

Islamic Financing Formats Suitable for Financing Infrastructure Projects, Dubai Islamic Bank Case Study

صيغ التمويل الإسلامية الملائمة لتمويل مشاريع البنى التحتية، دراسة حالة بنك دبي الإسلامي

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المخلص: نهدف من خلال هذا البحث إلى بيان دور المصارف الإسلامية في تمويل مشاريع البنية التحتية التي تتطلب مبالغ ضخمة لتمويلها من خلال العديد من مصادر التمويل الذي توفره المصارف الإسلامية. توصلنا من خلال هذا البحث إلى أن بنك دبي يوفر صيغ ملائمة لتمويل مشاريع البنية التحتية، حيث قدرت نسبة مساهمة الاستصناع والمشاركة في تمويل البنية التحتية نسبة 34%، و قدرت مساهمة الصكوك في تمويل مشاريع البنية التحتية بـ 18%، ويوصي هذا البحث بضرورة تشجيع المصارف الإسلامية على تمويل مشاريع البنية التحتية نظرا لملائمة صيغ التمويل التي توفرها لمثل هذه تمويل مشاريع البنية التحتية نظرا لملائمة صيغ التمويل التي توفرها لمثل هذه المشاريع.

الكلمات المفتاحية: بنى تحتية، استصناع، مشاركة، صكوك، بنك دبي، إمارات.

Abstract : We aim through this research to explain the role of Islamic banks in financing infrastructure projects that require huge sums to finance them through many sources of financing provided by Islamic banks. Through this research, we found that Dubai Bank provides appropriate formulas for financing infrastructure projects, where the proportion of contribution and participation in infrastructure financing was estimated at 34%. Moreover, the contribution of cheques in financing infrastructure projects was estimated at 18%. So, this research recommends the necessity of encouraging Islamic banks To finance infrastructure projects, seeing the appropriateness of the financing forms they provide for such projects.

Key Words: Infrastructure , Istisna'a; Participation; Sukuk; Dubai Bank; Emirates.

JEL Classification : G21, G24, G11.

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Introduction :

Investments in the field of infrastructure are an important factor to drive economic growth in any country, as it contributes to economic and social progress as well as attracting investments in various industrial, services, and production fields. In addition, they require huge sums to finance them.

Islamic banks are modern in terms of origin, but they have made many successes and accomplishments. They spread in a short time, and penetrate many universal banking systems. They have become the focus and attention of most Islamic and non-Islamic countries. These banks have mobilized their financial resources either from abroad or inside. They have contributed financing of many investment projects through various forms of financing such as speculation, participation and profitability, which are based on fixed rules of justice and charity. Islamic banks strive to adapt them to the needs and circumstances of the times.

Research problematic: In the eyes of Islamic jurisprudence, infrastructure projects include within the general purposes of Islamic law .They are considered among the general necessities and urgent needs. In addition to that, their financing is consistent with the Islamic economic philosophy based on ownership and participation. The United Arab Emirates ranked first in the Arab world and second in the world in terms of the volume of Islamic finance. First Arab Islamic bank has built in the world, which is Dubai Islamic Bank. So , we chose it as a sample for study to determine the extent of its contribution to finance infrastructure projects. In light of the foregoing we present the following problem:What are the appropriate Islamic financing modes to finance infrastructure projects?

To be more familiar with this topic, we try to ask the following sub-questions:

- What are the components of the infrastructure?
- What are the appropriate Islamic financing modes for infrastructure financing?
- To what extent does Dubai Islamic Bank contribute to financing the infrastructure?

Research hypotheses: To answer the above questions, we formulate the following hypotheses:

- The most favorable formulas for infrastructure financing are participation.
- Dubai Islamic Bank contributes to finance the infrastructure in an average or small rate.

Research objectives:

- Identifying the infrastructure components and their importance.
- Defining the appropriate Islamic formulas to finance the infrastructure.
- Determining the extent of Dubai Bank's contribution to finance the infrastructure.

Research methodology: This study relies on the use of the descriptive analytical approach that allows studying the methods of financing infrastructure, and the case study approach relying mainly on the annual financial reports of the bank of the study sample. Using descriptive statistics methods that are based on data analysis, classification and tabulation. Using tables, and presented in graphical forms help in Description of changes, in order to know the extent of Dubai Islamic Bank's contribution to financing the infrastructure.

