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Fostering Food Security, Resilience, and Sustainable Growth

“In line with our mandate to promote trade and facilitate the flow of FDI, we aim to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture. Our development goal remains to help Member States’ welfare and sustainable growth”

Oussama Abdul Rahman KAISSI, CEO, ICIEC



Food security and ICIEC:
Endeavouring to meet the
challenges of SDG2



Côte d’Ivoire:
A holistic food security strategy



Deep dive to future frontiers for
financing farming underwater



ICIEC continues its support to the
mining industry in Kazakhstan

Our thoughts and prayers remain with our brothers and sisters in the Republic of Türkiye and the Syrian Arab Republic in the aftermath of the most devastating earthquake to hit the region in more than 20 years. Following the quake, a dam collapsed in northwestern Syria, causing the overflow of the Orontes River and floods caused by heavy rains in southern Türkiye.

Natural disasters and those exacerbated by climate change are fronts of mind, particularly for several Western Asian member states.

Food security has been a big challenge across the MENA region in particular. For the first quarter edition of the newsletter, we want to take a closer look at how ICIEC has been helping foster food security, resilience, and sustainable growth throughout the OIC member states, particularly in Western Asian countries.

ICIEC takes its role in facilitating agricultural and fishery products very seriously. Last year we helped enable more than US\$1.6 billion in exports through reinsurance agreements with our export credit agency partners. We're off to a promising start in 2023.

As we approach the IsDB Group Annual Meetings in Jeddah scheduled from 10-13 May, we will focus on KSA Vision 2030 – and how food security will be an integral part of this mission.



In line with our mandate to promote trade and facilitate the flow of FDI, we aim to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture. Our development goal remains to help Member States' welfare and sustainable growth.

Oussama KAISSI
Chief Executive Officer, ICIEC



Food security and ICIEC: Endeavouring to meet the challenges of SDG2



Food security in a fragile world has come starkly to the fore as an issue given the backdrop of conflict in Ukraine, recent natural disasters, climate change, and the impact on access to vital agricultural products and food. Here we look at the initiatives ICIEC has been supporting, the partnerships made, and the impact they can have in improving food security and underpinning the development of more resilient access to food.

The global food security crisis is having a particular impact on many OIC member states, and ICIEC is ready to address the challenges its member states face. Food security has always been one of ICIEC's core objectives in its singular position as the world's only Shariah-Compliant trade and investment insurer catering to the needs of its member states in the Islamic world.

The second of the United Nations' 17 Sustainable Development Goals (SDG2) is to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture. By the UN's admission, the world is not on track to achieve SDG2 by 2030, and the Organization has asserted that a 'profound change' is needed in the global food and agricultural system to stand a chance of reaching the goal.

In the Food and Agriculture (FAO) of the UN, the data is stark. Chronic undernourishment

is a burden for more than three-quarters of a billion people worldwide, and according to the World Bank data from 2020, at a time before the COVID pandemic had unrolled, the Middle East and North Africa (MENA's) share of the world's acutely food insecure people was 20%, disproportionately high compared to its 6% share of the global population. The combination of geopolitical tensions, the war in Ukraine, the aftermath of the COVID pandemic, high energy prices, and a slew of natural disasters and climate issues have all combined to increase food insecurity and commodity price pressures for countries that have had to import many vital agricultural goods.

ICIEC's response is also part of a global context and can be set amid the backdrop of the UN's Global Crisis Response Group on Food, Energy, and Finance (GCRG), which was set up in March

2022, and the Islamic Development Bank Group's comprehensive Food Security Response Program (FSRP), launched last July. GCRG allows the UN Secretariat to coordinate the global response to the worldwide impacts of the war in Ukraine on global food, energy, and finance systems.

The IsDB Group's contribution is a US\$10.54 billion comprehensive FSRP package supporting member states, including 27 in Africa, in addressing the food security crisis. In that program, ICIEC has the potential to provide US\$500 million in Credit and Political Risk Insurance (CPRI) coverage.

In all, IsDB Group backs total financing support of over US\$20.6 billion for agriculture and food security in 1,538 operations – and its 'One Group One Goal' approach enables all areas of food security to be covered cohesively throughout the group.

ICIEC's role in the routes to ensure food security

There are many different routes to ensuring food security – and one key track is to help provide the crucial infrastructure that underpins a country's ability to transform its resources. Supporting the agricultural sector in member states to help improve food security and help end hunger has been a critical tenet of ICIEC's endeavors.

Since it was established in 1994, ICIEC has supported more than US\$ 1.5 billion in the agricultural sector, which has helped improve the incomes of farmers and food producers, particularly in the least developed member countries (LDMCs).

Regarding projects that underpin SDG 2, ICIEC has stood firmly on both sides of insuring the trade and investment needs of the agriculture sector in member states. In practical terms, that means providing comprehensive protection for exporters of agricultural goods, technologies, and equipment. That support allows exporters to sell goods into riskier countries and helps support their cashflows and potential operational risks.

Indeed, ICIEC's CPRI for agricultural machinery exporters means the companies can export to more risky countries, which has the knock-on effect of allowing governments and companies in those riskier countries access to more productive assets. This bridges the gap



that enables countries to develop their local food market productivity and, for instance, ultimately helps them become less reliant on expensive imports.

For instance, in 2022, Komatsu, one of the world's largest manufacturers of agricultural Machinery, was able to export vital agricultural equipment to Turkmenistan from Japan as a result of a US\$40 million insurance policy issued to ING Bank (Tokyo branch). The cover to mitigate non-payment risk comes under the Non-Honouring of Sovereign Financial Obligations for the extended financing facility to the Government of Turkmenistan through the State Bank for Foreign Economic Affairs.

