ICIEC | 25 YEARS PARTNERSHIP FOR DEVELOPMENT

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Islamic Development Bank Group

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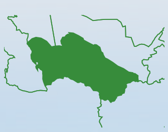
THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

A PARTNERSHIP IN PROGRESS

Celebrating 10 years of the Aman Union



TURKMENISTAN- 47TH MEMBER COUNTRY OF ICIEC

"Turkmenistan's membership to ICIEC marks the onset of a relationship which is both exciting for ICIEC and beneficial for the economy and people of Turkmenistan

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> we continue to explore and develop new projects, opportunities and initiatives, leveraging new technology and other strengths to expand our portfolio of products and services

It has been a memorable year for all at ICIEC. In 2019, we celebrated our 25th anniversary, an important milestone for us and a significant event, no doubt, for all those that we have worked with or who have benefited from our products and services around the globe through a quarter of a century.

In that time, ICIEC has shown itself to be a reliable and dependable business partner for importers and exporters, development finance institutions and export credit agencies, among many others. That is a responsibility that we take very seriously indeed. In fact, the incredible relationship that we have with all of our partners is perhaps our greatest strength of all.

Despite any ups and downs in the world's markets and economies, ICIEC remains steadfast in its desire to grow and facilitate trade and investment among our OIC member countries. The unsettled global trading climate of today has done nothing to affect our overall performance during 2019 which, I am pleased to say, has been overwhelmingly positive.

Our full-year figures for business insured in 2019 reached USD 10.86 billion, compared to USD 9.030 billion in 2018. That represents an overall increase of over 20.31%. Moreover, the amount of claims paid declined massively during the year, by more than 99.73% to reach a very low level.

Our impact has been felt across large swathes of the world, with activity in all of our core regions, from Asia to Africa. The majority of business insured in 2019 was focused on two core regions: The Middle East and North Africa and also the Sub-Saharan Africa and Europe region.

Likewise, we continue to explore and develop new projects, opportunities and initiatives, leveraging new technology and other strengths to expand our portfolio of products and services, as well as sharpen risk management and analytical tools to smooth the flow of trade and investment. That includes expanding our geographical footprint, with the recent membership of Turkmenistan to our list of ICIEC members. In 2019, we also welcomed Uzbekistan and Suriname to the group, which now stands at 47 members.

On a broader level, ICIEC's commitment to the UN's Sustainable Development Goals (SDGs) also remains as strong as ever. This global initiative is now ingrained in all that we do and will remain an important element of our work for many years to come. Inside this issue, you can read how our projects are delivering a real impact on the ground in accordance with the SDGs.

As we move into 2020, I am proud to report that ICIEC continues its impressive growth trajectory, some 25 years after it was first created. Of course, there are many challenges facing us all, yet there is no reason why we shouldn't face them together with great confidence, as trusted friends and partners.

Oussama Abdul Rahman Kaissi

Chief Executive Officer, ICIEC

Business insured in 2019 reached

USD 10.86 billion

Compared to USD 9.030 billion in 2018

That represents an overall increase of over

20.31%

The amount of claims paid declined massively during the year, by more than

99.73%

to reach a very low level

2019 PERFORMANCE HIGHLIGHTS

A HAPPY ANNIVERSARY YEAR

In 2019, ICIEC celebrated its 25th anniversary, with another impressive performance to bring yet more real and lasting change to member countries, even in the face of tough and uncertain global economic conditions

It looks set to be another record-breaking year for ICIEC in 2019. With all the uncertainties facing global trade in today's world, demand for its services has never been greater.

Moreover, the Corporation is growing rapidly in terms of its membership and geographical coverage too. The arrival of Turkmenistan recently, together with Uzbekistan and Suriname in 2019, pushes the total number of member countries to 47, scattered across much of the globe.

Business is thriving as a result, with a strong demand for ICIEC's products and services reflected in its 2019 performance highlights. For the whole of 2019, business insured reached USD 10.86 billion, a rise of 20.31% on the previous year's figure of USD 9.030 billion. It reflects a busy year of activity across all of ICIEC's main territories. The Middle East and North Africa region accounted for over half of all business insured, some USD 5.9 billion, or 54.39%. Activity levels were just as strong in Sub-Saharan Africa and Europe, with business insured totaling USD 4.6 billion, or 42.34% of the total. The Asia region accounted for 3.28% of total business insured for the year.

Turkey was the single largest beneficiary from ICIEC services once again, accounting for 14.94% of the total, slightly lower proportionately than in 2018. It was followed by Algeria (10.53%), UAE (10.18%) and Jordan (8.98%). Saudi Arabia, Egypt and Lebanon were also notable beneficiaries, while a number of non-OIC countries also benefited from ICIEC services, including France, the UK and the USA.

The development impact of this business is a key motivation for ICIEC, to effect real change on the ground, where it matters most. That includes embracing global initiatives such as the UN's Sustainable Development Goals (SDGs), which has become an integral part of our strategy.

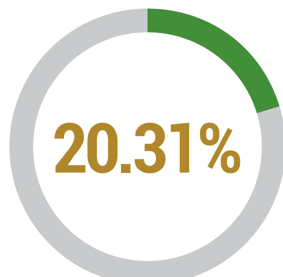
BUSINESS INSURED

2018

USD 9.030 billion

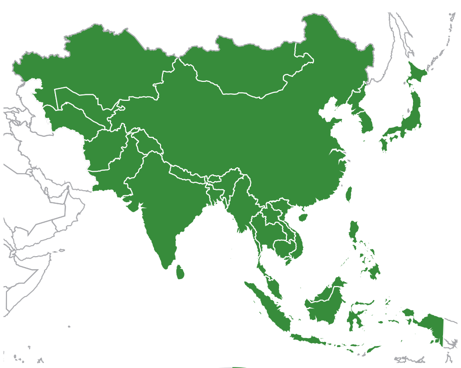
2019

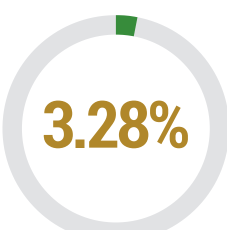
USD10.86 billion



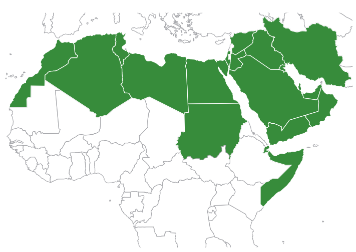
BUSINESS INSURED BY REGION IN 2019

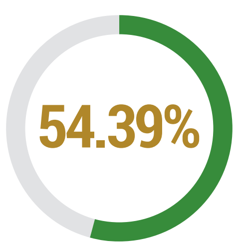
ASIA



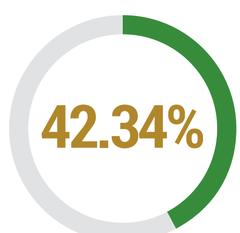


MENA





SSAE



> The development impact of this business is a key motivation for ICIEC, to effect real change on the ground, where it matters most. That includes embracing global initiatives such as the UN's Sustainable Development Goals (SDGs), which has become an integral part of our strategy

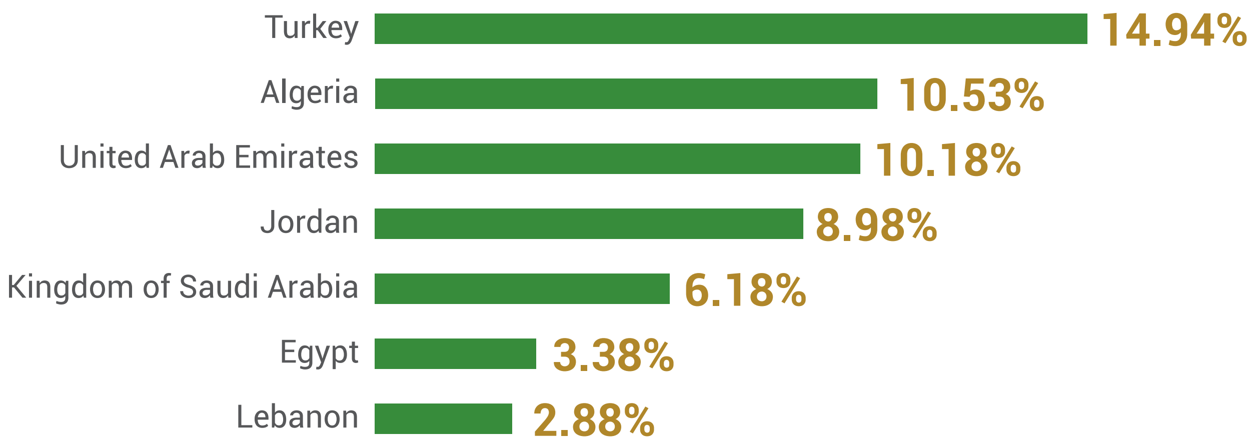
In terms of industry sectors across all three geographies, energy and manufacturing lead the areas supported by ICIEC. Business insured in the energy sector totaled USD 5,585 million, while in the manufacturing sector the figure stood at USD 2,700 million.