1.Theoretical Background:

1.1 Infrastructure definition:

Other sources, such as the Oxford English Dictionary, trace the word's origins to earlier usage, originally applied in a military sense. The word was imported from French, where it means sub grade, the native material underneath a constructed pavement or railway. The word is a combination of the Latin prefix "infra", meaning "below" and "structure". The military sense of the word was probably first used in France, and imported into English around the time of the First World War. The military use of the term achieved currency in the United States after the formation of NATO in the 1940s, and was then adopted by urban planners in its modern civilian sense by 1970.(Definition and Background provided by the Answers Corporation)

In the field of economics Tinbergen (1962) introduces the distinction between infrastructure (for example, roads and education) and superstructure (comprising manufacturing, agricultural and mining activities). However, in this context. we neither find precise definitions nor any theoretic references of these terms.

Nowadays Nijkamp (2000) speaks about infrastructure as material public capital (roads, railways, (air)ports, pipelines etc.) and suprastructure meaning immaterial public capital (knowledge networks, communication, education, culture etc.), again without specifying the proposed terms in sufficient detail.(Buhr, January 2003)

According to Buhr (2003) the broadest economic version of the term "infrastructure" – referring to the works of List (1841) and Malinowski (1944) - dates back to Jochimsen (1966)'s book on the theory of infrastructure in which the author aims to present preparatory studies for a modern theory of the development of a market economy based on the study of infrastructure endowment.(Torris, 2009)

The American Council of State Planning Agencies defined "Infrastructure" as "a wide array of public facilities and equipment required providing social services and supporting private sector economic activity". This report says, infrastructure included roads, bridges, water and sewer systems, airports, ports, and public buildings, and might also include schools, health facilities, jails, recreation facilities, electric power production, fire safety, waste disposal, and communications services.(Vaughan, 1984)

In a 1983 report of the U.S. Congressional Budget Office (CBO defined "Infrastructure" as facilities with "the common characteristics of capital intensiveness and high public investment at all levels of government. They are, moreover, directly critical to activity in the nation's economy". This report (CBO) included highways, public transit systems, waste water treatment works, water resources, air traffic control, airports, and municipal water supply in this category . Further, this report noted that the concept of infrastructure could be "applied broadly to include such social facilities as schools, hospitals, and prisons, and it often includes industrial capacity, as well".(U.S, 1983)

World Bank report (2004)¹⁰ mentions infrastructure as an umbrella term for many activities. Due to various descriptions it becomes difficult to analyse infrastructure in a comparable way and draw meaningful conclusions. Economists and urban planners distinguish two types of infrastructure: economic infrastructure and social infrastructure. Economic infrastructure is defined as the infrastructure

that promotes economic activity, such as roads, highways, railroads, airports, sea ports, electricity, telecommunications, water supply and sanitation. Social infrastructure (such as schools, libraries, universities, clinics, hospitals, courts, museums, theatres, playgrounds, parks, fountains and statues) is defined as the infrastructure that promotes the health, education and cultural standards of the population – activities that have both direct and indirect impact on the welfare.(Report, 2004)

More deeply, defines infrastructure as the sum of material, institutional and personal facilities and data which are available to the economic agents and which contribute to realizing the equalization of the remuneration of comparable inputs in the case of a suitable allocation of resources, that is complete integration and maximum level of economic activities.

The totality of all earning assets, equipment and circulating capital in an economy that serve energy provision, transport service and telecommunications; we must add. structures etc. for the conservation of natural resources and transport routes in the broadest sense and 3. Buildings and installations of public administration, education, research, health care and social welfare" (Torriss, 2009)

1.2. Financing the infrastructure through the Istisna'a formula:

Manufacturing is defined as "a contract between two parties, one of which (the maker), by virtue of this contract, makes something specific of gender and attributes (in a manner that prevents any ignorance that is conducive to conflict) to the other party (the manufacturer). Provided that , the materials necessary for the manufacture (raw materials) from the manufacturer in exchange for A certain price to be paid by the manufacturer to the manufacturer, specifying how the amount will be paid.(2014، سمحان)

The Istisna'a contract becomes one of the contracts of great importance to meet the needs and desires of groups and individuals. By manufacturing goods and paying the deferred price or in installments, according to the capabilities of the manufacturer and the approval of the manufacturer. That, the diversity of needs and different wishes and tastes play an important role in the emergence of the Istisna'a contract. That failure to Provide the material and financial capacity of manufacturers to produce in large quantities to meet the actual pre-demand of consumers, which also had a role in the spread of this contract.