ICIEC in the FRSP – a mandate to 2025 that's already ahead of the target

The FRSP program will reach through 2025 and is principally focused on working on cutting-edge interventions to address structural weaknesses and root causes of food insecurity in the medium and long term. Common themes need to be addressed, including low productivity, rural poverty, and lack of resilience in regional and national agricultural food systems. The six primary initiatives being undertaken are:

- 1) Building agricultural resilience to climate change
- 2) Food and input supply value chains
- 3) Improving market access and productivity for smallholders
- 4) Supporting rural livelihoods
- 5) Developing livestock and fisheries
- 6) Building resilient food supply systems.

Within the FRSP, which spans to December 2025, ICIEC's contribution of US\$500 million in insurance capacity is being made through the extension of CPRI solutions to facilitate international trade transactions (food, seeds, fertilizers, and equipment related to agriculture projects) and foreign investment in the agriculture sector aiming at increasing the production and improving the storage capacity of, and resilience in member states under the



Since inception, ICIEC has supported more than US\$ 1.5 billion in the agricultural sector, which has helped improve the incomes of farmers and food producers, particularly in the least developed member countries.



ICIEC has been facilitating banking transactions in its member states to help with imports of agricultural equipment, fertilizers, sugar, wheat, other grains, soya beans, and canola.

initiatives on building food and input supply value chains.

In practice, ICIEC has been facilitating banking transactions in its member states to help with imports of agricultural equipment, fertilizers, sugar, wheat, other grains, soya beans, and canola. It has also been supporting investments to improve the modernization of the agricultural sector in member states.

By the end of the first quarter of this year, total approvals under the program relating to food security had already reached US\$301 million, up dramatically from the total approvals that had already reached US\$159 million at the end of December.

Who can access ICIEC interventions? In short, importers, contractors, investors, and financial institutions for member states. The main focus is on the Least Developed Member Countries (LDMCs), and beneficiaries come from all geographies, including Sub-Saharan Africa, Asia, and MENA.

The countries receiving approved support under FRSP by the end of March 2023 include Egypt, Uzbekistan, Uganda, Senegal, Bangladesh, and Indonesia.

ICIEC is also mobilizing external financial resources to get member states to benefit from its international reinsurance partnerships. This reinsurance support is possible through short, medium, and long-term portfolio-based treaties and facultative arrangements on automatic facility or a single transaction basis.

Building on the lessons learned during the COVID crisis

In the broader context, from US\$514 million of approvals in 2020, the first year of the SPRP, ICIEC reached US\$1.4 billion by the end of December 2022, nearly ten times the initially pledged amount of \$150 million. This total applied to 46 transactions and projects in favor of 15 member states.

It also included US\$271 million under the ICIEC ISFD COVID-19 Emergency Response Initiative (ICERI) program in cooperation with the Islamic Solidarity Fund for Development (ISFD). Discussion is progressing to expand the reach of the structures used under ICERI to use under FRSP and to help support more significant deals with longer tenors.

Putting partnerships on food security into practice

Ensuring and improving food security is a delicate topic and necessitates wide arms around deep partnerships to make it happen in practice. ICIEC emphasizes its outreach to public and private sector bodies through relationships with other multilaterals and industry bodies and direct contact with companies internationally.

ICIEC has signed Memorandums of Understanding and Strategic Partnership Agreements with the Islamic Organisation for Food Security (IOFS) and its specialist subsidiary, the Islamic Food Processing Association. ICIEC has been collaborating on food security enhancement since signing an extensive MoU two years ago with IOFS [See

also the profile interview with IOFS Director General, HE Professor Bidaulet].

ICIEC also signed an MoU in 2022 with the Islamic Chamber of Commerce and Industry (ICCIA), an affiliated institution of the OIC and the umbrella body for the private sector in the 57 Islamic member states. Cooperation will be broad and includes helping the development of the Halal industry worldwide.

These arrangements allow for the sharing of ideas and specific cooperation in attracting and promoting foreign investment in agribusiness and food security as well as in the technical and financial infrastructure, such as due diligence, KYC, and credit search documentation.

Other notable MoUs with private companies in 2022 include that with Al-Rajhi International Investment Company (RAII), a subsidiary of Sulaiman Abdulaziz Al-Rajhi Awqaf Holding. This is one of the largest business groups in Saudi Arabia, with core activities including investments in the food and agricultural sectors, both domestic and international. The company owns the biggest organic agricultural project in Saudi Arabia and an integrated poultry project in Egypt, and it exports its products to neighboring GCC countries, Yemen, China, and Vietnam.

[For further information on ICIEC's role in helping improve food security, see the interview with our team member Lotfi Zairi, the lead underwriter of operations for sovereign risks in the underwriting operations department at ICIEC]

Fostering food security, resilience, and sustainable growth with IOFS

Mr. Yerlan Alimzhanuly Baidalet, Director General of the Islamic Organization for Food Security (IOFS), discusses the role of IOFS in advance of the occasion of the 48th Annual General Meeting of the IsDB Group on 10-13 May 2023, Jeddah, Kingdom of Saudi Arabia



As an entity specialized in food security, can you please highlight the specific roles of the IOFS, from how it functions to how its activities are funded?

Yerlan Alimzhanuly Baidalet: Allow me firstly to share that the IOFS core mission is ensuring food security, sustainable agriculture and rural development within the OIC geography. In this regard as per its strategic framework, IOFS should safeguard sustainable food security in OIC Member States through their socio-economic development and systemic promotion of targeted programs related to agriculture, science, and technology, humanitarian food aid and intra-OIC food trade.

Secondly, the IOFS has 16 strategic thematic programs, which were designed to respond to challenges identified within 5 main pillars (Food Security Governance, Food Crises Response, Capacity Building, Industrial development and

Resource mobilization) towards boosting cooperation between Member States, national, regional, and international organizations for the benefit of agriculture and food sectors and the welfare of people within OIC geography, and Plan of Action for the systemic development of strategic commodities (wheat, rice and cassava) that would need close cooperation with Member States through the dedicated electronic Center of Excellency for all indicated commodities.

