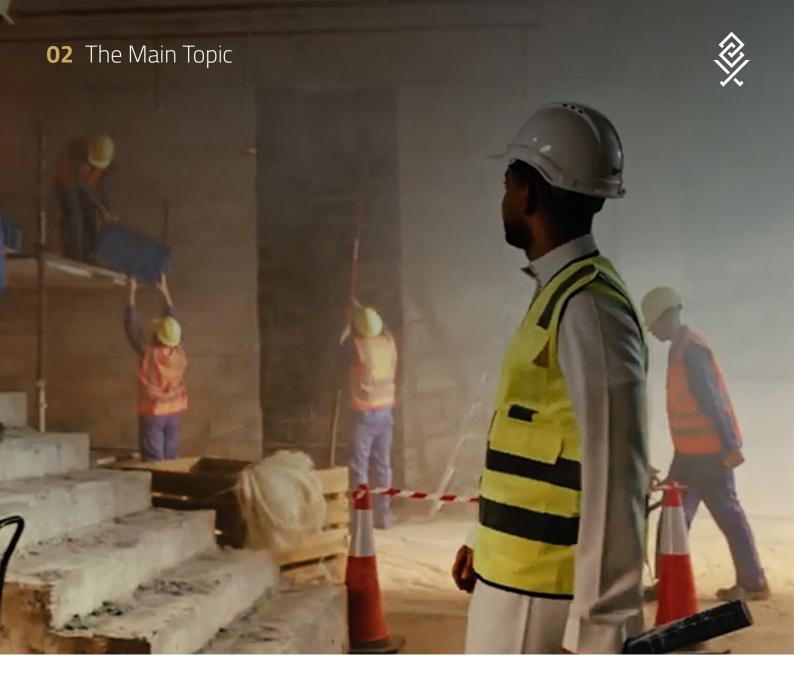
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The latest edition of the <code>Khuta></code> newsletter, coinciding with International Humanitarian Day, highlights Saudi Arabia's five-decade history of funding development projects to assist the least developed countries. It features in-depth coverage of the Saudi Fund for Development's substantial contributions and includes an exclusive interview with the Saudi Fund for Development's CEO.

The newsletter also highlights the recent progress in the development ecosystem, particularly the recent agreement signed between the National Development Fund and Northern Trust. This agreement appoints Northern Trust as the custodian of the Fund's assets under management, facilitating the consolidation of the assets, books, and records of all development funds and banks in the Kingdom into a unified portfolio, estimated at over SAR 60 billion.





### Funding Development Projects in the Developing Countries: Unleashing Potential and Enhancing Growth

#### **Helping Least Developed Countries with Soft Loans**

The Saudi Fund for Development (SFD) was established as a governmental institution by Royal Decree No. M/48, issued on 14/08/1394 AH, corresponding to 01/09/1974. Its goal is to provide support in the form of soft loans to finance development projects in developing countries, thereby boosting their economic and social growth. The SFD serves as Saudi Arabia's arm for international development. In addition to offering soft loans,

the Fund undertakes grant projects and development programs financed by the Saudi government to support the least developed and poorest countries. The Fund operates following international development principles and methodologies and collaborates with numerous regional and international organizations to enhance development aid.

#### **02** The Main Topic



## Development Impact in 100 Developing Countries

Since its establishment, the Saudi Fund for Development has expanded its operations to include many developing countries, targeting the infrastructure and production sectors with a particular emphasis on the Asian and African continents. For 50 years, the Fund has financed over 800 development projects and programs in over 100 developing countries worldwide, with a total value exceeding 20\$ billion. The Fund supports countries with limited economic and financial resources, especially landlocked nations struggling with slow growth, extreme poverty, socioeconomic issues, natural resource scarcity, and overpopulation. It directs loans toward developing essential infrastructure, such as expanding transportation and communication networks, supporting healthcare, developing human resources, providing energy, ensuring food and water security, protecting the environment, offering affordable housing for low-income individuals, and fostering industrial and mining activities.

## Securing Water Resources for Future Generations

Last July, the Saudi Fund for Development signed a memorandum of understanding for a 4\$ million grant as part of the fifth phase of the Saudi Program for Digging Wells and Rural Development in Africa, initiated by the Kingdom through the Fund. The project includes 23 supply systems in 23 rural areas, benefiting approximately 15,000 people. This initiative contributes to enhancing water and food security, providing potable water, combating drought in Uganda, and reducing diseases and epidemics caused by contaminated water. Such projects demonstrate the Fund's commitment to achieving the Sustainable Development Goals, especially Goal 6, which aims to wensure the availability and sustainable management of water and sanitation for all.»





