



المؤسسة الإسلامية لتأمين الإستثمار و ائتمان الصادرات
THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT
(عضو مجموعة البنك الإسلامي للتنمية - Member of the Islamic Development Bank Group)



ICIEC Staff Retreat and 30th Anniversary Celebration

19 - 20 December 2023

Food Security Strategy 2024

Definition

What is food Security

Based on the 1996 World Food Summit, food security is defined when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.

When defining Food security, we can distinguish its dimensions and

The four main dimensions of food security:

- Physical availability of food
- Economic and physical access to food.
- Food utilization:
- Stability of the other three dimensions over time:

Food Security dimensions:

Dimensions	Definition
Physical availability of food	Food availability addresses the "supply side" of food security and is determined by the level of food production, stock levels and net trade.
Economic and physical Access to food	An adequate supply of food at the national or international level does not in itself guarantee household level food security. Concerns about insufficient food access have resulted in a greater policy focus on incomes, expenditure, markets and prices in achieving food security objectives.
Food Utilization	Utilization is commonly understood as the way the body makes the most of various nutrients in the food. Sufficient energy and nutrient intake by individuals is the result of good care and feeding practices, food preparation, diversity of the diet and intra-household distribution of food. Combined with good biological utilization of food consumed, this determines the nutritional status of individuals.
Stability of the other three dimension over time	Even if your food intake is adequate today, you are still considered to be food insecure if you have inadequate access to food on a periodic basis, risking a deterioration of your nutritional status. Adverse weather conditions, political instability, or economic factors (unemployment, rising food prices) may have an impact on your food security status

3

Definition

What is food Security

Food security analysts have also defined two general types of food security with regards to its duration :

- Chronic Food Insecurity
- Transitory Food Insecurity

What is seasonal food security ?

One last concept to be discussed in the definition is SFS (seasonal food security), it fall between chronic and transitory food insecurity as it is usually predictable (as the chronic one) it is also can be seen as recurrent, transitory such in a case of seasonal fluctuations in the climate, cropping pattern, diseases...

Food Security dimensions:

	Chronic Food Insecurity	Transitory Food Insecurity
Duration	Long-Term or Persistent	Short-Term or Temporary
Occurrence	When people are unable to meet their minimum dietary requirements over a prolonged period.	Sudden reduction in ability to produce or access sufficient food to maintain satisfactory nutritional status
Cause by	Prolonged periods of poverty, lack of assets and inadequate access to productive or financial resources	short-term shocks and fluctuations in food availability and access to food, including annual variations in national food production, food prices and household
Resolution	Typical long-term development measures that are also used to combat poverty, such as education or to productive resources, such as credit. They may also need more direct access to food to enable them to increase their production capacity.	Transitory food insecurity is relatively unpredictable and can emerge suddenly. This makes planning and programming more difficult and requires different capacities and types of intervention, including early warning capacity and safety net programmes

4

Factors causing Food Insecurity

Poverty	Poor Public Policies
Food Shortages	Bad Economy
War and Conflicts	Food Waste
Climate Change	Gender inequality
Poor nutrition	Forced Migration

Key Takeaways:

- 750 million people live in starvation in the World
- The World produces enough to feed the entire humanity, but it lacks equality
- 1 billion tonnes of food produced annually is never consumed. Equivalent to one-third of global food supply
- According to Global Hunger Index, 47 countries will fail to reach even low hunger status by 2023.
- COVID Pandemic has worsened the problem, as it is expected to increase global hunger by 30 million
- Out of 47 Low Income Food Deficit Countries (LIFDCs), 26 are LDCs.

5

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IsDB – ICIEC Intervention Overview



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FIRP Definition

Islamic Development Bank (IsDB) President and Group Chairman, H.E. Dr. Muhammad Al Jasser, announced IsDB Group's USD 10.54Bn Food Security Response Program (FSRP)

This is a proactive effort to support the Bank's member countries address the immediate and long-term challenges of food insecurity.