Previously, the Istisna'a contract can be applied in several areas, including:

- Islamic banks build homes and that they pay for them in installments, and thus these banks have contributed to solving the housing problem in the Islamic world.
- Establishing different buildings from residential complexes, hospitals, schools, and universities.
- Construction of roads and water and drainage networks, land planning and lighting, road construction and paving.
- Manufacturing aircraft, vehicles, ships and various machines.(2018، بوضياف).

1.3. Infrastructure financing through participation formula :

The participation contract is the formula by which the project bank that is the subject of the participation is funded by an amount of money and the customer with another amount. The bank and the customer become owners of the company's capital and the profits are distributed between them according to the agreement. As for the loss, it is to the extent of each party in the capital in proportion and proportion.

The basis for the diminishing participation is the contract concluded by the two parties and each share in the company's capital, whether its contribution is in cash or property after being evaluated with a statement of how the profit is distributed. Provided that each of them bears the loss to the extent of his share in the company. The participation is concerned with a promise Only one of the parties is obligated to own the other's share. Provided that, the other party has the option, by entering into sales contracts when each part of the stake is held.

The International Islamic jurisprudential Academy, which emanated from the Islamic Conference held its fifth session in the Sultanate of Oman in March 2004, demonstrated the legality of tender participation. This financing picture arises when the financing bank does not have a desire to continue to participate or to retain its participation for an unlimited period. Therefore, the bank enters into A contract that allows the partner to purchase the bank's share gradually until the partner ends up owning the entire funded project. There are a number of controls which are: (فرحان، 2003).

- Not to pledge to buy one of the parties the share of the other party represents the value of the share when establishing the company, because of the partner's guarantee of his partner's share. However, the price of selling the share should be determined by the market value on the day of the sale, or by what is agreed upon when selling.
- Not requiring one of the parties to bear insurance, maintenance, and other expenses, but rather to be charged to the share pool in terms of shares.
- Determine the profits of the participating parties in common rates, and it is not permissible to stipulate a lump sum of profits or a percentage of the contribution amount.
- Separation of contracts and obligations related to participation.
- Preventing the monument on the right of one of the parties to recover its contribution (financing).

1.4. The role of Islamic Sukuk in financing infrastructure projects:

Providing the necessary financing: Islamic Sukuk are a tool that can be used to finance infrastructure projects and mega projects that require the establishment of large capitals. this achieves benefits for both the source and the investor. Islamic bonds meet the needs of the state in financing these projects instead of relying on treasury bonds and public debt. For example, the government can issue renting Sukuk to finance projects of public benefit, which the government wishes to establish to achieve a public interest .that ,it deems not for profit, such as financing the construction of bridges, airports, roads, dams and other infrastructure projects where here is the tenant Sukuk who are the owners of these leased properties are favored to the state. Then the government, as a tenant, makes these projects

available to citizens for use and use of them. Also, services leasing Sukuk can be used to finance projects in important sectors such as education, health, telephone and transportation. Also, the use of utility lease Sukuk in financing Housing and real estate development. (2018، بهياني)

a. Hedging risk: Sukuk when used can mitigate the degree of risk facing banks and financial institutions, in the sense of dealing with them efficiently, by diversifying the deadlines and uses of the Sukuk .

b. Achieving a fair balance of wealth: Sukuk are a way to achieve fair distribution of profits and losses. They based on participation methods generally include fair distribution of profits.

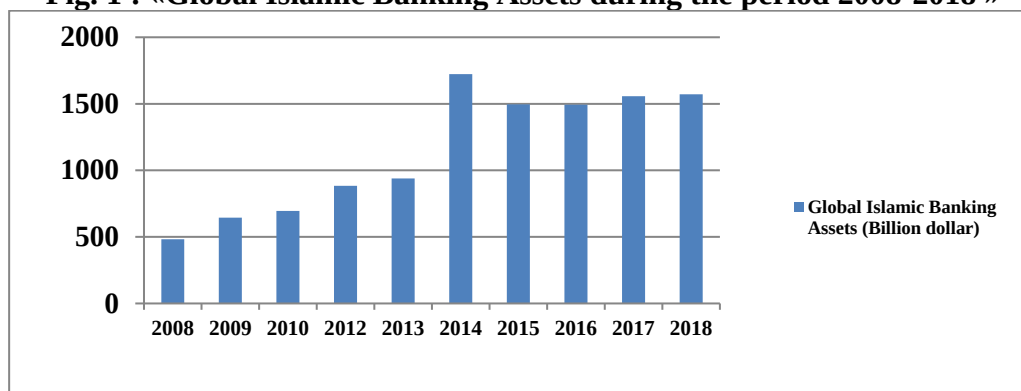
c. Eliminating the problem of unemployment and idle funds:

Islamic investment is based on the principle that others have contributed money ;so ; that eliminating unemployment is a complete matter. This is the case of Islamic instruments that contribute to eliminating the problem of unemployment. (2017، مرابطي).