The services sector is the next largest industry with USD 869 million of total business insured, followed by others (USD 605 million), infrastructure (USD 474 million), health (USD 360 million), trade (USD 206 million) and agriculture (USD 64 million).

While 2019 was another challenging year for the world economy and trade in many other regards, it has been a successful one for ICIEC. Despite the uncertainties, ICIEC claims paid for the year fell drastically by over 99.73% during 2019 – down to just USD 91,381 compared to USD 34.189 million in 2018.

ICIEC's overall performance for the year shows that it is firmly on track and delivering on its core mission to nurture and promote sustainable and lasting growth in member countries, some 25 years after it was first established. Working closely with the trusted partners, the Corporation is ready to play a meaningful and significant role again in 2020 and for many other years to come.

TOP BENEFITED MEMBER COUNTRIES FROM ICIEC SERVICES IN 2019



BUSINESS INSURED BY SECTOR IN 2019 (M$)

ENERGY	MANUFACTURING	SERVICES	OTHERS
5,585	2,700	869	605

INFRASTRUCTURE	HEALTH	TRADE	AGRICULTURE
474	360	206	64

NEWS

MOODY'S AFFIRMS IFSR RATING OF Aa3

Moody's has affirmed ICIEC's Insurance Financial Strength Rating (IFSR) of Aa3 with a stable outlook for the 12th consecutive year.

The ratings reflect ICIEC's improved profitability and underwriting performance; the five-year combined ratio improved to 123% from 131% in 2017.

The rating agency also observed ICIEC's 2018 growth, with gross premiums increasing over 200% to ID 51.7 million. The combined ratio for 2018 was also the lowest ICIEC has achieved over the past five years. Again, ICIEC was proactive in maintaining a good investment strategy, with a high-risk-asset ratio reducing to 12.9% from 14.2% in 2017.

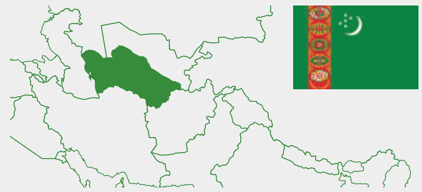
Moody's noted that ICIEC is the only multilateral export credit and investment insurance corporation in the world that provides Shari'ah-compliant insurance and reinsurance solutions and has enhanced knowledge from operating in OIC member countries. It also noted that as a member of the IsDB Group, the Corporation benefits from various managerial synergies and support.

The rating also reflected both the strengthening standalone fundamentals of ICIEC, as well the strong ability and potentially high willingness of its main ultimate shareholders - in particular the Islamic Development Bank (Aaa stable), Saudi Arabia, (A1 Stable) - to support the Corporation in times of financial distress.

CEO VISITS SPANISH ECA

ICIEC CEO Oussama Kaissi visited CESCE, the Spanish export credit agency in Madrid recently to meet with its president, Fernando Salazar. The pair discussed cooperation and ways to enhance ICIEC support to its member countries.

TURKMENISTAN BECOMES 47TH MEMBER COUNTRY



The Republic of Turkmenistan has joined the membership of ICIEC and became the 47th member country.

Home to nearly 6 million people, Turkmenistan boasts a vibrant, fast-growing economy. The future of the Central Asian country looks bright as it benefits from an abundance of natural resources, a strong agricultural sector, as well as low public debt and a youthful labor force.

"Turkmenistan's membership to ICIEC marks the onset of a relationship which is both exciting for ICIEC and beneficial for the economy and people of Turkmenistan," said ICIEC CEO Oussama Kaissi. "ICIEC's risk mitigation and credit enhancement services will act as catalysts for the strengthening and diversification of the country's economy, supporting both increased exports and inward investment."

Turkmenistan joined the IsDB Group in 1994. Since then, IsDB has contributed a substantial amount of development assistance, totaling USD 1,047.5 million. This assistance has supported the country with projects ranging from the development of natural gas pipelines through to the construction of railways.

Turkmenistan's membership of ICIEC comes not long after Mr. Kaissi's participation at the 2019 Turkmenistan Gas Congress. At the Congress, the CEO expressed his readiness to extend ICIEC support to Turkmenistan, with a particular focus on the oil and gas sector.

"ICIEC's services will allow exporters, banks and investors from member and non-member countries alike to cover political and commercial risks related to their operations in Turkmenistan," he added.

Earlier in 2019, another Central Asian economy, Uzbekistan, became ICIEC's 46th member country.

NEW EXPORT CREDIT AGENCY AGREEMENTS SIGNED

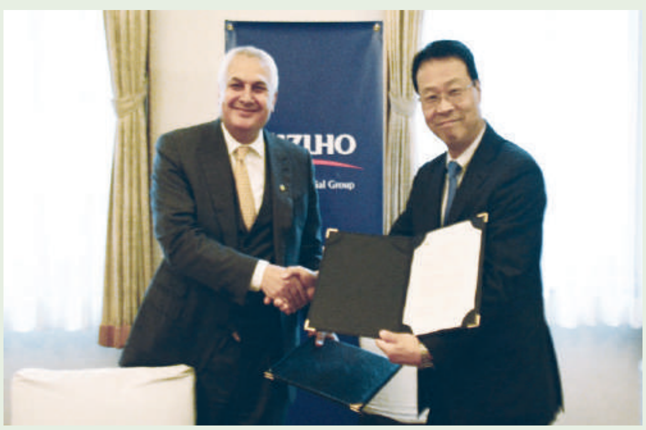
ECGE quota share agreement:

ICIEC and the Export Credit Guarantee Company of Egypt (ECGE) have together moved to strengthen their existing collaboration, with a quota share treaty dedicated to insuring unconfirmed LCs. The two sides recently signed a Quota Share Reinsurance Agreement on a Worldwide Basis. The agreement details specific cooperation and sharing information in insurance and reinsurance between the two parties.

Oman agreement updated:

ICIEC is reinforcing links with the Export Credit Guarantee Agency of Oman (ECGA). The two organizations signed an Addendum to the Agency Agreement on September 29, 2019 to form part of an existing Agency Agreement dated April 3, 2017. Through this addendum Credit Oman will promote ICIEC's Documentary Credit Insurance Policy (DCIP) to cover both the political and commercial risks of the obligors.

MIZUHO BANK MOU SIGNED



ICIEC and Mizuho Bank Ltd have signed an MoU to explore further areas of cooperation. Specifically, it includes continuing discussions in order to reach a mutual agreement on the Documentary Credit Insurance Policy (DCIP). The MoU was signed on 30 August 2019 and is based on a "spirit of mutual trust", according to the documentation.

ICIEC TRAINING COURSE

ICIEC hosted a training course in Jeddah in December on various aspects of Islamic banking and finance. At the event, Dr Mohammed Ayyash outlined key topics and issues related to Islamic finance, including key principles, terms and definitions, as well as details on specific areas such as leasing. He also highlighted the overriding themes and objectives of Islamic finance, as in, business transactions can never be separated from the moral objectives of the society. The event formed part of ICIEC's ongoing efforts to educate and inform the wider global financial community on the benefits of Islamic finance, which continues to grow rapidly.

A PARTNERSHIP IN PROGRESS

Celebrating 10 years of the Aman Union

ICIEC, credit Insurers and reinsurers of OIC and Dhaman member countries came together recently for AMAN Union's 10th annual meetings in Oman. The event, from September 30 to October 2, held in Muscat, was hosted by Credit Oman, the official export credit agency (ECA) of the country. ICIEC's CEO Oussama Kaissi was the Chairman of the Executive Council for the event, providing a keynote speech during the three-day meeting.

"As the co-founders of the Aman Union, we have witnessed the institution grow strategically over the past 10 years," said Mr Kaissi. "The Union has enriched its membership and adapted in an agile manner to offer the best-in-class technical training and educational resources."

The Aman Union is a professional forum assembling commercial and non-commercial risk insurers and reinsurers in member countries of the OIC and the Arab Investment & Export Credit Guarantee Corporation (Dhaman). Its members largely consist of national ECAs.

Last year gathering marked the 10th anniversary of the Union, founded in 2009. ICIEC is one of the organization's co-founders, alongside Dhaman.

The theme of the 10th annual meetings was: 'Celebrating a Decade of Collaboration in Trade Credit and Political Risk Insurance'. During the event, delegates addressed the latest trends and developments in the credit insurance sector, sharing industry insight and identifying key challenges and opportunities going forward. Speakers also outlined the accomplishments of the Union and the progress it has made since its formation a decade ago.

The number of members has reached 43, while the volume of credit and investment insurance business has grown substantially to USD 38 billion dollars as of 2018.

Other important milestones include the establishment of a Credit Information Database in 2013 (the first of its kind in the Arab and Islamic region) and the launch of a distance learning program with Offenburg University in 2018 and the Aman Union Academy. The Union has been called a 'knowledge hub' for industry practitioners, as well as supporting commercial and non-commercial risk insurers and reinsurers by playing a significant role in explaining to users the importance of members' products.