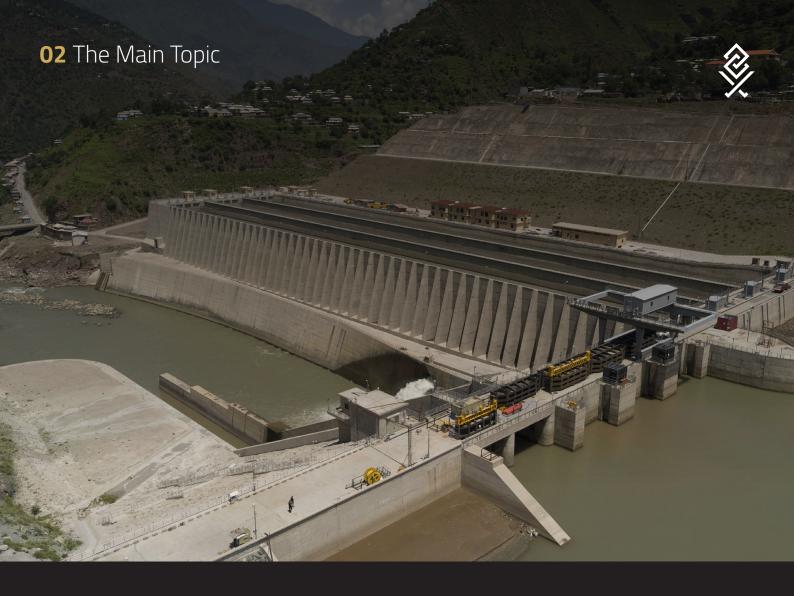


#### Development Lending: Record-Breaking Figures in 2023

During the fiscal year 2023, the Fund's lending activities experienced significant growth as operations extended to include nine additional countries: Angola, Antigua and Barbuda, Saint Vincent and the Grenadines, Belize, the Cooperative Republic of Guyana, the Bahamas, Saint Lucia, Grenada, and Argentina. In the same year, the Fund allocated resources to development projects in developing nations, with a particular emphasis on economic and social priorities. It signed 40 loan agreements with 29 developing countries, totaling SAR 7,661.26 million. The value of these projects was SAR 2,943.75 million for 21 projects in Africa, SAR 1,838.75 million for five projects in Asia, and SAR 2,878.76 million for 14 projects in Latin America and the Caribbean.

# Enhancing Infrastructure and Road Safety

As part of its efforts to further support infrastructure development, the Saudi Fund for Development has signed an additional development loan agreement exceeding 14\$ million to finance the Pristina-Mitrovica highway. The project's objectives include renovating essential services along this route, enhancing safety measures to prevent accidents, enabling the daily transportation of 27,000 vehicles, providing employment opportunities, promoting social development, and stimulating economic activities in Kosovo to achieve the Sustainable Development Goals.



# Development Projects and Programs by SFD in the Developing Countries

**800** development projects and programs have received funding over **50** years.

20 \$ billion in funding has been provided for completed projects and programs.

9 new countries were incorporated into the Fund's lending operations.

+100 developing nations have witnessed the execution of development programs and projects.

**40** loan agreements have been conducted with **29** countries valued at around SAR **7.6** million in 2023.

# **%**

#### Addressing "KHUTA"

#### Al-Marshad: The Private Sector Contribution to SFD-Supported Projects in Developing Countries Reached SAR 15.5 Billion By 2023

Mr. Sultan Abdulrahman Al-Marshad, CEO of SFD, stated that the Fund has a deep-rooted historical heritage and a successful developmental trajectory. He highlighted the Fund's commitment to global development efforts by adopting and managing development initiatives and programs that support countries with limited economic and financial resources. Moreover, Al-Marshad noted that the Fund aligns with development goals that uphold the Kingdom's comprehensive structure of development collaboration with developing countries. He emphasized that the Fund allows international corporations to engage in project execution by offering public tenders following precise and transparent procedures. He discussed this and more in an exclusive interview with the «Khuta» newsletter.

1. It has been half a century since the inception of the Saudi Fund for Development. What achievements have these fifty years yielded?