The programme's objectives are directly linked to the "food and nutrition security" areas of intervention. The programme is also aligned with the IsDB's agriculture and rural development policy, which includes food security as one of its key objectives.



7

IsDB Initiative

IsDB Group Food Security Response Program" (FSRP) will comprise of interventions:

- An immediate to short term track of interventions
- a medium to long term track of interventions

Immediate Short-term track: Enhancing Availability, Access and Affordability

The FSRP will provide assistance and resources to respond to immediate needs of the most affected and resource constrained Member Countries by addressing issues of immediate food access, affordability, local availability and social support measures for the population. The short-term measures will be approved and implemented within an 18-month period, with flexibility based on the evolution of the crisis.

The short-term interventions will cover the following key themes: Emergency Relief Provision, Commodity Supply Chain Restoration, Boosting Import trade financing, and food security stocks replenishment

Medium to long term track: Resilience, Stability and Self-sufficiency

It will address the root causes of the crisis by addressing the structural determinants and drivers of food insecurity and low productivity, and by strengthening the resilience of regional and national agricultural and food systems. The implementation of both the tracks will commence in parallel.

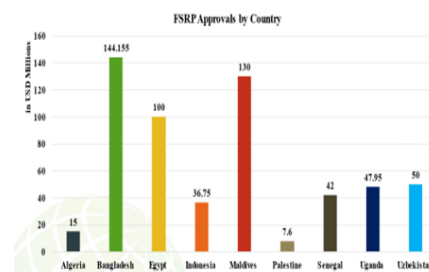
The medium to long term track will focus on Boosting Production, Productivity and OIC intra-trade, Promoting Sustainable, climate smart Agriculture Practices, and Building Resilience of Food Systems

8

IsDB Initiative : ICIEC Intervention

Overview

- ICIEC has contributed to the IsDB Group's Food Security Response Program (FSRP) by making a pledge of USD 500 million in insurance capacity over the years (2023-2025)
- That capacity will facilitate the importation of food commodities, agricultural inputs (such as fertilizers, seeds, and pesticides), and farms machineries.
- ICIEC will also support foreign direct investments (FDI) in the agriculture sector as well as resource mobilization for relevant projects in member countries.
- Approval under the FSRP since inception reached \$573 M, exceeding the pledged amount of \$500 M



9

Food Security Milestone



- ICIEC supported the agricultural sector in Sudan through coverage against expropriation for an amount of EUR 199.5M.
- The policy was provided to TDB (Trade and Development Bank) against the Agricultural Bank of Sudan for a Murabaha Facility.



ICIEC supported the export of Livestock from Sudan for a total amount of USD 215 M



- Provision of USD 16 million of insurance cover to Société Générale,
- For the import of essential commodities into Egypt.
- Enabled a more secure and regular supply of strategic commodities
- to help Egypt combat the economic and social impact of COVID-19.

