

FINASTRA

صندوق التنمية الزراعية
Agricultural Development Fund
المملكة العربية السعودية



Case Study

Empowering the Saudi agricultural industry with rapid, reliable financial support

The Saudi Agricultural Development Fund makes it easier than ever for farmers, companies, cooperatives and foreign investors to apply for credit facilities and financial assistance with Finastra Essence's advanced support for Sharia-compliant lending.



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With best-in-class solutions like Essence supporting us, we're well placed to realize the goals of Saudi Vision 2030 and drive economic development in the Kingdom."

Muhammad S. Al-Dhuwaiyan,
Chief Information Officer,
The Saudi Agricultural Development Fund

About Saudi Agricultural Development Fund



400,000+ fund recipients



Established in 1962



>60 offices located across Saudi Arabia

Headquartered in Riyadh, The Saudi Agricultural Development Fund (ADF) is a government institution that supports agricultural innovation across the Kingdom of Saudi Arabia. Working closely with farmers and industry experts, the ADF aims to help the agricultural sector improve efficiency by harnessing the latest advances in technology and scientific research.

adf.gov.sa

Finastra Solutions:



Finastra Essence

The challenge

Sowing the seeds of growth

To help farmers thrive, ADF set out to simplify access to government funds earmarked for agricultural innovation and economic development.

The Kingdom of Saudi Arabia is driving a dramatic renewal of government services as part of the [Saudi Vision 2030](#): a bold ambition for technological, societal and economic transformation.

Creating a thriving economy is a core pillar of the Kingdom's vision. With the agricultural sector contributing up to 2.3 percent of gross domestic product (SAR 72.25 billion) in 2021¹, farmers and agricultural companies will play a huge role in driving future economic growth.

Committed to enhancing food security, protecting natural resources and helping farmers run profitable businesses, the Saudi Agricultural Development Fund (ADF) provides the industry with investment to support sector-wide improvements.

The organization provides farmers, companies, cooperatives, and foreign investors with loans to help them achieve their strategic initiatives, enhance food security, strengthen supply chains and support the marketing of agricultural products.

At the same time, the organization helps industry innovators and emerging companies in the agricultural sector to establish new lines of business and invest in the very latest farming equipment.