Mr Kaissi said ICIEC is proud to have played such an integral role in the development of the Union, which has acted to enhance cooperation in the export credit and investment insurance sector in its member countries along with others.

"It has successfully served as a platform for industry professionals to share their knowledge and expertise to enhance their contribution to the development of their member countries and the region as a whole," he noted.

The Corporation looks forward to the further development and success of the Union, he added.

Into the future

Aman Union will play an increasingly vital role in the future. Since its formation, the demand for credit insurance has heightened over the past decade due to the evolving risk landscape, characterized by increasingly volatile local and global economic markets and the continued threat of company insolvencies. These factors have contributed to the increased risk of payment default and tightened liquidity, as well as complicated the ease of doing business between countries and exacerbated uncertainties in legal and regulatory frameworks.

Moreover, the disintermediation of financial institutions from the financing of trade since the global financial crisis has pointed to trade credit Insurance as an attractive alternative.

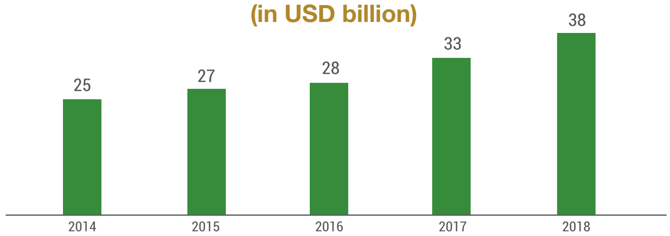
During the past decade, the Union has played a crucial role in providing technical assistance and information sharing to national ECAs to address these challenges, and to facilitate trade and investment through risk insurance between countries. It has provided members with collaborative opportunities in co-financing, co-insurance and reinsurance. Members also benefit from the shared experience and knowledge dissemination on current trends and practices in the insurance sector at annual meetings and during focused training sessions.

Overall, Aman Union has witnessed increased insurance volumes and expanded intra- and inter-regional trade flows in member countries since its launch. This enhanced intra-regional integration of economic activity and investment has been possible due to the key role ECAs played in mitigating the risks of trade and investment. Looking ahead, the Union plans to continue to synchronize its activities, and that of its members, to contribute towards the Sustainable Development Goals (SDGs), particularly in reducing poverty and promoting sustainable economic development

Aman Union's other co-founder, Dhaman, likewise remains equally committed to its future. "Dhaman has unfailingly supported Aman Union because we, at Dhaman, believed in this project since the beginning and we continue to believe that its sustainability requires determination and commitment of all members," said Mohamed F. Chatti, Director, Operations Department at Dhaman.

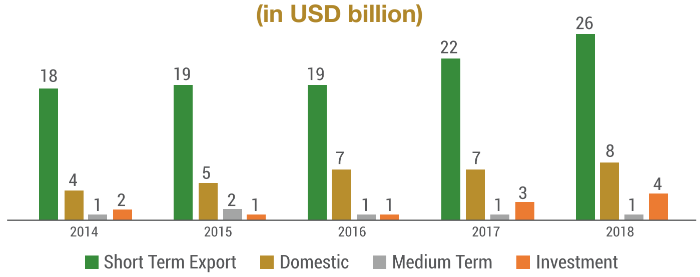
Aman Union Facts

Evolution of total insured business (in USD billion)



In the last 5 years, the total insured business increased from USD 25 billion to USD 38 billion which corresponds to 55% growth

Evolution of total insured business by line of business (in USD billion)



A Landmark Year

Aman Union Members have

USD **38** billion worth of **transactions** in trade and investments

USD **187** million worth of **premium**

7,376 policy holders

133,904 buyers

Aman Union Members

Full Members

Associate Members

Observers

Members Joined In 2019

Aman Union Database Center

The Database Center, launched in 2013 is a unique platform for underwriting, claims & recoveries experiences on buyers worldwide.

Aman Union Training and Development

Providing training to employees from all AMAN UNION member institutions.

Aman Union Academy

Online/distance learning program in trade credit insurance with the Institute for Trade & Innovation at Offenburg University.

ANALYSIS

THE UNTAPPED POTENTIAL OF SUKUK

ICIEC is helping to lead the way in the promotion of the Sukuk industry around the globe, following pioneering work with the Sovereign Sukuk Insurance Policy

ICIEC took part in the 2019 London Sukuk Summit, engaging with leading industry experts and institutions from across the world. The goal was to raise the profile of the Sukuk industry by creating a higher level of awareness among investors and insurers.

At the summit, CEO Oussama Kaissi presented a paper during a session on 'The Untapped Potential of Sukuk in Developing Economies'. Specifically, he addressed the role of ICIEC in enhancing new entrants to the Sovereign Sukuk Origination Market.

"By accessing Sukuk, companies can increase their investor base through stronger ratings, raise loan tenors and decrease borrowing costs," he told delegates at the conference.

ICIEC is already something of a pioneer in this field, delivering the first Sovereign Sukuk insurance product back in 2013. The Corporation now provides third party guarantee as an essential component of today's export credit, investment and Sukuk insurance mix.

"We developed the Sovereign Sukuk insurance product in 2013, when we saw an opportunity," Mr Kaissi noted. He said the rationale behind the Sovereign Sukuk Insurance Policy was based on three primary reasons:

1. A gap exists in Islamic capital markets in terms of supporting Sukuk issuance due to the lack of third-party guarantees
2. Member countries need to mobilize resources from the capital markets
3. The Islamic financial services industry has continued to develop and grow, and has an even brighter future ahead

ICIEC's Sovereign Sukuk Insurance Policy provides credit enhancement in transactions involving sovereign and sub-sovereign entities. It insures the Sukuk investor against default on Sukuk issued by sovereign entities of member countries.

"This product will enable those member countries which are rated below investment grade or are unrated, to gain access to international capital markets and mobilize resources by providing insurance cover to investors."

Given its Aa3 Moody's rating, ICIEC's insurance cover can serve as a strong credit enhancement mechanism and encourage international banks and investors to participate in such Sukuk offerings.

In practice, this means the ICIEC-guaranteed Sovereign Sukuk Insurance tranche will have an Aa3 Moody's rating, while the other part of the debt will have a lower rating, corresponding to the rating for the respective member country. It means the guarantee is likely to make the higher-rated bond tranche appeal to the sort of investors who would normally be unwilling to invest in countries with risky and high debt.

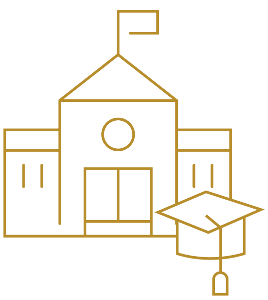
Benefits of Sukuk Insurance Products

The benefits of Sovereign Sukuk insurance, particularly in terms of benefits to the issuer and the investor, are wide ranging, Mr Kaissi told the London summit. They include:

Firstly, it gives enhanced access to international capital markets. ICIEC's involvement with the issuer at the government level and endorsing and providing actual credit support strengthens the perceived credit quality of the issuer and therefore improves the issuer's profile, resulting in credit enhancement.

Secondly, as it extends maturities profiting from the support of the Aa3 ICIEC rating and from its attractive funding curve on long maturities, the issuer increases the tenor of its borrowings at a low cost.

Thirdly, it reduces financing costs for the issuer due to the blended pricing advantage of the ICIEC Sovereign Sukuk Insurance. The cost for the guarantee priced by ICIEC would be sufficiently low to enable an attractive pricing benefit for the borrower. This increases available funding for private projects.



> To progress, we must attract a solid base of new investors comfortable with the Sukuk structure and build a pipeline of transactions that demonstrate the power of this product. That's why we are committed to educating institutions, investors and other key partners about the Sovereign Sukuk Insurance structure

> Some argue that this product gives the perception that because it is needed, it is a sign of weakness. We don't consider it as a sign of weakness; rather it gives issuers an opportunity to access capital markets either for the first time or to have better access through improved prices and tenors. Investors will also take comfort in ICIEC's role to improve the credibility of the issuance

Oussama Abdul Rahman Kaissi
Chief Executive Officer, ICIEC

Fourthly, it increases the investor base through the enhanced rating. In addition, through reduced financing risks, the borrower is able to attract new investors which have not already invested in standalone debt of the credit, especially in the context of an uncertain external environment. Investors benefit from ICIEC's independent fiscal analysis on the country and therefore set the foundation for positive medium and long-term prospects. Investors can perceive the guarantee as a signal of ICIEC's trust in the credit and economic fundamentals of the country.

Fifthly, it enhances the structuring of Shari'ah-Compliant financial offerings.

In terms of application, the impact of the Sovereign Sukuk Insurance will differ depending on the issuer. For example, B-rated countries benefit from a significant pricing impact, an improved maturity, and a facilitated market access. However, better rated countries will receive less of an impact as they will have a closer rating to that of ICIEC.