This September, we the 50th anniversary of establishing the Saudi Fund for Development. journey, spanning more than five decades, began with the Fund's establishment in 1974 by royal decree during the reign of King Faisal bin Abdulaziz Al Saud - may Allah have mercy upon his soul. It has charted a course for sustainable development, bolstered vital sectors, and supported sustained diverse communities, thereby influencing the developmental impact of those countries and offering a vision for building a prosperous future for all.

"A 50-year legacy of giving and a historic story of progress"...



#### **03** The Interview



# 2. Over the past five decades of the Fund's developmental endeavors, how would you describe this journey, and what are the Fund's criteria for choosing projects to receive financial support?

The Fund has a deep-rooted historical heritage and a successful developmental trajectory. Each of its projects has a long-lasting impact, narrates a captivating story, offers committed assistance, and nurtures innovative capacities to benefit developing communities. This aligns with its prominent role in assisting recipient nations globally in overcoming the challenges that impede their progress in development. Regarding the Fund's operational methodology, it emphasizes consolidating global efforts through initiatives and development programs that it adopts and manages to assist countries with limited economic and financial resources, particularly those marked by a deficiency in fundamental development needs or those that are less developed and more impoverished. This includes landlocked countries facing economic and social challenges such as limited natural resources and rapid population growth. These countries often struggle to achieve global development goals. While the Fund primarily focuses on Africa and Asia, its development aid is not geographically restricted and extends to many world regions, including small island developing states.

«A deep-seated heritage, a sustainable impact on development, and successful global collaborations»

## 3. What are the key contributions of the Fund in effectively attaining the SDGs for developing nations?

The SFD strictly adheres to development goals that align with the Kingdom's overarching framework of development collaboration with developing nations. We take into account the most recent advancements in global development and the path that countries receiving the Fund's loans are taking in their development plans in light of the commitment made by His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister – may Allah protect him – regarding the Kingdom's dedication to promoting diverse development initiatives, including climate change, food security, renewable energy, water security, and digitalization, and striving to align with these initiatives.

The Fund's loans, focusing on critical sectors, aim to deliver lasting developmental impacts in recipient countries, thereby improving the quality of life for individuals, communities, and economies. This includes but is not limited to providing essential services and expanding their reach, enhancing healthcare and education, alleviating poverty, scaling up the financial sector, and supporting capacity building in the execution of development projects to contribute to the attainment of the SDGs.

"1974: A proactive development step, shaping a future with sustainable influence."

#### 4. To what extent does the Fund facilitate the integration of the Saudi economy into the regional and global ecosystem by providing avenues for the private sector to engage in projects financed by the SFD?

The Fund acknowledges the accumulated expertise and competitive advantages of the private sector in the Kingdom in consultancy, contracting, and material supply. This has significantly contributed to the Kingdom's current progress. Therefore, the Fund's mission is to leverage the Kingdom's capabilities to support the countries that benefit from its loans. This is achieved by allowing the private sector to compete for these projects. Furthermore, the Fund enables international corporations to participate in project execution by offering public tenders that adhere to clear and transparent procedures. By the end of the fiscal year 2023, the private sector had contributed over SAR 15.5 billion to the execution of various projects launched by the Fund in developing countries.

«Throughout the years, by working in several sectors, our vision has evolved to become a comprehensive strategic partner that promotes sustainable economic growth.»

#### 5. What are the Fund's future plans?

The Fund is diligently carrying out the wise leadership's directives - may Allah safeguard them - in strengthening the Kingdom's developmental cooperation with diverse countries, organizations, and international development agencies. The Fund's lending activities align with worldwide development initiatives. It is working to enhance its development endeavors in developing countries underpinned by a development strategy supervised by His Excellency the SFD Chairman of the Board of Directors, Mr. Ahmed bin Aqeel Al-Khateeb, and the Board members. The plans aim to maximize development impact and leverage the Kingdom's capabilities and expertise through partnerships with recipient countries.

#### 6. On what basis does the Fund partner with international and regional entities to advance development in developing nations?

The Fund is a member of the Arab Coordination Group (ACG), an establishment that brings regional and international development funds and institutions together. The ACG s goal is to optimize development aid by effectively coordinating the skills and abilities of its member institutions. It provides support for securing funding and managing related procedures, especially for extensive projects and programs that surpass the capacity of any single institution. Additionally, the ACG aims to achieve shared goals and foster a direct link between development aid and other economic ties in recipient countries. Moreover, the Fund collaborates with United Nations organizations such as the United Nations High Commissioner for Refugees (UNHCR), the United Nations Development Programme (UNDP), and the United Nations Office for Project Services (UNOPS), as well as other international development actors.