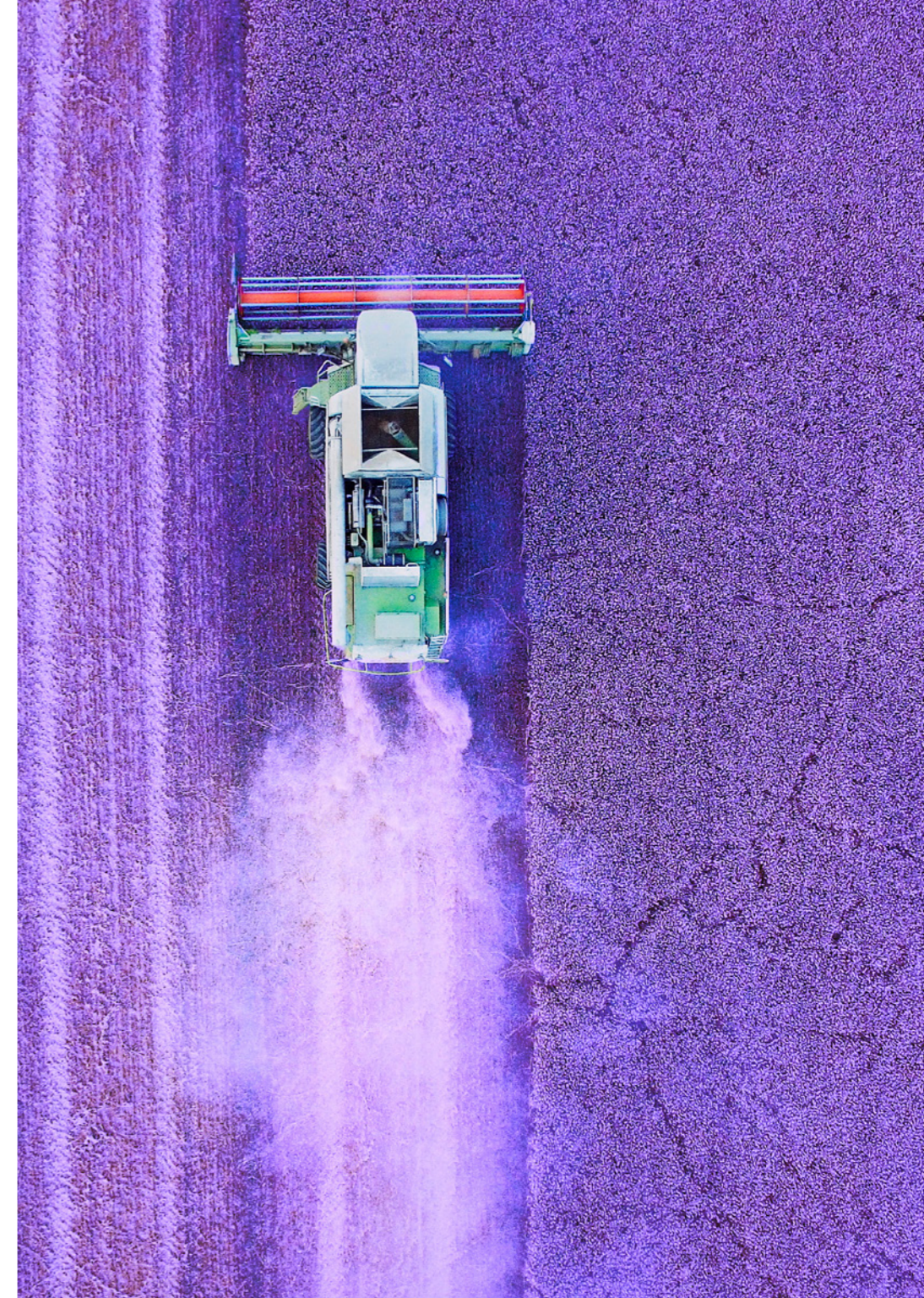
"Making our funds easily accessible is vital," comments Muhammad S. Al-Dhuwaiyan, Chief Information Officer at the ADF. "If farmers can't access the credit they need to invest in their farms, economic development in the entire agricultural sector could slow down. To prevent this, we regularly review our lending initiatives to make sure they are efficient and user friendly. A recent push to move all Saudi government services online gave us the perfect opportunity to refresh the processes and applications underpinning lending management."

Previously, applying for ADF financial support was a mostly manual process. Farmers were required to fill out paper forms, and often, this necessitated a journey to the nearest ADF branch, which could be located at a considerable distance from their farms. Working in this way also created significant administrative workloads for the ADF, and the organization's existing lending management system was not optimized for digital application processes.

"Providing lending services online would make it much simpler, quicker, and more secure for farmers to access credit and help us to unlock new efficiencies," says Al-Dhuwaiyan. "As an entirely Islamic organization, we required a lending solution that was Sharia-compliant and capable of managing a full suite of Islamic finance products, services and contracts."

Sources

¹ <https://www.mewa.gov.sa/en/MediaCenter/News/Pages/Agricultural-GDP-reaches-to-SAR-72-25-billion-in-2021.aspx>



The solution

Driving digital innovation

The ADF built efficient, digital services by establishing streamlined lending management workflows with Essence from Finastra.

Designed specifically for the Islamic financial services industry, Essence provides comprehensive coverage for Sharia-compliant lending and provides the ADF with a one-stop solution for their core banking needs. Today, the ADF uses the solution to offer a wide range of lending products, including specialized project loans.