10

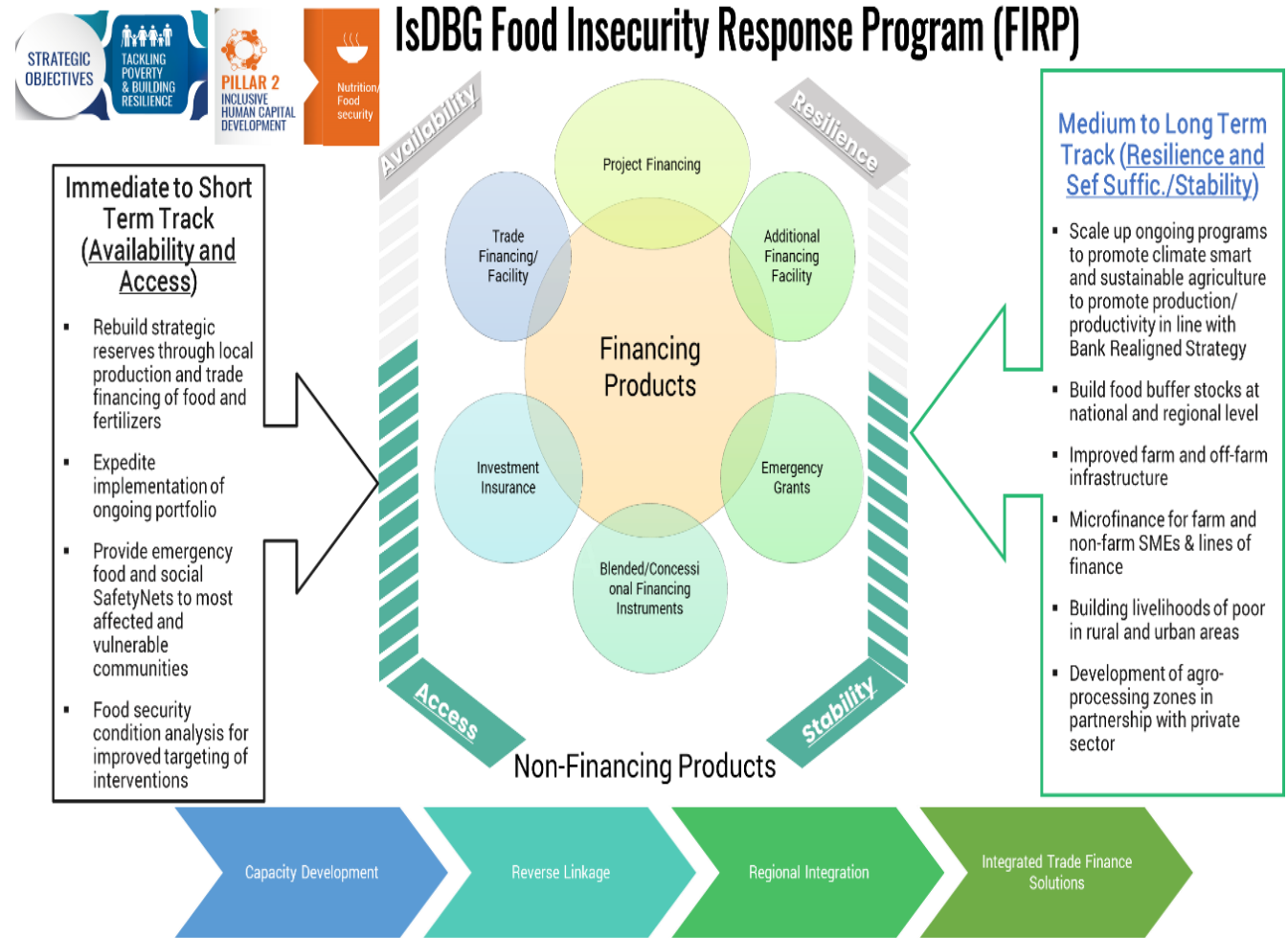
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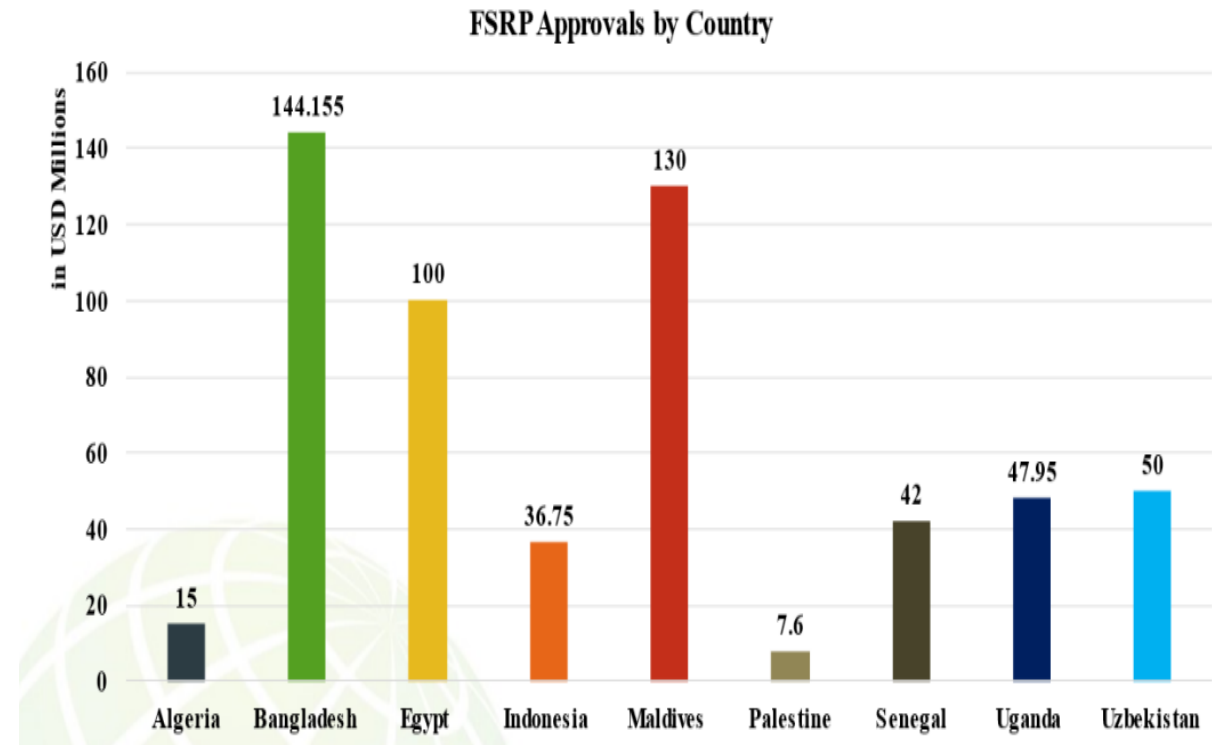
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Food Security Milestone