Thirdly, programming activities of IOFS are funded basically through mandatory contributions by the Member States or through partnerships with relevant international organizations, including the Islamic Development Bank (IsDB). It should, however, be clarified that the work of IOFS Secretariat emanates from the mandates and interests Member States have provided to. Therefore joint efforts among the Member States focused on the initiatives of IOFS, as the sole OIC specialized Institution focused on the matters related to food security, could also improve their respective agricultural policies. We have been meeting several high-level delegations from different Member States and continuously

requesting them to embrace IOFS Strategic Framework and IOFS Vision 2031 as their own documents and as their tools to facilitate intra-OIC cooperation in the field of agricultural development and food security.

To conclude, it is important to note that the development of sustainable agriculture sector and food systems in OIC Member States is mired by a multitude of constraints concerning agricultural resources, infrastructure, policy and international commodity markets. Member States, therefore, are urged to work closely with the IOFS towards addressing such constraints delaying their agricultural efficiency for it to be used as the basic tool for ensuring national food security in OIC geography.

At present, the membership of the IOFS is comprised of 37 countries (out of 57 OIC Member States). Are there plans to get new States on board in 2023 and beyond?

Of course, we want to increase the number of Member States that have full-fledged status with the Organization. In addition to the indicated number of Member States, in 2022 the Republic of Turkmenistan joined IOFS with the Observer status. This is why when there are solemn gatherings at the OIC, including the recently held 49th Session of Council of Foreign Ministers (CFM) in Nouakchott, Mauritania, we call remaining OIC Member States yet not members of IOFS to seize the opportunity to sign its Statute. There is also a stand resolution of CFM calling these same countries to join the IOFS, and in my capacity as Director General of IOFS, I undertake visits to such countries with understanding of clarifying the important work the Organization is implementing and to show them how they would respectively enjoy the benefits of Membership. One of the visits, actually, paid the desired result, as when I was in Ndjamen, Republic of Chad, in May 2022, relevant local authorities embraced the Agenda

of IOFS, and in July of the same year, they adhered to the Organization. We will therefore continue with this work, and we expect some countries to join this year and probably at our 6th General Assembly to be held on 02-03 October 2023 in Doha, State of Qatar. We may have new Members signing the IOFS Statute. We expect that the total IOFS country membership as the end of 2023 would exceed 40. In this regard, our country department is dealing with designing all country profiles and following up on all country visits and meetings of the Director General with high authorities of these countries.

What MoUs have IOFS recently signed in its bids to create awareness and promote the importance of food security among Member States?

The Islamic Organization for Food Security (IOFS) maintains a consistent collaboration with a variety of partners within the Member States, including but not limited to business and private entities, civil societies, non-governmental agencies and quasi-governmental bodies. Since 2018 and till April 2023 64 memoranda of understanding (MoUs) and Action Plans have been signed with various partners, all aimed at raising awareness and promoting the significance of food security among the Member States. Recent MoUs were signed with Saudi NGO Al Mukarramah, D-8 Organization for Economic Development, Inter-Islamic Network on Water Resources Development and Management (INWRDAM), Nagashima Holdings Co. Ltd, and Arab Bank for Economic Development in Africa. Additionally, IOFS collaborates closely with OIC institutions and has signed an MoU with the Union of OIC News Agencies (UNA), which supports all programs about food security awareness among the OIC Member States.

Which of the OIC Member States have been hit hardest by food security? Are there any emergency initiatives that can be rolled out immediately - and what does long-term support look like in comparison?

The state of hunger and malnutrition within the OIC geotaphy is better understood by different reports issued by relevant UN Agencies, including the Food and Agriculture Organization (FAO) and the World Food Program (WFP), particularly the Hunger Hotspots Report 2021, conveying the drastic situation of food insecurity in 11 OIC Member States (Afghanistan, Burkina

Faso, Mali, Niger, Nigeria, Sierra Leone, Somalia, Sudan, Mozambique, Lebanon and Yemen), which is affecting around 66 million people.

As our work is based on the official mandates, we are now focused on implementing the Afghanistan Food Security Program (AFSP), based on the special resolutions of the 17th Extraordinary Session of OIC CFM, (Islamabad, Pakistan) as of December 2021. This is because, since the events that have unfolded in Afghanistan in August 2021 and culminated with the change of Government on 15th of the same month, international humanitarian agencies have been taking action to avoid the widespread famine continuously now affecting Afghans. It is understood from several reports that job losses and soaring prices as well a big proportion of drug addicted (as per UNAMA statement, 6 million, including kids and women), are creating a new class of hungry in Afghanistan. 22.8 million of Afghans – or more than half of the population – are not consuming enough food. The country has been on the brink of economic collapse, with the local currency at an all-time low, and food prices being on the rise. Acute malnutrition has been above emergency thresholds in 27 out of 34 provinces.

As for African countries, the 49th OIC CFM adopted the resolution on the IOFS Africa Food Security Initiative (AFSI) right after productive Year of Africa in 2022. In this context, we are in



consultations with Member States and relevant Institutions to mobilize the necessary co-funding to implement the designed programmes and projects. For instance, we intend to develop the national food security reserves for Mauritania and other countries in the Sahel to ensure that they have food stockpiles in times of crisis. We have initiated there high-level consultations which the IOFS Team undertook in Nouakchott to exchange views with the local authorities on how to proceed. We expect to do the same with other Sahelian countries once the pilot project in Mauritania is successfully implemented.