2. The evolution of Islamic banking during the period (2008 - 2018)

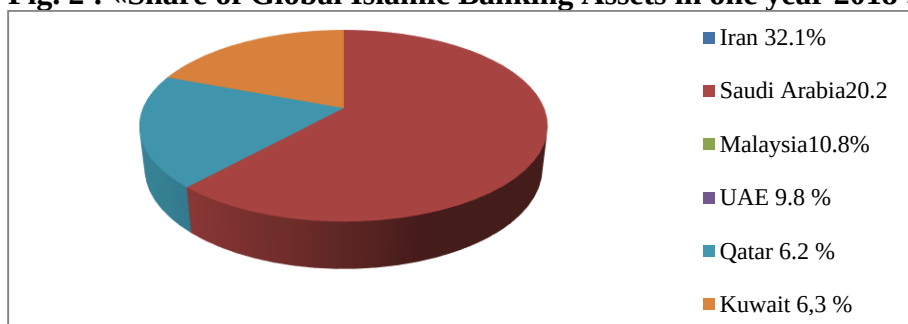
The volume of assets compliant with Islamic law around the world at the end of 2008 reached about 639 billion dollars and 822 billion dollars by the end of 2009 (an increase of 28.63%) to reach 1.267 billion dollars in 2013 (achieving growth of 8.67% over the previous year), (Arabic 2013) to reach 1.893 billion dollars at the end of 2016, (BOARD, Islamic Financial Services Industry Stability Rapport, 2017) to reach 2.190 in 2018, and Islamic banks constitute the most important and largest part of the Islamic financial system, and the assets of these banks occupy 71.7% of the total assets of Islamic finance followed by Islamic Sukuk at 24.2%, then Islamic investment funds by 2.8% and finally the Islamic Takaful Insurance industry at 1.3%. (BOARD, 2019).

Islamic banks are modern banking institutions in terms of origination, as they did not exceed five decades of age compared to traditional banks that exceeded three centuries old, and those banks started their work in a banking environment controlled by the traditional banking and were nevertheless able to provide their banking services compatible with the provisions of Islamic law to a large number of dealers. Islamic banking is based on the principles and rules derived from the provisions of Islamic law, which were initiated with the aim of ensuring good capital management and regulation of financial relations between individuals and governments. Islamic banks are the most important and for the largest of the Islamic financial system. The assets of these banks occupy 71.7% of the total Islamic financing assets. The following is the evolution of the size of the assets of Islamic banks around the world during (2008-2018):

Fig. 1 : «Global Islamic Banking Assets during the period 2008-2018 »**Sources :**

- Union of Arab Banks, developments in financing and Islamic banking around the world, 2013, at the following website: www.uabonline.org/en/magazine
- Islamic Financial Services BOARD, Islamic Financial Services Industry Stability Rapport, 2017, 2018, 2019.
- HSBC Amanah Current Status et Growth potential, prepared for conference on The Role of Sukuk in Development, 18 May 2012.

We note from the previous figure that the size of Islamic banks' assets is constantly developing during the period that followed the global financial crisis, estimated at about \$ 482.8 billion in 2008 (75.55% of total Islamic assets) to reach about \$ 694.7 billion in 2010 (77.62% of the total Islamic assets) and then to 938.7 billion dollars in 2013. An increase of 6.2% from 2012, so that the year 2014 will rise and reach about 1.723 billion dollars (82% of the total Islamic assets), which is the maximum percentage reached during the period 2008-2016, then decreased Slightly in 2015 to reach \$ 1,496 billion (due to fluctuations in oil prices), to continue to rise during 2016- and 2018. It was estimated at 1,557 billion dollars in 2017 and 1,571 years in 2018, and these assets are distributed geographically as follows:

Fig. 2 : «Share of Global Islamic Banking Assets in one year 2018 »

Source: Islamic Financial Services BOARD, Islamic Financial Services Industry Stability Rapport, 2019, p 12

Iran has the largest percentage of Islamic bank assets, followed by Saudi Arabia, Malaysia and the UAE in varying proportions. Then Qatar and Kuwait with lower percentages, and in the latter Turkey by 2.6%, Bangladesh and Indonesia by 1.9%, Pakistan by 1.3%. The rest is distributed to the rest of the world in small proportions very.