#### Gambia University's New Campus: A Revitalization of Academic Aspirations

Houria J. Touray, a Gambian student majoring in biology, stood captivated at the entrance of the recently inaugurated «Faraba Banta» campus of the University of Gambia. Her eyes, filled with admiration and pride, reflected her joy for her university and country.

The generous 10\$ million grant from the Saudi Fund for Development has made this project a reality. This initiative is part of the Fund's continuous endeavors to strengthen the education sector in developing countries, underscoring the pivotal role education plays in fostering prosperous communities.

With a broad smile, Houria exclaimed, "This building is truly impressive! It gives me the impression that we have embarked upon a new epoch of education. The larger classrooms and increased capacity are a warm welcome for students to delve into the profound depths of their knowledge."

She stated, "The facilities are fully furnished with all the necessary amenities, and the environment is tranquil and ideal for learning. I take great pride in my enrollment at a university of such high merit, and I am grateful to all those who have provided support to this educational establishment, which signifies a substantial leap in our scholarly pursuits."

The SFD is actively involved in significant endeavors and initiatives to enhance the education sector in developing countries. This is achieved by providing financial assistance to support the development of educational infrastructure and human resources.







## World Humanitarian Day: A Heartfelt Message Reaching Out To Those in Need

Every year on August 19th, the world commemorates "World Humanitarian Day" as a tribute to humanitarian aid workers who risk their lives and safety to support those in need and assist the affected. While executing their humanitarian mission, they may be injured or even die. Humanitarian work has a long history in civilizations and has been essential to societal values and traditions since ancient times.

Aid operations are facing increasing challenges, including growing refugee populations, internally displaced persons, homelessness, and the escalating frequency and severity of natural disasters and humanitarian crises. Under these circumstances, this global event serves as a platform for exchanging experiences and lessons learned, launching initiatives that support humanitarian endeavors, enhancing crisis response, contributing to the achievement of sustainable development, and raising awareness of the importance of humanitarian work and its role in promoting principles of solidarity and aiding individuals facing challenges in accessing their basic needs.

Fostering a culture of humanitarian volunteerism among young people is a collective obligation. It helps the development of a civilized generation. Given the importance of this factor, it is essential to take concrete steps such as educating young people about the value of volunteer work and its benefits to society, providing them with volunteer opportunities, involving them in programs and projects implemented by various organizations, and developing their skills to address humanitarian challenges in more effective ways.



# Saudi Arabia is the first country in FIFA World Cup history to host 48 teams on its own



The Kingdom of Saudi Arabia has submitted a robust and allencompassing bid to host the 2034 FIFA World Cup. Presented in Paris at a FIFA-organized event, the bid embodies the nation's goal of hosting the world's most prestigious football tournament.

His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister of Saudi Arabia - may Allah safeguard him - has approved the Kingdom's nomination file. This signifies that Saudi Arabia has fulfilled all the criteria for hosting the event. This move supports the sports-related objectives of Saudi Vision 2030 and the aspirations of the Saudi youth.

Saudi Arabia plans to host matches in five prominent cities: Riyadh, Jeddah, Dammam, Abha, and NEOM, a significant, futuristic urban

project in the Kingdom. With 48 teams, Saudi Arabia will become the first Arab nation to host the World Cup finals alone.

This sports initiative is one of many diverse initiatives implemented across various sectors. Notably, the Kingdom recently hosted the Esports World Cup. A significant investment of SAR 300 million was allocated by the National Development Fund to the gaming and esports sector in 2022. This amount was raised to SAR 1.09 billion by the end of 2023. Moreover, the Kingdom has been chosen to host Expo 2030 alongside other initiatives that align with its prospects. These initiatives aim to promote investments, tourism, and commercial activities, thereby fostering sustainable economic and social development in accordance with the goals of Saudi Vision 2030.



#### National Development Fund Appoints Northern Trust as Custodian for Assets Under Management Estimated at More Than SAR 60 Billion

As part of its transformation into a global development finance institution, the National Development Fund (NDF) has agreed to appoint the Northern Trust Company of Saudi Arabia (Northern Trust), as its custodian for assets under management. Northern Trust will be custodian to the NDF's assets, one of the world's largest custody projects in terms of assets under management, by consolidating the assets and books and records of all development funds and banks in the Kingdom of Saudi Arabia under a unified portfolio estimated at more than SAR 60 billion.