Another case is an Integrated Water Plan in Niger with support of eminent technical partners as INWRDAM (Jordan), CEDARE (Egypt), and KGS (Kazakhstan Aerospace Authority)

Given the impact of the Russia-Ukraine war on supply chain in general, and the respective disruptions to wheat and barley exports globally in particular, are there any other macro-economic factors driving food security challenges in the OIC Member States? And how can further such challenges be mitigated by the IOFS?

My initial thought is that the Russia-Ukraine issue has, somehow, unmasked the current situation and level of food insecurity within many of OIC Member States. As such, while being unfortunate, it could also be an opportunity for all of us active in the field of food security and agricultural development within the OIC geography to rethink the way forward and how to scale-up joint efforts to mitigate the consequences from the crises we are witnessing.

You may be aware that there are other factors contributing negatively to food security aside the armed conflict. Those are, for instance, increasing population and level of urbanization, poverty, degradation of resources, high movement of refugees, and climate change, and the nefarious Covid-19 pandemic.

If we look closely to the issue of climate change, we come to the understanding that it is especially noticeable in the most of Muslim majority countries, having an historical tendency of an agriculture production to be unfortunately vulnerable to the weather. This situation is worsening by the population growth and other factors mentioned above, posing a real challenge for the food security for a major part of our Member States.

In this regard, the IOFS is working towards fostering climate-smart agriculture and agri-innovations for food production by implementing its Program **"Climate Impact/Resource Management"** under IOFS Strategic Vision 2031. We at the IOFS therefore encourage programs related to climate change and the rational management of resources to reduce poverty and hunger in the OIC Member States based on three clear goals:

1. Combat desertification and mitigate the effects of drought with the particular focus on i) Irrigation environmentally friendly technology and ii) Sky management and clouds to cope with drought.

2. Agriculture & Natural Resources by i) Preservation of Agricultural Ecosystems and ii) Valorising natural resources.

3. Reducing Greenhouse Gas emissions in agriculture without compromising food security by cultivation practices to reduce carbon dioxide, Methane and Nitrous oxide in the soil, while encouraging organic farming and smart agriculture, as well as livestock and feed additives.

Basically, the Key Objectives of IOFS in the nexus climate change vs food security is to address **problems** posed by **desertification, deforestation, soil erosion and salinity.**

The second challenge is also related to

technological gap that affecting most of the Member States, particularly in the field of basic agriculture. To this extent, the IOFS is, at present, developing the Vertical Farming Industry project aiming at using the most advanced technologies in this field and decrease of cost production of all 6 different components (like aluminum profiles, fertilizers, plastics etc.), which all are available in the IOFS hosting country, so the OIC Member States would easily afford and enjoy such a technological advancement.

The other issue influencing food security within the OIC geography is trade between regions and across borders, which may help adjust to changing conditions affecting food production as a result of climate change, well-functioning regional value chain across agro-food sectors also opens up opportunities for producers in developing economies (as most of the OIC Member States) to contribute to economic development in their local communities.

Also, the IOFS has developed a simple, understandable, and robust Index to measure the level of food security in member countries. The IOFS Food Security Index (FSI) is a critical tool in understanding the level of access, availability, and utilization of food resources among member countries. The FSI model is an essential instrument for monitoring and evaluating food security programs and policies and ensuring effective implementation. And therefore, IOFS pays special attention to



conducting relevant studies to assist and promote the sufficient improvement of food security, statistics specially upon its unique Food Balance Database.

It is therefore very important for OIC Member States to scale up their intra-OIC cooperation in this particular field, as well, and the IOFS, as always, is ready to support the Member States by providing the platform for business exchanges, particularly, through its Subsidiary entity, Islamic Food Processing Association (IFPA) which recently relocated to Dubai (UAE) as a global business hub.



Côte d'Ivoire: A holistic food security strategy

ICIEC and the IsDB Group are well placed to promote food security in Côte d'Ivoire – mainly via financial packages and credit and political risk insurance (CPRI) solutions to bolster international trade for food, seeds, and fertilizers.



Côte d'Ivoire is far from an economic minnow. As the world's top exporter of cocoa and raw cashew nuts, a net exporter of oil, and with a significant manufacturing sector, the country is the largest economy in the West African Economic and Monetary Union. And despite the COVID-19 pandemic and war in Ukraine, which has amplified food and energy prices and security, Côte d'Ivoire is experiencing one of the fastest sustained economic growth rates in Sub-Saharan Africa in over a decade.

With real GDP growth averaging 8.2% between 2012 and 2019 amid political stability, Côte d'Ivoire successfully contained the pandemic and maintained a growth rate in 2020 (2%). In 2022, growth was driven by private consumption, supported by public investment and wage increases in the civil service. Inflation averaged 5.2% in 2022, its highest level in a decade, linked to rising food, transport, and energy prices. "With soaring inflation, many people in West Africa are struggling to access basics such as food products," says Ousmane Diagana, World Bank

Vice President for Western and Central Africa.

However, medium-term projections are optimistic, provided structural reforms targeting macroeconomic stability are stepped up. The West African country remains on a positive economic trajectory, which will need to be strengthened to accelerate the structural transformation of its economy as envisaged in the new 2030 strategy. But malnutrition and food insecurity remain a challenge with significant regional disparities. Rural communities, notably in western and northern Côte d'Ivoire, are disproportionately more affected and vulnerable.

IsDB Group-ICIEC food security initiatives

The IsDB Group endorsed a US\$10.54 billion comprehensive Food Security Response Programme (FSRP) package aimed at supporting member states in addressing the ongoing food crisis and scaling up the group's continued

efforts to contribute to strengthening its members' resilience to food security shocks in the future.

The IsDB will contribute up to \$5.7 billion in total financing to member countries, comprising new approvals worth \$4.0 billion and fast-tracking of disbursements for existing projects worth \$1.7 billion.