3. Dubai Islamic Bank contribution to infrastructure financing :

Dubai Islamic Bank is considered one of the best centers for the inclusion of Islamic financing formulas in the world, because the demand for Islamic investors and banks to deal with these formulas is constantly increasing, and there are great efforts to promote the idea of trading and dealing in Islamic finance, especially in the field of infrastructure financing.

3.1 The reality of infrastructure financing in the Emirates :

The UAE has the most advanced and developed infrastructure in the region. From roads to airports to telecommunications, the UAE is home to world class facilities that have supported economic growth and enabled the development of business.

The UAE was ranked first regionally and 17th globally, maintaining its lead among the top 20 competitive economies in the world, according to the recent version of the Global Competitiveness Report 2017-2018, issued by the World Economic Forum (Davos) in Switzerland. The report is one of the most important global competitiveness reports, which monitors annual performance and competitiveness of the economies of countries in terms of strengths, weaknesses, impact on quality of life and prosperity and well-being of people.

This year's report surveys the economies of 137 countries rated through 114 performance indexes and in 12 basic axes, including institutions, infrastructure, education, health, innovation, efficiency of the labour market and other topics. Evaluation is based on statistics and data from participating countries through opinion polls and surveys of executives and major investors in those countries: (Emirates', 2019)

- 1st in 'road quality' index
- 3rd in 'airport infrastructure and means of air transport quality' index
- 4th in 'seaport infrastructure quality' index
- 3rd in 'mobile phone subscriptions per 100 users' index
- 4th in the 'quality of infrastructure' index
- 4th in the index of 'number of airline seats available for each million passengers a week'
- 20th in the 'innovation and sophistication factors' pillar

Among the most important achievements of the state in the field of infrastructure: (Al-Hashemi, 2016)

- Many new residential cities, which include thousands of housing units.
- An extensive advanced network with the highest international specifications, including internal and external roads and bridges.
- 115 government and private hospitals and many health centers, autism centers and health rehabilitation.
- 1206 public, private, and technical schools, 87 colleges, universities, and a high institute.
- Establishing more than 26 seaports, opening Khalifa Port in Tawila, and implementing expansions at mountain Port to raise the total capacity of Dubai Ports to approximately 20 million containers annually, to enhance its position and to be one of the five largest ports in the world.
- Establishing 8 international airports for each of Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah, Fujairah and Al Ain, and the major expansion of the

country's airports, especially Abu Dhabi and Dubai International Airports, to expand their capacity.

- Establishing “union Rail Company” and establishing, operating, and developing the first railway network (union Train) to transport passengers and goods in the country, at a total cost of about 40 billion dram and extending over a distance of 1200 km. with a capacity of up to start operation of 50 million tons of cargo and 16 One million passengers annually. The union Rail network covers all parts of the country, especially the major strategic industrial areas.
- -Establishing an integrated network of metro lines in Dubai. The UAE plans to spend 230 billion dram on major infrastructure improvements.
- In 2018, the United Arab Emirates spent \$ 7.6 billion on the Dubai metro project (the red and blue lines). Then, it allocated \$ 3.26 billion on various road projects, including the public-private partnership project with the Italian construction company Salinico structure to renovate sectors of the highway between the UAE and Saudi Arabia. Abu Dhabi has also drawn up plans to build a 131 km railway line worth \$ 7 billion. Most of which will be underground. other funds have been allocated for a fast rail line with Dubai, a freight railway, and new roads, which are to be completed within the next five years.
- Existing and projected infrastructure projects include: (Emirates, 2018)
- Three renewable energy projects at the utilities level, using solar PV technology.
- Masdar City for solar and wind energy projects in Abu Dhabi, which extend across different geographical regions.
- Dubai Roads and Transport Authority projects, including the development of Union Square.
- The Walkway 2020 project, which includes the extension of the Dubai metro line from mountain Ali to the Expo 2020 site.