The agreement aims to enhance the NDF's capabilities and achieve its strategic objectives. The custodian plays a crucial role in transferring capital from development funds and banks, consolidating them under the NDF's umbrella. The agreement also contributes to improved asset management and increased financial transparency and efficiency by integrating and simplifying financial operations related to asset management, leading to reduced operating costs, increased effectiveness, and improved operational efficiency and financial security. This, in turn, contributes to achieving the Fund's objectives and achieving higher economic returns and long-term

financial sustainability, positively impacting the national economy and sustainable development in the Kingdom.

The custodian's primary tasks include safeguarding the Fund's assets to enhance their security and sustainability, executing daily financial operations such as transaction registration and providing accurate reports on the assets' status and performance. Additionally, the custodian ensures that the Fund's assets are managed efficiently and transparently and contributes to achieving the Fund's strategic objectives by enhancing financial efficiency and adhering to high financial standards.



# NDF Organizes Workshops to Improve Credit Lifecycle and Portfolio Management

The National Development Fund organized a series of workshops designed for the development ecosystem (affiliated funds and banks) during the first quarter of 2024. This was made in accordance with the recommendations of the Fund's Board of Directors, which aimed to review ways to manage the credit portfolio to improve its quality and management, issue credit life cycle rules and guidelines, establish an oversight framework for the Fund's affiliates, and enhance cooperation, coordination, and alignment among them.

Mr. Sultan bin Hamad Al-Qaba'a, the Executive Director of Credit Risk Management and Control, asserts that adopting credit lifecycle regulations and guidelines positively impacts the whole development

ecosystem. This goal is achieved by effectively optimizing the operational environment, improving the quality of the credit portfolio and its monitoring and management, advocating for financial discipline, and adopting financial practices that adhere to well-recognized local and global standards. Furthermore, it improves the financial health of the Fund and development ecosystem, ensuring the full enforcement of regulatory rules and guidelines across all entities within the development ecosystem.

Notably, these workshops align with the NDF's strategic transformation to become a leading global development financial institution, directly contributing to financial sustainability as specified in Saudi Vision 2030.

#### صندوق Tourism التنميية Development السياحي Fund

# TDF Supports Projects with SAR 11 Billion

The Tourism Development Fund significantly boosted the tourism industry by allocating around SAR 4.8 billion in support for diverse projects in the previous year. This brings the total funding over a three-year period to SAR 11 billion. In 2023, Saudi Arabia rose to the top of the UN list for growth in the number of international tourists compared to 2019, establishing itself as a prominent global tourism destination. The number of tourists arriving in 2023 experienced a significant 56% surge in comparison to 2019.

#### Saudi EXIM Bank Credit Facilities Rise To SAR 16.31B

The Saudi Export-Import Bank achieved a significant leap in credit facilities it offered in the first half of 2024, reaching a total of SAR 16.31 billion, up 128% year-on-year compared to SAR 7.15 billion for the same period last year. This expansion demonstrates the bank's commitment to bolstering Saudi non-oil exports and expanding the Kingdom's global market reach. Since its establishment in 2020, the bank has consistently broadened its operations.



# Saudi EXIM Bank and Brazilian Development Bank Sign MOU

The Saudi Export-Import Bank and the Brazilian Development Bank signed a Memorandum of Understanding to enhance cooperation between the two countries. The agreement outlines a structure for improving the exports of products and services, exploring the potential for joint financing, and exchanging information. The primary goal of this initiative is to promote bilateral trade and enhance Saudi non-oil exports to the Brazilian market





# SDB Concludes Participation in G20 YEA 2024 Summit

The Social Development Bank concluded its participation in the Group of Twenty (G20) Young Entrepreneurs' Alliance (YEA) Summit 2024, which took place in Brazil from June 12 to 16. During the summit, the Bank reviewed its various initiatives and financing programs designed to support and empower SMEs, startups, and freelancers. Meanwhile, the SDB emphasized the potential for Saudi products to penetrate global markets through the <Tajseed> program.

## SDB Concludes "GameThon" Challenge

The Social Development Bank concluded the "GameThon" challenge at Riyadh Boulevard, a 72-hour event, and announced the winning teams in various tracks. The number of teams participating in the challenge reached 30, competing to invent electronic games to promote saving and financial awareness. The total value of the cash prizes distributed to the winners was SAR 100,000.