Overall, there are four types of issuers who stand to benefit from ICIEC's Sovereign Sukuk Insurance policy:

- New issuers without previous market experience either in the sovereign or sub-sovereign space
- Issuers with limited concessional funding allocation but are on the path towards sector reforms and development of investment programs by crowding-in private sector
- Issuers which may benefit from accessing a completely new investor base
- And Issuers with a complex credit history involving some form of turnaround or reform with the assistance of ICIEC.

There are other considerations, however, in deploying Sukuk products.

The signaling effect is an important feature of any enhancement such as a Sukuk insurance cover, Mr Kaissi noted. "Some argue that this product gives the perception that because it is needed, it is a sign of weakness. We don't consider it as a sign of weakness; rather it gives issuers an opportunity to access capital markets either for the first time or to have better access through improved prices and tenors. Investors will also take comfort in ICIEC's role to improve the credibility of the issuance."

With this in mind, Fitch and Moody's are the only two rating agencies that give a rating uplift to partially-guaranteed sovereign transactions. They both provide two notch uplifts to the transaction. Whereas Standard & Poor's have taken the view that the lack of a standard sovereign bankruptcy code would prevent them from assigning value to partial guarantees.

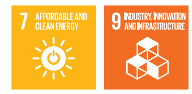
ICIEC's Sukuk is a unique financing structure with vast potential to deploy further innovative risk mitigation solutions.

Mr Kaissi believes that such products can help to facilitate and mobilize funding capacity, particularly for sovereigns and sub-sovereigns with weak credit ratings to access public bond markets for their infrastructure needs.

"I believe, and ICIEC as an organization believes, that the potential of Islamic finance is unparalleled in modern financial history and Sukuk is an instrumental part of this story," he noted. "Moving forward, it would be a missed opportunity not to expand Sukuk volumes. To progress, we must attract a solid base of new investors comfortable with the Sukuk structure and build a pipeline of transactions that demonstrate the power of this product. That's why we are committed to educating institutions, investors and other key partners about the Sovereign Sukuk Insurance structure."

ASIA

BANGLADESH: POWER EQUIPMENT IMPORTS

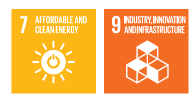
Volume	Tenor	SDGs
USD 38 Million	3 Years	

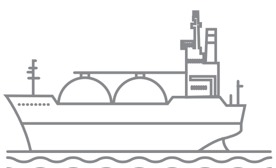
ICIEC is providing insurance cover on the Non-Payment Risk of a Letter of Credit issued by a Bangaldeshi Bank for the import of power generation equipment into the country.

ICIEC's coverage, through a Documentary Credit Insurance Policy (DCIP) for the State Bank of India, helped local sponsors gain access to long-term dollar funding for the development of a key power project in Bangladesh.

As well as support for the Bangladeshi power sector, ICIEC's involvement means access to cheaper and longer tenor funding. This means less pressure on the project sponsors to have to refinance as they have access to a tenor of three years instead of opting for the one-year facility offered by the market.

PAKISTAN: IMPORT OF ESSENTIAL ENERGY COMMODITIES

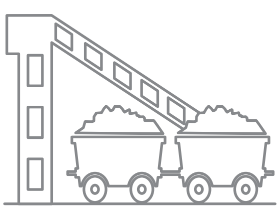
Volume	Tenor	SDGs
USD 40 Million	1 Years	



ICIEC is supporting Pakistan's energy sector with the provision of a Bank Master Policy on behalf of Kuwait Finance House. The facility will help provide insurance cover for the purchase of crude oil, refined petroleum products and LNG from various suppliers located in member and non-member countries. The energy imports are all vital to Pakistan's economy. The credit insurance also supports intra-trade between OIC countries as well as helping to secure Pakistan's electricity needs.

KAZAKHSTAN: IMPORT OF MINING EQUIPMENT

Volume	Tenor	SDGs
USD 15 Million	4 Years	



ICIEC is supporting the import of essential mining equipment into Kazakhstan, one of the nation's key industries. It has issued Specific Transaction Policies to Eurasian Machinery B.V. (EMBV) for sales of mining equipment to three ERG Group companies: Sokolov-Sarybai Mining Production Association; Shubarkol Komir; and Aluminium of Kazakhstan. ICIEC has covered the non-payment risk of these entities for up to four years under the 'import of capital goods' scheme, which allows member country firms to import vital capital goods for operations in non-member countries. EMBV is the sole and exclusive distributor of leading brands in the construction and earthmoving machinery/equipment in Central Asia. ERG Group is a diversified natural resources producer in Kazakhstan, producing and selling alumina, cobalt, copper, coal, and iron ore.

MENA

SAUDI ARABIA: BOOSTING BOPP FILM EXPORTS

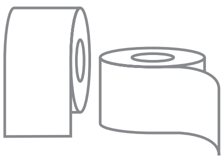
Volume

USD **100** Million

Tenor

12 Months

SDGs



Boosting exports out of member countries is a key priority for ICIEC. In this project, the Corporation is supporting the sale of all types of BOPP (Biaxially oriented polypropylene) film and stretch film, commonly used for packaging products. The transaction will help Saudi Arabian exporters to increase their overseas sales.

BAHRAIN: DREDGING OF NORTH MANAMA CAUSEWAY II

Volume

USD **37** Million

Tenor

23 Months

SDGs

A flagship project in Bahrain, the dredging and reclamation of the North Manama Causeway II, will involve vital support from ICIEC. It will support the project by providing insurance cover to Boskalis Westminster Dredging B.V. against non-payment as a direct result of political and commercial risks, including cover for pre-shipment and post-shipment risks.

Boskalis was awarded the contract for the project, which includes dredging and reclamation, general filling works, removal of existing rock armor, revetment works for protection of the reclamation area, and construction extension of four stormwater channels.

The project forms a part of the Bahrain 2030 National Plan, to boost connectivity between Manama and Muharraq Governorate. A major infrastructure development initiative, it will also improve access to important landmark investment projects such as Diyar Al Muharraq, Dilumnia Island, Investment Gateway Bahrain as opposed to existing business districts like the Diplomatic Areas, Bahrain Bay, Financial Harbor and Seef District.

SAUDI ARABIA: TRADING IN FOOD PRODUCTS

Volume

USD **60** Million

Tenor

12 Months

SDGs

The question of food security is vital for every country around the world. In this project, ICIEC is supporting a Japanese exporter, one of the largest trading companies in Japan, to export canned food products into Saudi Arabia. The deal facilitates trade between a member country and a non-member country by allowing a higher credit facility for the Saudi importer with the Japanese exporter.

SSAE

TURKEY: SME FINANCING SUPPORT

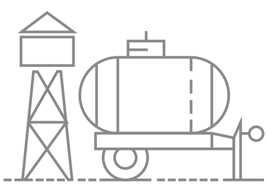
Volume	Tenor	SDGs
EUR 100 Million	5 Years	8, 9

ICIEC is assisting with the provision of a line of finance to Türk Eximbank, the export credit agency of Turkey. It is providing Non-Honoring of Sovereign Financial Obligations (NHSO) cover to facilitate the financing in a project that will support SME growth in the country. The client is ING Bank, Germany.

Türk Eximbank has a client base of 6,000 Turkish companies, mostly SMEs. The financing will back its efforts to support these companies in their international expansion and trade activities. It will also help extend affordable financing to SMEs, helping to boost growth and generate employment.

COTE D'IVOIRE: POTABLE WATER FACILITY, ABIDJAN

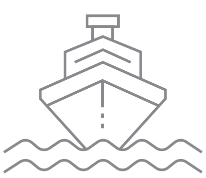
Volume	Tenor	SDGs
EUR 107 Million	7 Years (EUR 38.5 million commercial tranche) 10 Years (EUR 68.5 million DFI tranche)	1, 2, 3, 9



ICIEC is playing a major role in supporting Government of Cote d'Ivoire in meeting drinkable water needs in Abidjan, the Ivorian capital city, which has a population of 5 million. ICIEC has been requested by Société Générale Paris to provide Government non-payment cover against the default of financial obligations for a loan facility that Société Générale Côte d'Ivoire is granting to the Ivorian Ministry of Finance. As well as creating 450 new local jobs, the project will see the construction of a potable water plant that will literally save lives. The lack of potable water in the country causes illness and death among many children drinking untreated water. The new plant will deliver clean water to the neighbourhoods of Angré, Abobo and Anyama, the crowded suburbs of Abidjan that are home to almost 2 million people. The project will also allow for a more sustainable management of the aquifer around Abidjan, preventing both the depletion and pollution of ground water resources.

TURKEY: SME LINE OF FINANCING

Volume	Tenor	SDGs
EUR 80 Million	5 Years	8, 9



ICIEC is helping to facilitate export finance for more Turkish SMEs, a key growth priority for the country. The Corporation is providing Non-Honoring of Sovereign Financial Obligations – SOE (NHSO) cover to its client, Society Generale, France, for a line of finance to Türk Eximbank, the nation's export credit agency. Turkey hopes to boost its exports to USD 500 billion by 2023 with SMEs as a key driver. Exports by Turkey's SMEs to OIC member countries will also help to expand intra-OIC trade.