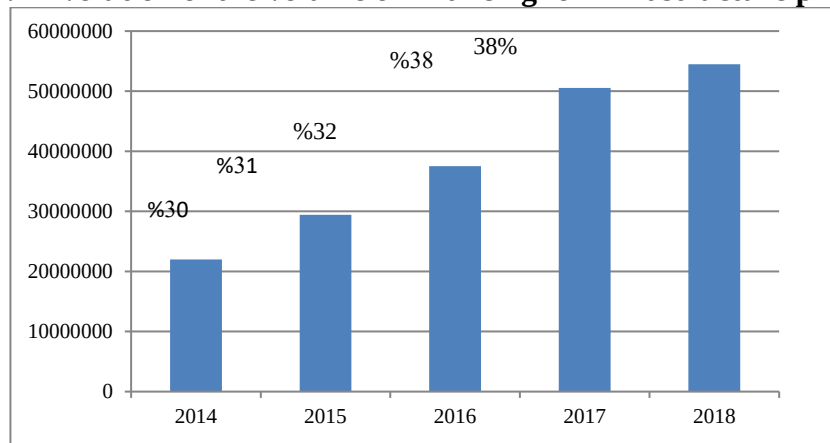
3.2 Dubai Bank participation and Istisna'a contribution to infrastructure financing:

Dubai Islamic Bank provides short-term financing modes that provide liquidity with a high degree and the least degree of risk represented by gaining and peace, and medium-term forms of manufacturing and renting, and other long-term forms of speculation and participation. Dubai Islamic Bank has always played a pivotal role in leading and facilitating Infrastructure development projects. Dubai Bank uses several Islamic formulas to finance the infrastructure, including participation and Istisna'a. Depending on the bank's annual financial reports throughout the study period, we can determine the contribution and manufacturing contribution to Dubai Islamic Bank in financing the infrastructure. This is illustrated in the following table:

Table 1 : «Participation and Istisna'a contribution to infrastructure financing»

	2014	2015	2016	2017	2018
The amount directed to financing the infrastructure	22.000.400	29.432.448	37.518.626	50.553.040	54.491.887
Total financing and investment formulas	73.976.602	97.219.599	114.967.622	133.334.227	144.798.585
Infrastructure financing ratio of the total financing	%30	%31	%32	%38	%38
Growth rate	-	%31	%18	%16	%9

Source : Prepared by the two researchers based on the annual financial reports of Dubai Islamic Bank during the period (2014-2018).

Fig. 3 : «Evolution of the volume of financing for infrastructure projects»

Source: Prepared by the two researchers, based on data from Table 01.

We observe through the previous figure that the amounts directed to finance the infrastructure in terms of participation and manufacturing during the study period are average compared to the total financing. As we have found that this amount is increasing from year to year, which indicates the bank's contribution to infrastructure financing, and the rates of infrastructure financing out of the total financing Increasing in small proportions.

Where the amount directed to infrastructure financing in 2014 was estimated at 22,000,400 dirhams, or 30% of the total financing, and in 2015 the amount of infrastructure financing was estimated at 29,432,488 dirhams, or 31% of the total financing, and the year 2018 was 54,491,878 dirhams. An increase of 7.80% compared to 2017.

Dubai Islamic Bank and Matito, the leading provider and preferred provider of smart integrated solutions for water management and treatment in emerging markets. In 2018 signed a 10-year Islamic financing agreement with a total value of 240 million AED. This is the first agreement of its kind for Matito, as it brings it

together to Dubai Bank Al Isl, who in turn is engaged in his first partnership with a private company working in the water and wastewater management sector. Dubai Islamic Bank awarded the Engineering Contracting Company Limited a contract worth AED 687 million to construct the first phase of the Badr project, and this project forms part of an independent residential complex that includes Five individual areas and it consists of buildings for residential apartments as well as a number of villas and other buildings for services and recreational facilities.(Bank, 2020).

Infrastructure financing has increased from the total financing in 2017 and 2018 to 38%, and the proportion of infrastructure financing (participation and manufacturing) from total financing has been increasing in small proportions, with an average rate of 34% during the period (2014-2018), which is the ratio Medium, but important compared to other banks in the UAE.

Through the previous offering, we deny the first hypothesis, which states that the most appropriate formulas for infrastructure financing are participation only. Manufacturing also contributes to infrastructure financing.

3.3 The role of Islamic investment Sukuk in financing infrastructure :

Islamic Sukuk received wide spread in many countries of the world due to its positive results in the fields of finance and investment in many economic sectors. As it is characterized by its multiple types such as Sukuk, speculation, peace and other instruments, which opened many doors for investment, which led to an increase in the strength of Islamic Sukuk as a tool One of the tools of Islamic finance.