#### **HRDF Provides an Exception** to One of the "Employment **Support" Conditions**

The Human Resources Development Fund has made an exception to one of the conditions of its Employment Support Product, demonstrating its commitment to supporting and empowering private sector institutions and increasing the Saudization of job opportunities in line with the changes and transformations occurring in the labor market. The exception allows establishments to submit support requests from the 91st to the 270th day after the employee's registration with the General Organization for Social Insurance.



## ADF signs MoU with the Municipality of Madinah

The Agricultural Development Fund has signed a memorandum of understanding with the Municipality of Madinah Region to support farms situated in urban areas that are under the municipality's authority in sectors that are funded by the fund. Additionally, the agreement aims to support the agricultural sector in the Madinah Region. The MoU helps to deliver on the Fund's responsibility to support agricultural projects that contribute to national goals and improve building capabilities in line with Saudi Vision 2030.



#### Kafalah signs MoU with Thara

The Loan Guarantee Program for Small and Medium Enterprises "Kafala" has signed a memorandum of understanding with Thara Crowdlending, a fintech company specializing in real estate development projects. As stated by Kafala, the memorandum seeks to explore collaboration possibilities and develop financial products to support SMEs in the real estate sector.







#### 3424 Saudi Women-Owned Enterprises Benefited From Kafala

3,424 women-owned enterprises have benefited from the Loan Guarantee Program for Small and Medium Enterprises Kafala, securing collective financing of SAR 7.9 billion, with guarantees amounting to SAR 5.9 billion. According to Mr. Hamam Hashim, the CEO of Kafala, the program offers specific advantages to women entrepreneurs, which enable them to obtain the required funding for expanding their businesses.





Kafalah

### SME Bank Organizes a Commercial Franchise Tour Workshop

The Small and Medium Enterprises Bank, in collaboration with the Small and Medium Enterprises General Authority "Monsha'at" in Al Khobar, organized a workshop titled "An Overview of the Services Provided by the SME Bank" as part of the franchise tour. The workshop provided a complete overview of the concept of franchising, including its various types and the range of services offered by the Franchise Center. It also provided guidelines on acquiring and expanding a franchise and outlined the benefits and drawback.

# SME Bank participates in G20 YEA Summit

The Small and Medium Enterprises Bank participated in the G20 Young Entrepreneurs' Alliance (YEA) Summit, held in Brazil. As part of its participation, the Bank showcased various cuttingedge financial products and solutions designed to assist both male and female entrepreneurs running small and medium-sized businesses.





# CDF Launches "Cultural Financing" Product

The Cultural Development Fund has announced the launch of the Kingdom's first-of-its-kind "Cultural Financing" product. This product is specifically designed to provide financial support for projects and businesses in the 16 cultural sectors. Its objective is to promote and maintain the cultural sector, improve its innovative outputs, maximize its impact on the Kingdom's GDP, and contribute to the growth of the national economy.













# Architecture and interior design Natural heritage Music Museums Museums Cultural and archaeological sites Performing arts Fashion Heritage Movies and visual shows Books and publishing Poetry Language Visual arts

# CDF Signs Agreements with Five Local Banks

The Cultural Development Fund has signed cooperation agreements with five major local banks at Fenaa Alawwal Cultural Centre: AlRajhi Bank, Alinma Bank, BSF, Arab National Bank, and Bank AlJazira. These agreements pave the way for the upcoming launch of the first financing solution of its kind in the Kingdom as part of the CDF's steadfast efforts and partnerships to bridge the public, private, and nonprofit sectors.

# SIDF Launches Industrial Hackathon in its Third Edition

The Saudi Industrial Development Fund has announced the start of registration for the third edition of the Industrial Hackathon, held under the slogan "Your creativity has an impact." The hackathon aims to foster the creativity of citizens and residents and capture their energies to deliver innovative solutions for the challenges faced by national factories. This aligns with the strategy of the SIDF, which emphasizes innovation and advancing development. The total value of the prizes in this edition surpasses SAR 1,400,000.



#### REDF Deposits over SAR 1 billion Into Sakani Beneficiary Accounts

The Real Estate Development Fund has deposited SAR 1,004,000,000 in the accounts of Sakani beneficiaries from the Ministry of Municipal and Rural Affairs and Housing and the REDF for August 2024. Mr. Mansour bin Madi, CEO of the REDF, stressed the need to provide various financing options specially designed to alleviate the financial burden on borrowers, including expenses associated with rent or construction.





