

The Use of Islamic Debt in Social Sector Projects

Full Description

This is a joint initiative of the World Bank Group and the Islamic Development Bank.

In many Organization of Islamic Cooperation (OIC) member countries, an increasing number of PPP infrastructure projects are being jointly financed by conventional and Islamic banks. While these projects bring together conventional and Islamic tranches, one frequently asked question is: how are these two financing classes integrated in a single project?

In this webinar, we will discuss the case of a hospital PPP project where both conventional and Islamic banks are present as lenders. The case will present the transaction structure and the documentation involved in the structure that put together these two types of lenders in one transaction, focusing on the *Istisna'a* modes of financing.

Istisna'a financing requires the Islamic banks to provide [fixed rate](#) of pricing, while the conventional lenders mainly provide long-term variable rate financing. This webinar will discuss the methodology applied to bring in the pricing parity between conventional and Islamic lenders in PPP projects.

While presenting the transaction structure, this webinar will also discuss the case of [security](#) sharing, treatment of some conventional fees by the Islamic banks, lenders' decision-making processes, and specifics of Islamic finance.

Webinar

Speakers

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