Islamic bonds are considered one of the most important forms of Islamic finance that can be used to finance infrastructure projects that require huge financing .As large expansion projects for Dubai Ports, Customs and Free Zone Corporation were funded in 2018 with \$ 3.5 billion in instruments through Dubai Islamic Bank. the Dubai government represented The Department of Civil Aviation, in signing with six Islamic banks under the management of Dubai Islamic Bank to issue Islamic \$ 1 billion Islamic leasing bonds that were completely covered to finance the expansion of Dubai Airport. In the same context, Palms Real Estate Company succeeded in obtaining financing of 3.5 million dollars Dollars through Islamic instruments exported by Barklitz Capital and Dubai Islamic Bank, and use the Palms" Sukuk issuance proceeds to finance projects in Dubai, which is leading a surge of investment construction and real estate projects in the Gulf.

Dubai Islamic Bank's reward is also authorized by the Dubai Civil Aviation Department to issue international Islamic leasing Sukuk worth two billion and 257 million dirhams to finance the work of the second phase of the Dubai International Airport expansion and development project, and the Sukuk issued after 5 years is due and listed on the Dubai Financial Market to be Trade among investors. Sukuk will be used to finance the activities of the second phase of the expansion of Dubai International Airport, and this agreement is the first precedent in which an Islamic bank is granted a mandate to alone manage and arrange the issuance of global Islamic Sukuk to the Civil Aviation Department. (Bank, 2020)

Depending on the annual financial reports of Dubai Islamic Bank during the study period, Sukuk financing rates for infrastructure came according to the following schedule:

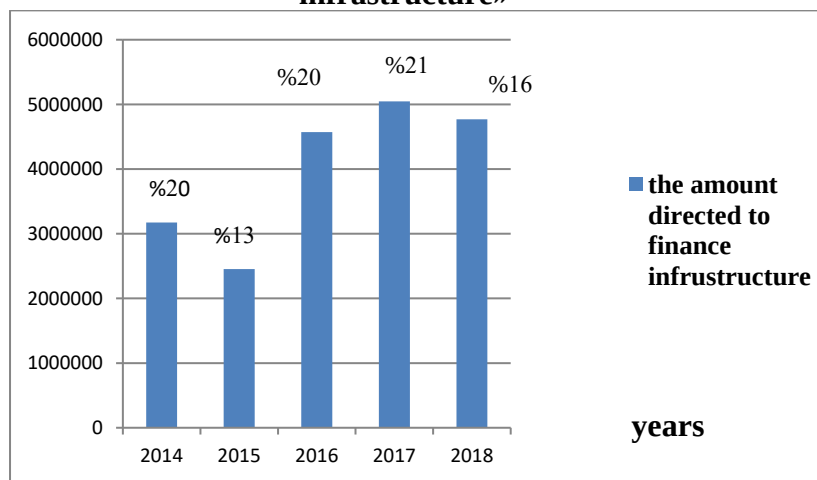
Table 1 : «Islamic Sukuk contribution to infrastructure financing»

	2014	2015	2016	2017	2018
Investing in Islamic Sukuk	16.118.782	20.065.651	23.408.660	24.022.680	31.178.525
The amount directed to financing the infrastructure	3.173.734	2.452.537	4.570.865	5.047.532	4.770.001
Sukuk contribution to infrastructure financing	%20	%13	%20	%21	%16
Growth rate	-	(22.7)	86.37	10.42	(5.49)

Source : Prepared by the two researchers based on the annual financial reports of Dubai Islamic Bank during the period (2014-2018).

The following figure shows us the contribution of Sukuk in Dubai Islamic Bank in financing the infrastructure:

Fig. 4 : «the contribution of Sukuk in Dubai Islamic Bank in financing the infrastructure»



Source : Prepared by researchers based on data from Table 02

We note through the previous figure that the amounts directed to finance the infrastructure through the instruments are variable during the study period between rise and fall, the highest rates were recorded in 2016 by 86.37%, while the lowest growth rates were recorded in 2015 by an estimated rate of (22.7%), It is worth noting that the financing of Islamic infrastructure bonds amounted to 5,047,532 drams in 2017, which is the maximum value reached during the study period.