ICIEC has contributed to the IsDB Group's FSRP by making a pledge of \$500 million in insurance capacity over the three and half years (H2- 2022/ YE-2025), knowing that the FSRP is aligned with ICIEC Developmental Objectives and SDG 2 (zero hunger).

ICIEC's contributions are being realized via the extension of Credit and Political Risk Insurance (CPRI) solutions to facilitate international trade transactions of food, seeds, fertilizers, and equipment related to agriculture projects, in addition to foreign investment in the agriculture sector aiming to increase the production and improving the storage capacity and resilience in

COUNTRY PROFILE

member countries under the Building Food and Input Supply Value Chain initiative.

UN and World Bank frameworks

The UN World Food Programme (WFP) has also provided a strategic framework – the 2019-2023 Country Strategic Plan for WFP in the West African country – to mitigate Côte d'Ivoire's pervasive food insecurity, malnutrition, and gender inequalities, which severely affect smallholder farmers as they struggle with issues of land access and frequent climate-related shocks.

The limited support for food crop production compared with the cash crop sector also continues to have a negative impact on the productivity of smallholder farmers who cultivate 84% of the arable land. Other underlying causes of these challenges include poverty, low education and literacy rates, poor dietary diversity, lack of awareness of good nutrition, health and hygiene practices, the prevalence of highly infectious diseases, and gender inequalities.

The World Bank is deploying short and long-term responses to boost food and nutrition security, reduce risks, and strengthen food systems. The actions form part of the institution's global response to the ongoing food security crisis, with up to \$30 billion in existing and new projects in areas spanning agriculture, nutrition, social protection, water, and irrigation. This financing will include efforts to encourage good and fertilizer production, enhance food systems, facilitate more significant trade, and support vulnerable households and producers.



The WFP's \$715 million Food System Resilience Programme is another approach. It aims to benefit more than four million people in West Africa by increasing agricultural productivity through climate-smart agriculture, promoting intraregional value chains, and building regional capacity to manage agricultural risks.

ECAs can play a significant role in backing the food and water sectors in this West African country. For instance, in August 2020, Swedish ECA, SEC supported a loan to finance the construction of 1,000 drinking water boreholes with solar pumps and the construction of drinking water supply plants and water pipelines to supply 189 Ivorian villages.

Green Future

As global food security challenges mount, tapping the potential of these ambitious climate-smart investments is essential for making Côte d'Ivoire's economy more resilient,

achieving inclusive growth, and combating food insecurity. ICIEC has already supported a raft of ESG-related projects in Côte d'Ivoire, which will positively impact climate mitigation.

"When these elements are put together, not only does it transform the economy, but jobs are created too. That allows young Africans to stay in Africa and make a living from their work by being in Africa," says the World Bank's Diagana.

The 2019-2023 Country Strategic Plan for WFP in Côte d'Ivoire, based on the 2018 Zero Hunger Strategic Review, aligns with national priorities. It also seeks to harness the comparative advantages of the various United Nations agencies operating in Côte d'Ivoire to provide a holistic response to food security and nutrition needs. Furthermore, ICIEC can play a more integral role in bolstering agency finance in the West African country, from supporting agriculture and water projects to solar schemes linked to farming



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What ICIEC does in food security



Lotfi Zairi, Lead of Operations for Sovereign Risks in the Underwriting Operations Department, ICIEC, addresses the questions about how ICIEC is working to enhance food security across OIC member states.

How does the ICIEC operations department fit and work with the wider IsDB family to promote food security across OIC member states?

In line with its mandate as a Multilateral Developmental Organisation, ICIEC endeavors to support its member states through impactful interventions on their respective economies, population, and environment. Due to the unprecedented crisis driven by the Russian – Ukraine war, ICIEC is extending its top priority to meet the emergency needs and strategic objectives of its member states regarding food security.

ICIEC has been actively engaged in the IsDB Group Food Security Response Program (FSRP), which was approved by an Extraordinary Special Meeting of the Boards of Directors of IsDB, ICIEC, and the Islamic Solidarity Fund (ISFD) on July 28, 2022.

This was initiated sometime earlier by the IsDB/ ICIEC Board of Governors during the 47th IsDB Annual Meetings held in Sharm-El Sheikh, Egypt (1-4 June 2022) in the wake of the food crisis amid a record 56.3% increase in cereal prices.

What specific roles does ICIEC take in promoting food security across OIC member states?

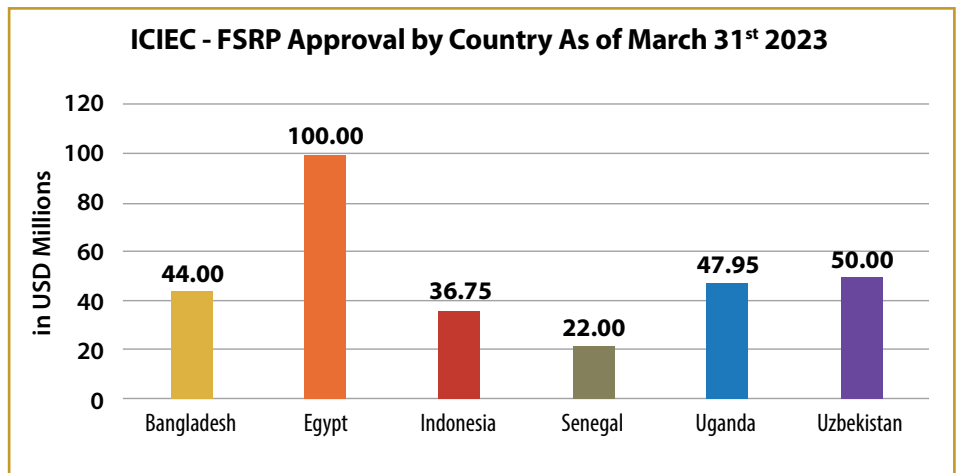
Under FSRP, ICIEC focuses on the Least Developed Member Countries (LDMCs) by providing necessary support to active market players, including exporters, contractors, investors, and financial institutions. On an emergency and immediate response basis, ICIEC provides credit and political risk insurance (CPRI) solutions to facilitate the international trade transactions of food, seeds, fertilizers, and agricultural equipment.