“Finastra solutions stood out because they provide us with the ability to manage all our lending services from a single, intuitive platform,” explains Al-Dhuwaiyan. “Most of all, Finastra clearly understands the sophistication of Islamic financial services. Essence is one of the perfect platforms to manage our products efficiently and in keeping with the values of Islam.”

With the modular design of Essence, the ADF can customize its loan management workflows to meet the unique financing needs of the agricultural sector.

“We really appreciate the flexibility of Finastra solutions,” continues Al-Dhuwaiyan. “We can easily adjust and adapt the pre-built templates within the solution to design, test, deploy and manage a broad variety of lending products. What’s more, end-to-end visibility of all management processes means we can quickly check our customers’ application histories and see a full record of all the support they’ve received from us and our partner institutions.”

In 2021, the agricultural output of Saudi Arabia increased by 7.8 percent year-on-year², and this upward trend is widely expected to continue. “We’ve recently experienced a lot of growth in the agricultural sector and we hope to increase this further in the years ahead. One of the key advantages of the solution is that it is very scalable, so we can seamlessly expand our lending management capabilities as our operations grow.”

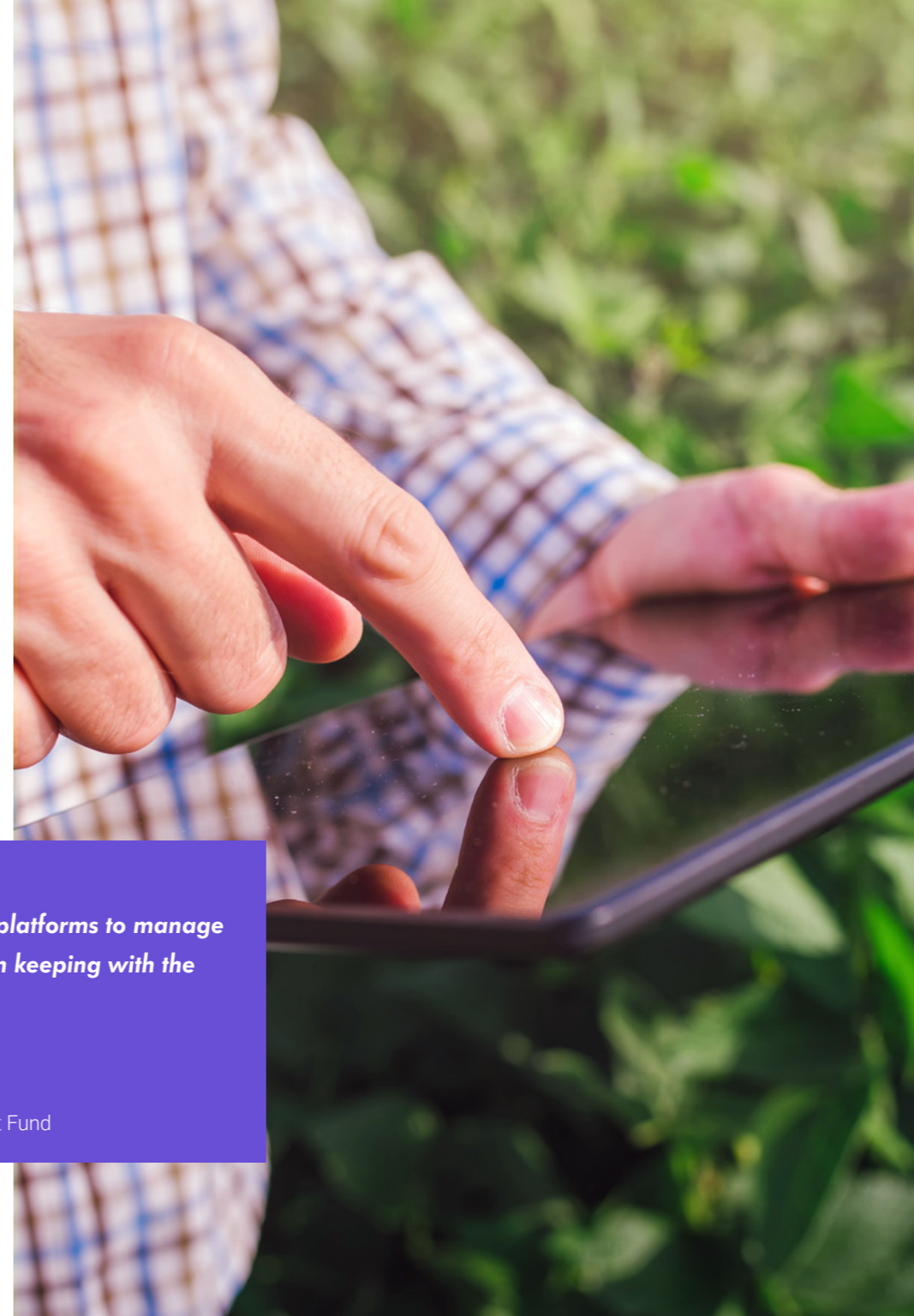
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Muhammad S. Al-Dhuwaiyan,
Chief Information Officer,
The Saudi Agricultural Development Fund