NAVIGATING UNCERTAIN TIMES

Celebrating its 85th anniversary in 2019, the Berne Union continues to steer the global trade and investment community through uncertain times

The global export credit and investment insurance industry faced a "challenging" trade environment for the first half of 2019, it was noted at the Berne Union annual general meetings in India in October.

A global delegation of 220 senior executives from across the export credit and investment insurance industry gathered for the meetings in Hyderabad, which were hosted by ECGC India and attended by ICIEC. It also marked the Berne Union's 85th anniversary.

"Trade is facing a huge number of risks globally," said Berne Union President, Beatriz Reguero. "Many of these are interconnected and affected by a complex mix of political, social, structural and cyclical factors. Understanding and protecting against these risks is the business of the export credit and investment insurance industry and the collective perspective of our industry, seen through the lens of the Berne Union, acts as a powerful barometer of the health of international trade, generally."

Overall, insurers reported a declining volume of new commitments alongside a 21% increase in claims paid. Increasingly negative trade policy and deteriorating macro-economic conditions were cited as key factors fueling uncertainty.

Credit insurance

The Berne Union noted that insurers of short-term trade credit (ST) reported USD 1.7 trillion aggregate credit limits issued at the end of June 2019 - no real change since the end of 2018; this reflected a lack of growth in underlying trade volumes.

It also highlighted a significant 27% drop in new commitments from insurers of medium and long-term export credits (MLT), compared to 2018: USD 59 billion in

Berne Union members paid just over **USD 3 billion** in claims for the first half of 2019,

MLT	ST	PRI
USD 1.5 billion	USD 1.3 billion	USD 0.2 billion

Overall **21%** up on the first half of 2018.

> Trade is facing a huge number of risks globally, many of these are interconnected and affected by a complex mix of political, social, structural and cyclical factors. Understanding and protecting against these risks is the business of the export credit and investment insurance industry and the collective perspective of our industry, seen through the lens of the Berne Union, acts as a powerful barometer of the health of international trade, generally
>
> **Beatriz Reguero,** President, Berne Union

new cover and lending in the first half of the year. This was most pronounced in a 48% decrease in new commitments towards corporate obligors, largely located in North America and ASEAN. Exports of capital goods suffered due to investment uncertainty, financial constraints on emerging economies and a decline in the number of 'mega-deal' project transactions materializing in pipelines since last year.

However, USD 27 billion in new cover of Political Risk Insurance (PRI) marks a 50% increase relative to the first half of 2018. The size of the increase is heavily influenced by the investment portfolio of a single large member, Berne Union reported. PRI providers in general have indicated a modest increase in demand and enquiries for this product and expressed a robust appetite for selected risks, it noted.

"The most powerful factor negatively affecting trade at present is the high degree of uncertainty facing businesses," said Berne Union Secretary General Vinco David. "Under these circumstances it is unsurprising that we see lower volumes of insured trade than last year. With a number of hotspots facing specific economic and political challenges we also expect to see a continuation of elevated claims. Although the trade environment is certainly deteriorating, the export credit and investment insurance industry is well placed to manage the risks in support of exporters and investors."

Other data

Berne Union members paid just over USD 3 billion in claims for the first half of 2019, USD 1.5 billion for MLT, USD 1.3 billion ST and the rest PRI. Overall this is 21% up on the first half of 2018.

In ST business, Latin America and Europe saw the largest percentage increases in claims payments. North America was the only region not to see an increase in claims and exposure ratio. Latin America dominates MLT claims by any measure, Berne Union noted. Along with sub- Saharan Africa, it saw the biggest percentage increases.

Notable in MLT business was the continued increase in political claims (as opposed to commercial non-payment) which, although still only accounting for 31%, have risen steadily from just 10% in 2016.

The Berne Union is the international association of export credit and investment insurers. Its 85 members include government-backed export credit agencies, private credit and political risk insurers and multilateral agencies from 73 countries – representing all aspects of the industry worldwide.

Members collectively provide payment risk protection equivalent to approximately 13% of annual world trade, compensating banks and exporters for losses suffered due to defaults by buyers or other obligors and providing flexible risk capacity to support international trade transactions.

Speaking on behalf of the host nation, Geetha Muralidhar, Chairman-cum-Managing Director at ECGC, said she was proud that India was holding the AGM of the Berne Union on its 85th anniversary. "India is committed to multilateralism in every field of activity that assists in growth and prosperity for all," she said. "The countercyclical role of ECAs is the need of the hour to mitigate the heightened risk situation affecting the world trade today."

New appointments

During the Berne Union annual meetings, Robert Suter, Head of International Relations and Business Policy at SERV was elected Chair and Irene Gambelli, Senior Advisor International Relations at SACE was elected Vice Chair of the MLT Committee. In the Prague Club Committee, Imaad Al Harthy, General Manager of Credit Oman was elected Chair and Martina Jus, Executive Director at HBOR Vice-Chair.

Robert Suter
MLT Committee Chair

Irene Gambelli
MLT Committee Vice Chair

Imaad Al Harthy
Prague Club Committee Chair

Martina Jus
Prague Club Committee Vice Chair

ICIEC in Hyderabad

ICIEC also took part in the 85th annual meetings of the Berne Union in Hyderabad. The Corporation has now joined the Management Committee of the Union for a two-year term. An active member of the Union since 2008, ICIEC will use the new role to respond to the trade and investment needs of its member countries. At the AGM, ICIEC also attended a meeting of the Prague Club Committee (PCC), which consists of over 40 member companies, including public, private and multilateral agencies. The PCC's members have the shared objective of diversifying their home country's exports. ICIEC views these meetings as a great platform to discuss business trends and exchange industry information.

UNDERSTANDING THE SUSTAINABLE DEVELOPMENT GOALS

ICIEC is a strong supporter of the UN's Sustainable Development Goals, targeting real impact and change in each and every project it supports. A report delivered by scientists to the UN recently outlines why the SDGs are so important to us all.

Achieving human well-being and eradicating poverty for all of the Earth's people - expected to number eight and a half billion by 2030 - is still possible, but only if there is a fundamental and urgent change in the relationship between people and nature, and a significant reduction in social and gender inequalities between and inside countries, according to a United Nations report by independent scientists launched at the 2019 SDG Summit.

The report, requested by all countries to evaluate progress on the 2030 Sustainable Development Agenda, is the first of its kind since the landmark Sustainable Development Goals (SDGs) were adopted four years ago. Entitled "The Future is Now: Science for Achieving Sustainable Development," the report finds that the current development model is not sustainable, and the progress made in the last two decades is in danger of being reversed through worsening social inequalities and potentially irreversible declines in the natural environment that sustains us. Scientists concluded that a far more optimistic future is still attainable, but only by drastically changing development policies, incentives and actions.

The report argues that understanding the interconnections between the individual SDGs and the concrete systems that define society today will be essential to devise policies that manage difficult trade-offs.

A need to transform

Creating economic growth just by increasing consumption of material goods is no longer a viable option at the global level. Projections indicate that the global use of materials is set to almost double between 2017 and 2060, from 89 Gigatons to 167 Gigatons, with correspondingly increased levels of greenhouse gas emissions, and other toxic

effects such as those from mining and other pollution sources.

The present model of development has delivered prosperity to hundreds of millions. But it also has led to continuing poverty and other deprivations; unprecedented levels of inequality that undermine innovation, social cohesion and sustainable economic growth; and it has brought the world close to tipping points with the global climate system and biodiversity loss. To change course, the scientists say the world must transform a number of key areas of human activities, including food, energy, consumption and production, and cities.

These transformations can come about through coordinated action by governments, business, communities, civil society and individuals. Science has a particularly vital role to play - a role that can be further strengthened by increasing investment in science for sustainability and in natural and social science institutions based in developing countries.

The report emphasizes that achieving the SDGs fundamentally requires decoupling economic growth from environmental degradation, while at the same time, reducing social and gender inequalities in wealth, income and access to opportunities.

As not all countries are starting from the same place, the scientists say that higher levels of growth will continue to be needed in poorer countries, to ensure quality social services and infrastructure, at the same time stressing that growing first and cleaning up later is not an option. The report also highlights the need for increased access to appropriate technologies and knowledge.

Developed countries need to change their production and consumption patterns, including by limiting the use of fossil fuels and plastics, and to encourage public and private investments that align with the SDGs.

The scientists suggest that the UN could promote a new sustainable development investment label, with clear parameters and guidelines, to encourage and reward investment in industries and financial markets that advance sustainable development and discourage investment in those that do not.

The extensive transformation that is needed will not be easy, and the report suggests that a deep scientific understanding is needed to anticipate and mitigate the tensions and trade-offs inherent in widespread structural change. For example, those losing jobs in the shift away from fossil fuels and other industries at odds with a sustainable future should be supported towards alternative livelihoods.