On a strategic level, ICIEC plays the role of catalyst for the execution of foreign investments in the agriculture sector that contribute to food resilience through improving supply value chains, increasing food commodity production, and enhancing storage capacity.

Over and above the payment risk mitigation for the broad spectrum of economic players in the food and agricultural fields, ICIEC also mobilizes external financial resources for the benefit of member states via reinsurance arrangements to optimize the benefits of its member states.

This reinsurance support is possible via short-term, medium, and long-term portfolio-based treaties, as well as through ad-hoc facultative arrangements that ICIEC enjoys with international reinsurance institutions worldwide.

How much support has ICIEC provided to OIC member states under the FSRP program?



As of the end of March 2023, since the FSRP's inception in July 2022, ICIEC approvals related to food security have reached US\$301 million. This is already reaching 60% of the total amount of US\$500 million pledged by ICIEC for the entire period until December 31, 2025.

This ICIEC contribution to food security support is distributed through all geographic zones of its Member states. So far, the beneficiaries are originating from Sub-Saharan Africa (Senegal and Uganda), MENA (Egypt), and Asia (Bangladesh, Indonesia, and Uzbekistan).

ICIEC's contribution in this regard is mainly facilitating banking transactions in its member states, enabling the import of agricultural equipment, fertilizers, sugar, wheat and other grains, soya beans, canola, etc. This is in addition to enabling foreign investments for the modernization of the agricultural sector, which will reinforce the Member States' resilience against food crises in the future.

Is support also primarily based on cooperation and framework agreements?

Aiming at maximizing its support to member states in overcoming food security challenges, ICIEC has also initiated partnerships with several financial institutions and organizations. In this context, ICIEC signed MoUs with investment and banking institutions to cooperate in facilitating food trade and agricultural investments by blending financing facilities with risk mitigation services in the member states.

In the same context, ICIEC has initiated a business partnership with the Islamic Organization for Food Security (IOFS), a member of the Organisation of Islamic Cooperation (OIC), to promote food security, sustainable agriculture, and rural development in member states. Furthermore, ICIEC is part of the arrangements made with the International Islamic Food Processing Association (IFPA), a subsidiary of

IOFS, for facilitating intra-OIC Agrifood and Halal trade.

What other new initiatives can ICIEC roll out to further support food security across member states?

An additional partnership is being discussed with the ISFD to replicate the ICIEC ISFD COVID-19 Emergency Response Initiative (ICERI) program for the FSRP, building on its successful synergy-based experience under the Strategic Preparedness and Response Program (SPRP), a holistic structure that IsDB Group developed to support member states combatting the COVID-19 pandemic impact, restore interventions and restart growth.

Indeed, under that strategic preparedness and response program, by the end of 2022, ICIEC's contribution reached US\$1.4 billion in approvals for COVID-related transactions and projects. ICIEC was able to offer its risk mitigation solutions and capabilities in resource mobilization from the international market to benefit 15 member states.

The food sector benefited to the tune of \$169 million in those member states. Also, US\$655 million went to the energy sector, US\$528 million to health, and \$62 million to the SME sector. In addition, ICIEC's approvals consisted of US\$492 million under the Emergency Respond Track (R1), \$490 million under the Restore Track (R2), and US\$432 million under the Restart Track (R3).

Discussions are also underway to look at revising the ICERI model to offer broader coverage and better terms in coordination with ISFD. The ICERI program was efficiently used to register a total insurance approval of US\$271 million. The spirit of its structure already offers a wide headroom for enhancement to support larger ticket sizes, longer tenors, and a more significant number of transactions.



Deep dive to future frontiers for financing farming underwater



Could underwater farming be a major contributor to a sustainable 'blue economy'? If so, how will ICIEC help enhance the prospects and unlock the potentials for this new dimension in sustainable agriculture?

Tala Alsaati, Strategic Planning and Communications, ICIEC



According to the United Nations (UN), using just 2% of oceans for sustainable farming could solve our global food shortage. Farming underwater is a revolutionary concept, but one that could provide a real alternative that will help improve global food security. The possibilities are exciting but not without consequences. In this article, we look into the current state of play, the economics, the opportunity, and the extent to which ICIEC could support aquaculture and underwater farming initiatives. One potential approach would be for ICIEC to offer coverage for equipment and resources used in these projects, as well as to facilitate and incentivize trade and investment in the goods produced.

Eliminating hunger on a global level will require adopting and implementing sustainable farming practices that produce a cycle of harvesting, while preserving our environment for future generations. With the global population projected to reach about 9.7 billion by 2050, the UN estimates that food production needs to increase by 60% to meet this demand. Underwater farming offers a promising solution to this challenge by providing fresh produce, increasing food production and supply, reducing the impact of climate change, and promoting sustainable farming method. Through underwater farming, marine life can be protected, CO₂ removed from the atmosphere, and freshwater usage cut by 70%; while growing crop that can offer millions of people access to nutritious food, thereby ending food shortages. Ocean farming is a promising way to achieve the Sustainable Development Goals; a feasible path towards achieving Zero Hunger, Life Below Water, No Poverty, Good Health and Well-Being, Clean Water and Sanitation, and Affordable and Clean Energy.

Various initiatives are underway to develop underwater farming, including researching the cultivation of seaweed species, growing vegetables, and fruits sustainably, and monitoring pests and diseases. The model requires less area and fewer inputs and can be more productive per unit of land. Additionally, underwater farming can reduce the risk of soil erosion, water contamination, and other environmental impacts associated with traditional agriculture. Underwater farming can reduce reliance on organic farming and biofuels to address food security, keeping prices lower and producing more for economic growth.