Delivery journey

Forging deep partnerships

The ADF worked with Finastra and its partners to implement Essence on time and within budget.

Finastra and its implementation allies, in partnership with the ADF, are actively refining Essence to enable seamless integration with Saudi Arabia's digital lending landscape. The focus lies on preparing the solution to effortlessly connect with crucial external systems, including [Saudi Arabia's bill payment system \(SADAD\)](#), Saudi Credit Bureau (SIMAH), and [Saudi Post \(SPL\)](#), reflecting Finastra's commitment to enhancing the ADF's lending services.

"Finastra provided excellent support throughout the implementation and beyond," reflects Al-Dhuwaiyan. "The Finastra team collaborated closely with our partners to integrate Essence with SADAD—the national bill payment system that many of our customers use to pay their loans. In the near future, we will also collaborate with Finastra to integrate our systems with even more government organizations, which will help us to deliver highly efficient and reliable lending services."

Finastra collaborated with the ADF to integrate with Yaqeen Gateway for digital identification verification and EMDHA certification and trust management services. These integrations empower the ADF to offer even more seamless digital services to its customers.



The result

Fuelling economic development

By launching online services, ADF joins other government institutions in Saudi Arabia on digital transformation, and satisfies customers' needs with fast access to credit.

After enhancing its lending management workflows with Finastra Essence, the ADF is on track to significantly reduce operational costs and enhance efficiency. The organization has also improved the customer experience by replacing paper-applications with rapid online registration, making it easier for agricultural businesses to access appropriate financing.

"By automating the vast majority of our transactional processes with Finastra, we've improved operational efficiency across almost all of our lending activities," says Al-Dhuwaiyan. "We anticipate that this will lead to significant cost-savings, which will free up more resources for agricultural development. We've also made life much easier for farmers. They can now apply for loans online, instead of visiting one of our branches."

Recently, the ADF was ranked fifth out of 28 government entities in the list of the best government agencies operating in the financial and economic sector. The organization also secured eighteenth position out of 217 entities for integration excellence.

"We're very proud to have achieved fifth place in the national Digital Transformation Index," comments Al-Dhuwaiyan. "With best-in-class solutions like Essence supporting us, we're well placed to realize the goals of Saudi Vision 2030 and drive economic development in the Kingdom."

Contact us

About Finastra

Finastra is a global provider of financial services software applications across Lending, Payments, Treasury and Capital Markets, and Universal (retail and digital) Banking. Committed to unlocking the potential of people, businesses and communities everywhere, its vision is to accelerate the future of Open Finance through technology and collaboration, and its pioneering approach is why it is trusted by ~8,100 financial institutions, including 45 of the world's top 50 banks. For more information visit finastra.com

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