The authors emphasize that strong political will and commitment will be required to make the needed transformations, that there are no one-size-fits-all solutions, and the interventions in developed countries will look very different from those in developing countries.

A call to action: 20 interventions that will matter

The report's Call to Action identifies 20 points where interventions can create transformative and accelerated progress towards multiple goals and targets in the coming decade. These targeted actions are based on the recent scientific literature analyzing the deeper systemic interconnections that identify synergies and trade-offs between individual goals and targets.

The report advocates for universal access to quality basic services - healthcare, education, water and sanitation infrastructure, housing and social protection - as a prerequisite to elimination of poverty and advances in human well-being, with special attention given to persons with disabilities and other vulnerable groups. It also calls for renewed attention to ending legal and social discrimination, and for strengthened unions, nongovernmental organizations, women's groups and other community organizations, finding them all to be important partners in efforts to implement the 2030 Agenda.

The authors identify the food and energy systems as particularly important arenas for change since these systems, as they currently function, are bringing the world toward environmental tipping points, but they are also critical nexus areas for human health and well-being.

The food system must undergo widespread changes to the infrastructure, cultural and societal norms, and policies that are supporting the current, unsustainable, status quo. At present, approximately 2 billion people suffer from food insecurity and 820 million people are undernourished. At the same time, overweight rates are growing in almost all regions of the world, with global numbers reaching 2 billion overweight adults and 40 million children under the age of five.

For developing countries, stronger social protection floors are needed to ensure food security and nutrition. Countries must reduce the environmental impact of their food production systems, considering the entire value chain, by reducing food waste and reducing reliance on animal-based protein sources. Developing and developed countries both need to increase attention to malnutrition in all its forms - including the increasingly high numbers of persons who are overweight.

The energy system also must transform to close the energy access gap. Close to 1 billion people are without access to electricity, predominantly in Sub-Saharan Africa, and more than 3 billion people rely on polluting solid fuels for cooking, causing an estimated 3.8 million premature deaths each year. These gaps must be addressed, while at the same time increasing energy efficiency and phasing out fossil-based power generation without carbon capture and storage, so that the world economy is decarbonized, in line with the aspirations of the Paris Agreement.

The amount of modern renewable energy in the total global energy supply has increased by an average of 5.4% annually over the past decade. Meanwhile, since 2009 the price of renewable electricity dropped by 77% for solar photovoltaics and 38% for onshore wind - and for five years in a row, global investments in clean energy have exceeded USD 300 billion annually.

> The report emphasizes that achieving the SDGs fundamentally requires decoupling economic growth from environmental degradation, while at the same time, reducing social and gender inequalities in wealth, income and access to opportunities.

However, additional growth has been stymied by direct and indirect subsidies to fossil fuels that continue to distract from their true economic, health and environmental costs.

With two-thirds of the global population projected to live in cities by 2050, the report finds that achieving the 2030 Agenda will require more compact and efficient cities that are better served by quality public transport and other infrastructure, social services and an economy that provides decent and sustainable livelihoods including those enabled by technology and nature-based industries. Partnerships and networks among peer cities can help municipal leaders build on good practices and a store of expertise, as can investing in building a "science of cities."

The scientists emphasized that the global environmental commons - such as the atmosphere, rainforests and oceans - must be safeguarded as crucial sources of ecosystem services and natural resources. Governments, local communities, the private sector and international actors must work together to conserve, restore and sustainably use natural resources. Accurately assessing environmental assets is a critical first step, and their value should be reflected through pricing, transfers, regulation and other economic instruments.

Decisions based on science

Science must play a major role in advancing sustainable development. Universities, policymakers and research funders must increase support to research guided by the 2030 Agenda. Simultaneously, researchers in sustainability science and other disciplines, must work together to solve development problems and strengthen the science-policy-society interface, providing society and policy-makers information they can use to solve development problems.

The report makes the case for shifting current research priorities and supporting innovative approaches to sustainability science, emphasizing cross-disciplinary partnerships, and committing support and resources to scientific institutions, particularly in the global South. Development aid budgets should prioritize boosting scientific capacity and access in the global South. UN member states, research consortia and libraries should work together to improve cross-border and inter-disciplinary collaborations in science for the SDGs.

*The full report, **"The Future is Now: Science for Achieving Sustainable Development,"** can be found at: https://sustainabledevelopment.un.org/gsdr2019*

8 BENEFITS OF TRADE CREDIT INSURANCE FOR SMES

Rony Azar,
Country Manager, Asia Region Division

Small and mid-size firms can be especially vulnerable to credit risks. That's why trade credit insurance can play an invaluable role

Small and medium-size enterprises, or SMEs, continue to face big financial challenges and, depending on their business model, are at risk of facing bad debts. This is especially true in the case of businesses that sell goods and services on credit without proper checks and balances in place - potentially exposing the company to bankruptcy by depending on their buyers to pay on time. However, businesses can protect themselves against the risk of bad debt by using trade credit insurance.

A survey showed that the average small business owner carried a debt of at least USD 195,000, so dealing with customers who don't pay what they owe can quickly wreak havoc on their financial position. Trade credit insurance steps in by acting as a hedge against unpaid debts.

Here are eight reasons why a small/ medium business should buy trade credit insurance.

1) Guaranteed Improved Cash Flow

Businesses need a minimum amount of cash flow to cover their day-to-day cost of operations. Credit insurance ensures that businesses will have the cash they need in case their customers default.

2) Insolvency Protection

When businesses make sales based on credit terms, trade credit insurance steps in to protect them from the risk of insolvency.

3) Minimize Concentration Risk

Businesses that exclusively depend on a select number of customers will be able to mitigate their risk of bad debts by purchasing trade credit insurance.

4) Advantage of Competition

Credit insurance allows businesses to offer more competitive financing options such as better payment terms and higher credit limits. This, in turn, promotes higher sales.

5) Penetrate New Markets

Businesses that face unique export risks will be able to make better decisions in foreign markets based on the data provided by their trade credit insurers. This provides them access to a whole new market without the risk of crippling debt.

6) Obtain Information on Existing and New Buyers

The credit insurer proactively monitors its customers' buyers to ensure their creditworthiness. The insurer has access to robust sources of information that include public records, information supplied by policyholders that do business with the same buyers, visits to the buyer if need be, and receipt of financial statements. This all helps to reduce the overall risk of the transaction on all sides.

7) Improved Relationship with Lenders

Trade credit insurance improves the relationship of a business with its lenders. In fact, businesses are required by banks, in many markets, to purchase trade credit insurance beforehand in order to qualify for loans, discounting facilities etc...

8) Protecting Accounts Receivable

Trade credit insurance protects businesses against potentially damaging debt losses that occur due to unforeseen circumstances. This coverage extends to insolvency events on both export trade and domestic receivables. Trade credit insurance provides a safety net to SMEs by protecting their earning and preventing catastrophic credit losses. This is usually done by establishing a deductible level as per the business's ability to withstand unforeseen loss, and any loss that exceeds the deductible is covered by the insurer.

REGIONS

SSAE

COMCEC FINANCIAL COOPERATION WORKING GROUP MEETING

The 13th meeting of the COMCEC Financial Cooperation Working Group was held on October 17, 2019 in Ankara, Turkey, under the theme of Improving the Takaful sector in the OIC member countries.

Representatives of 19 member states attended the meeting to share their experiences, achievements and challenges on the Takaful sector in their respective countries.

Representatives of the COMCEC Coordination Office, SESRIC, SMIIC, IFSB, ICIEC, the OIC Exchanges Forum, the COMCEC Capital Markets Regulators Forum, OIC-COMCEC Central Banks Forum, and NEOVA Insurance also attended the meeting.

ICIEC Turkey Representative Ms. Fatma Gamze Sarioglu delivered a presentation on ICIEC's products and services, explaining ICIEC's mandate in assisting member countries in promoting and diversifying their exports and investments.

Delegates also considered a study, 'Improving the Takaful Sector in Islamic Countries' which was commissioned by the COMCEC Coordination Office.

OBIC ADVANCES

The COMCEC meetings also saw the development of another ICIEC-led initiative advance: the creation of the OIC Business Intelligence Center (OBIC), to bring data-driven decision making to lending. This will tackle setting up the legal framework that governs the collection, treatment, and sharing of business information with public and private sector stakeholders and customers in OIC member states. It will also provide architecture, executive dashboards, user-friendly ad-hoc capabilities, and forward-looking predictive analytics to serve as an effective credit insurance and database.

At last year's COMCEC meetings, in November 2018, ICIEC was tasked with progressing OBIC in collaboration with the IsDB Group and SESRIC. The system aims to leverage new technological capabilities such as blockchain, machine learning and artificial intelligence to augment its capabilities.

COMCEC, headquartered in Turkey's capital, Ankara, and chaired by Turkish President Recep Tayyip Erdogan, is the highest ministerial platform for the OIC to improve economic and commercial ties among member states.