The future of financing vegetables and fruits farming underwater is an exciting and vital topic in the global economy, though initial costs may be higher than traditional methods, the marine environment's abundant resources will boost profitability and economic growth, while helping to protect marine ecosystems. Exploring these options and developing financing mechanisms to support the development of the blue economy; The blue economy, centered around sustainable development and utilization of natural resources, including initiatives like aquatic farming, aquaculture, and other ocean-based activities.



The economic benefits of underwater farming to the blue economy are numerous, as it can provide food, jobs, and revenue to communities. To finance such initiatives, it is important to understand the economics of underwater farming and the potential for profit and return on investment. By making strategic investments, aquatic agriculture can transform global food security, reduce poverty, and promote economic growth.

Underwater farming is a key industry in the blue economy, with the potential to reduce poverty and finally eliminate hunger permanently. Financing new underwater farms is necessary, as the world population continues to grow. The expansion of private enterprises in underwater farming could reduce the financial burden for millions, reducing poverty and food insecurity in low-income areas. Government support for underwater farming is key to the long-term success of the blue economy. It is essential to find potential financing solutions that can help to offset the costs and reduce the risks associated with the project.

Governments, businesses, and international financial institutions should consider financing solutions to offset the high costs of setting up and maintaining aquatic farms. Government investment in underwater farming initiatives can offset the costs of setting up the project and incentivize businesses to invest in the technology. Private funding from investors is also an essential factor in financing underwater farming projects. International financial institutions can support such initiatives by providing resources, expertise, and financing. However, there are challenges in aquatic farming funding, such as the high cost of setting up the project, the risk of failure, and the need for more knowledge and expertise in the field.

Exploring ICIEC's potential role in underwater farming

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) could play a role in risk mitigation and insurance coverage for underwater farming projects. ICIEC could potentially provide coverage for equipment and resources used in underwater farming, facilitate trade and

investment in underwater farming projects, and encourage the use of Islamic financing methods in line with Shariah principles, bringing together investors and project developers to exchange knowledge and best practices, supporting project development, and promoting the growth of underwater farming. ICIEC is committed to supporting initiatives that promote sustainable agriculture practices in a Shariah-compliant manner.

Since inception, ICIEC has had a significant development impact over 29 years, ICIEC has insured US\$95 billion in trade and investment and provided US\$1.5 billion in agriculture support. Underwater farming offers significant economic benefits to the blue economy, including providing nutrition and employment. To support the development and growth of the blue economy, ICIEC could also work with investors and state institutions to assess the feasibility and sustainability of these projects and provide risk mitigation services. Ultimately, the success of underwater farming depends on a variety of factors, such as water quality, temperature, market demand, and regulatory frameworks. However, with careful planning, innovative solutions, and the support of institutions like ICIEC, underwater farming could potentially be a viable and sustainable solution to global food security and the achievement of SDGs.

New partnerships and investments in this exciting field are needed, so that these potentials can become a reality. With a proper commitment to the blue economy and environmentalism, we can achieve food security and reach all the sustainable development goals. To meet current demands of food shortage and to cover future demand, this would require a 42% increase in land, 120% more water usage. Underwater farms will reduce our reliance on traditional farming that harms the soil and air that could produce 77% more greenhouse gas emissions. Not only does underwater farming provide access to fresh produce, but it also has the potential to significantly increase food production, while reducing the impact of climate change.

ICIEC successfully supports US\$39.4 million of essential refined petroleum supplies to Pakistan

In February 2023, ICIEC provided comprehensive insurance coverage for two refined petroleum transactions valued at US\$39.4 million. These transactions were facilitated between two top-tier Pakistani banks and a UAE-based energy company, with the primary objective of enhancing Pakistan's economy by ensuring the import of strategic energy supplies.

ICIEC's insurance coverage not only safeguarded the transactions against potential risks but also helped to mitigate financial uncertainties and promote international trade. These transactions were strategically designed to align with two of the United Nations' Sustainable Development Goals, specifically SDG7 and SDG8. SDG7 aims to ensure access to affordable, reliable, sustainable, and modern energy for all, while SDG8 focuses on promoting sustained, inclusive, and sustainable economic growth and decent and productive employment.

By providing insurance coverage for these transactions, ICIEC played a significant role in supporting Pakistan's economic growth, job creation, and energy security. The country is a net importer of oil and faces the risk of shortages and fuel scarcity, which could lead to severe strategic consequences for its economy. Therefore, the support provided by ICIEC is of utmost importance, and it reflects the institution's continued commitment to promoting economic



development and prosperity in member states.

Overall, ICIEC's insurance coverage for these transactions reinforces its reputation as a reliable and effective institution that provides essential support to member states.

ICIEC continues its support to the mining industry in Kazakhstan

March 31 2023, ICIEC extended insurance cover to Eurasian Machinery (EMBV), Netherlands, for the sale of mining equipment to Kachary Ruda mine in Rudny, Kazakhstan. The transaction involves the import of Hitachi



excavators and dump trucks worth US\$ 78.8 million from Japan. The transaction is covered under the "import of capital goods from non-member states scheme" of ICIEC.

Kachary Ruda was part of the Sokolov-Sarybai Mining Production Association (SSGPO) JSC and was spun off in 2020 into a separate entity. It is ultimately owned by Eurasian Resources Group (ERG).

Eurasian Machinery is the sole and exclusive distributor of Hitachi Construction Machinery (HCM) in Kazakhstan and Central Asia.

Kazakhstan is a mineral-rich Member State, and the mining sector has traditionally been strategic in terms of its contribution to the economy. The transaction meets SDG 9 of the United Nations which is pertinent to Industry, Innovation, and Infrastructure.