The above table indicates that the average contribution rate of Sukuk in financing infrastructure during the study period is variable, it started high,

estimated at 20%, then decreased in 2015 to reach 13%, then began to rise during the years 2016 and 2017, and its highest rate was estimated at 21% in 2017. This percentage reached an average of 18%, which indicates the contribution of Sukuk in financing infrastructure, but it is a small percentage as a result of the recent use of the Dubai Islamic Bank for Sukuk in 2007, and the decline in 2015 is due to the financial and economic crisis that hit the United Arab Emirates due to a decrease Oil prices globally, prompting the government to return He examined the criteria for their general budgets as well as reducing deposits in banks.

A report of the Federation of Banks in the Emirates indicates that the percentage of non-performing loans in Emirati banks amounted to 4.4% in 2016, and 4.3% in 2017 to reach 5% in 2018, which led to the fear of Dubai Islamic Bank and consequently low financing for infrastructure and directing the majority of Sukuk issuances To finance highly profitable investments.

Through the previous offering, we confirm the validity of the second hypothesis, which states that Dubai Islamic Bank contributes to financing the infrastructure at a medium or small rate. The contribution rate of the financing and investment formulas (participation and industrialization) in financing the infrastructure in Dubai Islamic Bank has reached its highest percentage at 38% Of the total financing during the years 2017 and 2018, I estimated an average of 34% during the period (2014-2018), which is a medium but important percentage compared to the rest of the Islamic banks in the UAE.As for the contribution of Sukuk in financing infrastructure, the ratio was variable from one year to another and was estimated The highest percentage was 21% in 2017, and even more this ratio in the average rate of 18%, which indicates the proportion of the contribution of the instruments in infrastructure financing, but it is a small percentage as a result of the use of modern Dubai Islamic Bank Sukuk in 2007.

Conclusion :

Financing infrastructure projects is the main pillar of development, as it represents the backbone of the economies of developed and developing countries alike. It requires huge sums to finance them through many sources of financing provided by financial and banking institutions, including Islamic banks. We infer the importance of the role played by Islamic finance in achieving development goals in many countries through direct contribution and support to infrastructure projects of all kinds, such as public utility projects in addition to education, health and security services projects.

Islamic financing formulas and methods are among the most important means of financing infrastructure, to absorb large funds with the possibility of participation by more than one party in them. These projects need financing tools that meet many legal and technical conditions. Islamic instruments are the most important Islamic formulas used in financing infrastructure, which have proven Its effectiveness and efficiency in financing these various projects is what the Kingdom of Saudi Arabia, Qatar, UAE and others have applied.

Dubai Islamic Bank, which has the largest asset base in the UAE, is the first full-fledged Islamic bank and the first Islamic bank established in the world, and it plays a pivotal role in leading and financing infrastructure projects in the UAE through several Islamic formats.

Through this research, we draw the following results:

- Islamic banks have a business philosophy based on the provisions of Islamic Law that distinguishes them from other banking institutions, and in this way they are assigned the task of contributing to the development of the economy.
- The appropriate Islamic financing modes to finance infrastructure are participation, gaining, manufacturing, renting and Sukuk.
- Islamic bonds are considered one of the most important forms of Islamic finance that can be used to finance infrastructure projects that require massive financing.
- Islamic banks in the United Arab Emirates are distinguished for their efficiency in the Islamic banking field by using various financing forms.
- Dubai Islamic Bank provides short, medium and long term financing modes, including participation and manufacturing, in addition to its use of Sukuk, all of which are suitable for financing infrastructure projects.
- The contribution rate of the financing and investment formulas (participation and manufacturing) in financing the infrastructure in Dubai Islamic Bank was estimated at an average of 34% during the period (2014-2018), which is a medium but important percentage compared to the rest of the Islamic banks in the UAE, as for Sukuk contribution in financing the infrastructure The infrastructure was estimated at an average of 18%, which indicates the contribution of Sukuk in financing the infrastructure, but it is a small percentage due to the recent use of the Dubai Islamic Bank for Sukuk in 2007.

In conclusion, we present the following recommendations:

- Working to enhance the role of Islamic financing formulas in financing infrastructure projects by supporting and participating Islamic banks in financing public projects and helping governments bridge their budget deficits.
- Working to spread the culture of financing in Islamic formulas in infrastructure development projects.
- To provide Islamic finance and its principles to the world in its true form, with the need to pay attention to this type of bank, especially by Muslims, because it reflects their Islamic identity, especially in light of the recognition of the international community and its increasing spread.

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