The OBIC report can be found at: https://iciec.isdb.org/

DEALS SIGNED AT COMCEC MEETING

Deals were done at the recent Committee for Economic and Commercial Cooperation (COMCEC) meetings in Turkey, with ICIEC taking a leading role.

The 35th Ministerial Meeting of COMCEC took place In Istanbul at the end of November 2019. The gathering saw lots of deals and cooperation pacts signed by the Islamic Development Bank (IsDB) Group and various Turkish stakeholders across the export and transport sectors.

Turk Eximbank, the national export credit agency (ECA), signed an Insurance Policy MoU worth US$180 million for a club loan facility with ICIEC. With this, ICIEC's support for Turkey has reached USD 6.8 billion. This has led to a significant impact on employment creation, export capacity expansion and revenue generation for the beneficiary companies.

It was also reported by Anadolu Agency, citing Ruhsar Pekcan, the Turkish Trade Minister, that the ECA, with the support of the IsDB, is expected to provide more than US$40 billion in financing Turkish to exporters.

UNLEASHING INTRA-OIC INVESTMENT CONFERENCE

ICIEC recently took part in the First OIC High Level Public and Private Investment Conference, held in Istanbul, Turkey during 8-9 December 2019. The conference was an initiative of the Organization of the Islamic Cooperation (OIC), in partnership with the Islamic Development Bank (IsDB) Group and Invest in Turkey to unlock intra-OIC investment.

This year's maiden event took place under the theme 'Unleashing Intra-OIC Investment Opportunities: Investment for Solidarity and Development'. The conference provided a unique global platform to engage both private and public stakeholders through multiple sessions and meetings, drawing representatives from the 57 OIC members countries and beyond to network in order to identify and promote investment projects and cross-border opportunities.

One key topic under the microscope was the role of the export credit agencies in mitigating commercial and political risks in investments and how this can facilitate greater intra-OIC investment flows. ICIEC's CEO Oussama Kaissi was the keynote speaker for this discussion. "Investment in OIC member countries works to promote our unity, opens doors to larger global markets, and can strengthen the Islamic economic base as a whole," he told the attendees. "We can lead by example and show international investors that the Islamic Finance market is strong, safe and profitable, bringing in even more prospective investors from other global markets."

Another panel focused on the business intelligence ecosystem role in tackling the data revolution. In this session, Mr Kaissi emphasized the importance of having a cutting-edge business intelligence system with comprehensive credit information, if investment into OIC countries is to be effectively maximized. He noted the progress made in establishing an OIC Business Intelligence Centre (OBIC) and its potential for supporting member countries. "OBIC will use advanced technology and artificial intelligence solutions to deliver credit information, with integrated blockchain technology facilitating greater accuracy, convenience, and speed."

ICIEC & TURKEY

Throughout its 25-year history, ICIEC's partnership with Turkey has been one of its most vital and enduring relationships. It is a partnership that has grown stronger through the years: as a member country with a shareholding, a client and a partner, Turkey is a close ally of ICIEC in every sense.

The country now ranks first for both inbound and outbound foreign direct investment (FDI) facilitated by ICIEC among all of its member countries.

Much of this work is built around strong cooperation with Turk Eximbank, the official export credit agency (ECA). It was one of the first ECAs established in the member countries of the OIC, and the two organizations have grown together. While ICIEC continues to enhance Turk Eximbank's confidence in providing financing for projects, the ECA helps grow the Corporation's presence in the Turkish economic landscape.

With Turkey's economic ambitions becoming increasingly more international, ICIEC has an even greater role to play going forward. In recent decades, this attention has been heavily focused on Africa, which has further supported ICIEC's intra-OIC business expansion. Many of the Turkish projects supported by ICIEC have taken place in the 24 member countries located within Africa. Some of these projects have truly been landmark projects for all parties involved.

In Africa and beyond, ICIEC looks forward to continuing its mission of expanding the volume of trade and investment that Turkey is engaged in for many decades more to come.

The Power of Partnership, The ICIEC & Turkey booklet can be found at: https://iciec.isdb.org

TURK EXIMBANK COOPERATION PACT

ICIEC has signed a Memorandum of Understanding for Cooperation with Export Credit Bank of Turkey (Turk Eximbank), the nation's official export credit agency. The agreement, signed on 27 November 2019, sets out a general framework to facilitate further cooperation between the two parties, across a number of core areas. Specifically, these areas include: risk sharing; credit enhancement for export financing; credit enhancement for Turk Eximbank borrowing; information sharing; marketing promotion and product development; capacity building; and other areas. The pact carries a general intent to foster "closer cooperation and collaboration between the two parties."

ICIEC SIGNS MOUS IN SENEGAL

ICIEC has signed two MoUs with Senegal, one of West Africa's most vibrant economies.

The first is an MoU with APIX S.A, which is the country's main agency for attracting foreign direct investment (FDI) and facilitating business creation. The agreement facilitates joint efforts to promote Senegal as an FDI destination for ICIEC and IsDB Group member countries.

ICIEC also signed a MoU with the Sovereign Fund for Strategic Investments (FONSIS), the investment arm of the Government of Senegal. This partnership seeks to catalyze FDI into Senegal by promoting FONSIS among ICIEC member countries and facilitating access to ICIEC's political risk insurance products.

Both MoUs, signed in Senegal in early November, set the tone for greater trade and investment cooperation going forward. The country benefits from a diverse economy, including dynamic mining, construction and transportation industries. Senegal also has a good credit profile - currently Ba3 (Stable) from Moody's.

ISLAMIC FINANCE SUMMIT IN NIGERIA

ICIEC's CEO, Oussama Kaissi, delivered a keynote speech at the 4th African International Conference on Islamic Finance (AICIF) in Lagos, Nigeria in November. The event brought together leading industry players to explore ways in which Islamic finance can bolster financial inclusion in Africa and help with infrastructure funding gaps.

Mr Kaissi emphasized ICIEC's keen focus on Africa. 24 of ICIEC's member countries are African, with ICIEC supporting USD 5.8 billion worth of trade and investment in the sub-Saharan African region since its inception. He also highlighted some of the notable projects which ICIEC has supported such as the new Dakar Airport and the Doraleh Container Terminal Project in Djibouti.

ICIEC's strong belief in the future of Africa is underpinned by the vast reservoir of human capital and talent available locally to help address the huge development needs of the continent.

However, Mr Kaissi said the conditions for Africa's talent to flourish need to be improved further, especially in terms of infrastructure development. He highlighted the immense infrastructure funding gap but suggested that Islamic finance is well-placed to help meet this challenge.

ICIEC TAKES PART IN AFRICA INVESTMENT FORUM

ICIEC attended the 2019 Africa Investment Forum (AIF) in Johannesburg, South Africa, a showcase for some of the challenges and opportunities facing the continent. With many of its member states located in Africa, the region represents an area of great potential for the Corporation. It was also a chance to highlight the significance of the Co-Guarantee Platform (CGP), an initiative for de-risking investments into African markets, established during the previous AIF in November 2018.

The ICIEC delegation was led by Bessem Soua, Manager, Sub-Saharan Africa, who was also a speaker in a session arranged by the CGP participants. The CGP was set up by founding members ICIEC, the African Development Bank Group (AfDB), the African Trade Insurance Agency and GuarantCo., and now also includes other stakeholders such as Afreximbank and the African Union Development Agency (AUDA-NEPAD).

At the Forum, Bajabulile Swazi Tshabalala, VP Finance & Chief Finance Officer of AfDB, highlighted the rationale for establishing the CGP and the need for partnerships in order to de-risk investments into Africa and attract more private capital. She covered the various initiatives run by AfDB in order to mobilize institutional investors to finance Africa's much-needed development.

The head of AUDA-NEPAD, Dr. Ibrahim Assane Mayaki, provided an overview of the Africa Infrastructure Guarantee Mechanism (AIGM) - an initiative to find ways to reduce the risk of institutional investment in Africa's infrastructure sector. He also noted that the CGP is an adequate platform to deal with risk perceptions and for mobilizing investments in Africa.

ICIEC's representative made a presentation focusing on the Corporation's track record and value proposition for the CGP, with a particular focus on the various structures between multilateral development banks and credit and political risk insurers.

In a separate session, a panel of experts from different stakeholders suggested setting up a permanent CGP secretariat to streamline coordination.

BUILDING ARAB AFRICA TRADE BRIDGES

ICIEC representatives attended the Arab-Africa Trade Bridges (AATB) program in Dakar, Senegal in November, an event led by the International Islamic Trade Finance Corporation (ITFC), a fellow member of the Islamic Development Bank (IsDB) Group.

As a partner of the AATB program, ICIEC had an integral role to play, with CEO Oussama Kaissi chairing the Executive Committee meeting.

The AATB program has a number of core objectives including the promotion and increase of trade flows between Arab countries and sub-Saharan African OIC member states. It also aims at offering opportunities to promote trade finance and export credit insurance products and serve as a platform for capacity building on trade finance-related issues.