ICIEC and EMBV have been cooperating since 2014 for the supply of mining equipment to different companies in the aluminium, iron ore and gold mining business in Kazakhstan.

ICIEC supports locomotive exports from Kazakhstan to Azerbaijan



March 31 2023, ICIEC provided reinsurance support to KazakhExport JSC (Kazakhstan) for the lease of locomotives to Azerbaijan Railways. The cover is for US\$ 5.61 million, and the tenor is for 3 years. The transaction involves the financial leasing of 10 diesel locomotives of Type TE33A by the Industrial Development Fund (lessor) to Azerbaijan Railways, which is the importer/lessee of the locomotives. In 2015, KazakhExport JSC has insured the transaction for the full lease period of 10 years, and ICIEC provided facultative reinsurance cover for the first 7 years. With the new cover, the transaction is reinsured for the whole lifetime.

Azerbaijan Railways is the national state-owned rail transport operator in Azerbaijan. It was established in 2009; however, its history dates back to 1880, when the first railway line became operational.

From ICIEC's perspective, the transaction meets the criteria of supporting intra-OIC trade as it involves export of capital goods from Kazakhstan to Azerbaijan, both ICIEC Member States. The transaction also meets SDG 9 of the United Nations, which is pertinent to Industry, Innovation, and Infrastructure.

KazakhExport JSC is established in 2003 and is the Export Credit Agency (ECA) of Kazakhstan. It maintains its position as one of the key development institutions of the country. KazakhExport JSC and ICIEC are strategic partners, and the cooperation of both institutions involve other areas such as the reinsurance of Letters of Credit related to exports from Kazakhstan.

ICIEC signs agreement to support Uzbekistan exports

January 11 2023 Jeddah, KSA



ICIEC has signed a master reinsurance agreement with Uzbekinvest Export-Import Insurance Company to support exports from Uzbekistan. Under the facultative agreement, ICIEC will provide reinsurance services to Uzbekinvest for exports of goods and services from Uzbekistan to the rest of the world. This agreement will enhance the underwriting capacity of Uzbekinvest and increase the country's exports. The agreement was signed by Oussama Kaissi, Chief Executive Officer of ICIEC, and Rustam Khalikov, First Deputy Director General, Uzbekinvest.

Azerbaijan welcomed as the 49th member of ICIEC

January 12 2023 Jeddah, KSA



The Islamic Corporation for the Insurance of Investment & Export Credit (ICIEC) has approved and welcomed the accession of Azerbaijan as its 49th member state. ICIEC will work closely with the government of Azerbaijan to support economic and social infrastructure projects in trade, agriculture, energy, water, sanitation, and urban services and with the private sector to improve access to finance. ICIEC's presence as an investment partner provides a measure of reinsurance and encouragement to other potential investors seeking opportunities in Azerbaijan. The investment projects often provide employment, enhanced, modern and efficient infrastructure, and better quality of life for citizens.

ICIEC, Masdar to cooperate on renewable energy project



January 19, 2023 Abu Dhabi, UAE

ICIEC and Masdar have signed an MoU which aims to boost the transition to renewable and clean energy. Under the MoU, the two parties agree to cooperate in promoting joint action in the origination, financing, and execution of renewable energy projects through ICIEC's insurance support in its member states. The partnership will have a combined current, committed, and exclusive capacity of over 23GW of renewable energy, with the expectation of reaching over 50GW total capacity by 2030. Masdar and ICIEC share a common interest in contributing to the growth of renewable energy in ICIEC member states, including in the MENA region, and to international climate finance architecture.

ICIEC signs MoU with Libyan Export Promotion Center to support exports

January 19, 2023 Abu Dhabi, UAE

ICIEC has signed a memorandum of understanding with the Libyan Export Promotion Center (LEPC) to support cooperation between both parties. The agreement is to facilitate Libyan exports and create an environment

supportive of building confidence in companies to export. LEPC is a government body affiliated to the Ministry Economy. The agreement will help provide export credit and investment insurance facilities to a range of Libyan institutions and companies. The MoU aims to support introductory seminars for Islamic insurance, export credit and investment insurance, provide technical support to local insurers, introduce foreign investments into Libyans' export projects and exchange information on exporters based in Libya looking for export credit insurance.



ICIEC launches capacity building programme for OBIC users

March 19, 2023 Jeddah, KSA

ICIEC has developed and launched a capacity building programme for the users of the OIC Business Intelligence Centre (OBIC), which is targeted at supporting credit and investment decisions. The programme, called 'the role of credit information sharing and business intelligence in supporting trade and investment decisions will help OBIC users understand OBIC better, how best to use it, and how to employ resources to improve credit risk management and trade and investment financing access and risk management. The three-day programme will also help contribute to improving credit rating reporting ecosystems in OIC member states.



ICIEC develops its leadership through transformation workshops

February 2023

ICIEC takes great pride in nurturing its leadership skills internally and has run a series of leadership transformation workshops. This is an unusual, even non-traditional, path to really boost internal leadership skills and help ICIEC to develop the way it delivers its important mission.

The program, which started in October 2021 and ran through until February 2023, aimed to help leaders – and potential leaders – to master the skills and competencies for effective performance in the digital world with a modern approach to enhancing positive working practices and an upbeat and enthusiastic working atmosphere.

In practical terms, the leadership transformation workshops included a series

of both group and individual activities and experiences to boost performance. This included identifying and developing the competencies required for good leadership, increasing staff morale, motivation, and productivity, promoting heightened decision-making, creating and building better teams and training leaders on how to become transformational of those teams.

Through six leadership workshop modules, ICIEC management explored how to understand their role as a leader, develop executive presence, become transformational leader, lead and managing change, and build a results-oriented culture while cultivating effective communication and collaboration.

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