The event forms part of general moves to unlock the immense untapped trade and investment potential between the regions, with ICIEC's insurance products in place to help exporters and importers feel safer in undertaking any business transactions.

GLOBAL TAKAFUL FORUM

An ICIEC delegation from its Istanbul office attended the recent Global Takaful Forum. Speakers and industry professionals from organizations related to Takaful, as well as insurance and Islamic finance, took part in the event. The forum was designed to share knowledge of the benefits of the Takaful industry to a wider spectrum of market participants, as well as analyze those problems hindering its development on an international scale.

IFN DIALOGUES TURKEY 2019

ICIEC participated in Islamic Finance News (IFN) Dialogues Turkey 2019. The panelists discussed the potential of the Islamic Finance industry against the backdrop of the latest developments in Turkey. The topics discussed included Growth and Innovation of Capital Markets and Asset Management in Turkey, Digitization and Financial Technology and Islamic Finance and Environmental, Humanitarian and Socially Responsible Investment.

MENA

ICIEC SIGNS TRADE & INVESTMENT MOU WITH DHAMAN

ICIEC has signed an MoU with the Arab Investment and Export Credit Guarantee Corporation (Dhaman) to facilitate trade and investment and promote sustainable economic development across member countries. It includes the joint preparation of a three-year action plan (2020-2023) to guide the parties in deepening their cooperation.

"I am delighted to establish this commitment for greater cooperation with Dhaman," said Oussama Kaissi, CEO of ICIEC. "By enhancing our existing relationship, this MoU charts a course for more private capital and investment across our member countries. The enhanced integration will allow our respective institutions the opportunity to learn from and complement the strengths of the other."

Activities within the MoU framework are numerous and encourage coordination between the institutions across many dimensions. They include aligning efforts to participate in reinsurance agreements and to increase their share of existing agreements with the national insurance bodies of member states; deepening cooperation in the field of facultative reinsurance and with regards to collecting debts related to the insured operations of each party. The agreement also encourages the sharing of key business data, and a more coordinated approach to marketing and training.

Dhaman's Director-General, Abdullah Ahmad Al-Subaih, emphasized how the MoU will significantly improve the provision of insurance services to Arab companies looking to trade and grow. He said he expects that the partnership, as outlined in the MoU, will allow for even greater de-risking of the MENA region in the eyes of prospective trade partners and investors, thus driving up the trade volumes and foreign direct investment inflows of member countries.

TXF MENA

ICIEC participated in the TXF MENA 2019 conference in Dubai in October, with local representative, Tanvir Aslam taking part in a panel discussion alongside Citibank, SACE, GE Power and Etihad Credit Insurance.

At the event, ICIEC outlined the various changes in the MENA region, including the upcoming Saudi Exim Bank and the recent launch of UAE's own federal export credit agency (ECA). It means banks, investors and exporters should look towards developing their relationships with these new entities, aligning themselves with the country's broader strategies.

ECAs are stepping up to provide vital and ongoing support for trade and investment in what is widely considered to be a challenging market globally.

ETIHAD CREDIT INSURANCE TECHNICAL TRAINING

Since the launch of the UAE's new federal export credit agency, Etihad Credit Insurance (ECI), ICIEC has extended its full support in helping the organization to build its capabilities and become a leading institution for the region. From an initial MoU, through to expanding into reinsurance agreements, ICIEC's team in the UAE recently provided a training session for ECI staff to provide greater insight into the Corporation, as well as its main products and services. The training was attended by ECI senior management and trainees and will better equip ECI and its personnel with the right knowledge to help increase business opportunities under ICIEC's reinsurance agreement.

ICIEC RETREAT PROGRAM

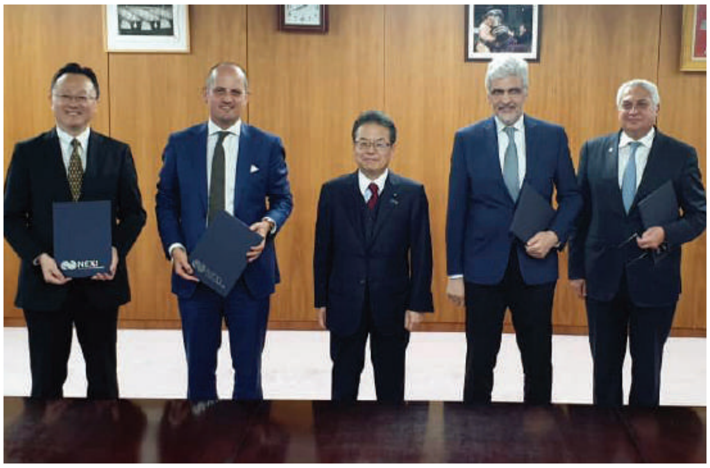
ICIEC hosted a staff retreat program for 2019 in Jeddah, Saudi Arabia, to consider the outlook for the coming year and beyond and to reflect on recent business and performance.

Oussama Kaissi, ICIEC's CEO, delivered a presentation on the future outlook for the Corporation on the first day of the event. There was also a detailed look at some of ICIEC's products and policies, as well as consideration of the 10-year strategic objectives of ICIEC and the IsDB Group.

A senior economist from Munich Re, Alexander Dietrich, also presented a paper on the economic highlights and country risks facing some of ICIEC's key markets.

ASIA

NEXI, JAPAN'S EXPORT CREDIT AGENCY



ICIEC participated in the 7th Tokyo International Conference on Africa Development (TICAD 7), which took place in Yokohama, Japan in August 2019. One major outcome from the event was the signing of a fresh agreement with Nippon Export and Investment Insurance (NEXI).

The conference provided an opportunity to renew ICIEC's existing MoU with NEXI, originally signed back in 2008. The agreement aims to facilitate increased Japanese investment into ICIEC member countries, with a special focus on Africa.

This updated partnership sets a path for further cooperation with Japan's official export credit agency (ECA) and will encourage collaboration on both trade and investment opportunities of mutual interest.

"NEXI will continue to actively support the business expansion overseas of Japanese companies including exports to, investments in, and loans for the African countries, by promoting closer ties with international financial institutions and governmental financial institutions in other countries and regions," the Japanese agency said in a statement.

NEXI and ICIEC also agreed to set up a Japan Desk in ICIEC offices in order to promote joint insurance services to Japanese companies operating in ICIEC's member countries. In February 2020, NEXI will also organize a workshop in Japan to familiarize ICIEC staff with its services in order to launch this new initiative.

Attending TICAD 7 was ICIEC CEO, Oussama Kaissi, who met with numerous existing and prospective partners during his visit to Japan. The visit helped strengthen relationships with partner institutions and provided an opportunity to present the wide range of benefits that ICIEC's suite of products and services are able to provide to prospective partners.

IFN FORUM INDONESIA

At the Islamic Finance News (IFN) Forum Indonesia, held in August, speakers highlighted the increasing popularity of Islamic finance across the globe, with a market now surpassing USD 2.2 trillion.

Shaiful Kamarul, Senior Country Manager of ICIEC, represented the Islamic Development Bank (IsDB) Regional Hub Indonesia as one of the panelists in a session on funding and capital-raising options.

During the session, he highlighted the importance of credit enhancement, such as investment insurance and guarantee instruments offered by ICIEC.

In Indonesia, the Corporation has signed an MoU with the Indonesia Infrastructure Guarantee Fund (IIGF) to provide a co-guarantee for infrastructure financing. The initiative, which is fully supported by the Ministry of Finance, will add further capacity to IIGF in providing guarantees for public-private partnership projects and mobilize more participation from the private sector.

At the event, Indonesian government officials also outlined efforts to push other strands of the Islamic economy, such as education, hospitals, fashion, food, tourism, in addition to banks and finance. They stated that halal food is now a USD 1.3 trillion industry, with Malaysia and UAE taking the lead.

Benin meeting: Mr Kaissi also met with the Minister of Finance and Economy for Benin, HE Romuald Wadagni, on the sidelines of the conference to discuss the potential of credit enhancement and risk mitigation tools for the West African Country.

NEW COUNTRY MANAGER FOR SAUDI ARABIA

Ziad Al Sabbaly has been appointed as ICIEC's new Country Manager for Saudi Arabia. Based in Riyadh, Mr Al Sabbaly will be responsible for marketing ICIEC's products and services to exporters, investors and financiers, as well as monitoring the Corporation's portfolio and exposure in the country. It forms part of ICIEC's efforts to increase its developmental impact and market access in the Kingdom, and to dovetail with the ambitious Saudi Vision 2030 blueprint, notably in raising the volume of non-oil exports and attracting new investment.

Saudi Arabia is already one of the largest beneficiaries of ICIEC's insurance services among member countries. Since inception in 1994, the Corporation has issued approvals for insurance of export, imports and investments to the tune of USD 17.4 billion, benefiting approximately 705 Saudi entities.

PARTNERSHIP
FOR
DEVELOPMENT

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