- The ICIEC provided several Member States with \$50 million in support over one year through its Bank Master Policy (BMP).
- To imports of strategic goods such as fertilizers, petrochemicals, steel and agricultural products, etc.
- BMP cover was initially offered in 2019 to FIMBank (Malta) and Incomlend (Singapore).



- ICIEC provided USD 17.1 million of cover under the ICIEC-ISFD COVID-19 Emergency Response Initiative (ICERI)
- To Bangladesh's leading private commercial banks, the State Bank of India (SBI).

Food Security Strategic Initiatives

Findings

To have a comprehensive and ready to market strategy around food security, our recommendations will be aligned with the FSRP Framework with respect to our mandate

- Short Term track: Immediate intervention in by addressing issues of immediate food access, affordability, local availability and trade and investment support
- Medium to long term track: Boosting Production, Productivity and OIC intra-trade, Promoting Sustainable, climate smart Agriculture Practices, and Building Resilience of Food Systems

Recommendations

Our intervention will revolve around:

- Focusing on one country for first implementation: Nigeria
- Promote Trade for Base products and raw material
- Intra OIC foodstuff trading enhancement
- Storage and Equipment investment Sponsoring
- Active collaboration of the Co Guarantee platform

General Statistics	Senegal	Benin	Cote d'Ivoire	Nigeria	Cameroon	Uganda
Population (in Million)	17.8	13.7	28.8	223.8	28.6	48.5
Global Hunger Index Rating (over 136)	71	91	74	103	80	116
Human Development Index	Low 0.51	Low 0.52	Medium 0.55	Low 0.53	Medium 0.57	Low 0.52
Income Level	Low Middle Income	Low Middle Income	Low Middle Income	Low Middle Income	Low Middle Income	Low Income
Severe Food Insecurity (total population)	11.10%	15.30%	9.70%	21.30%	26.70%	24.90%
Food Imports / Merchandise Imports	21.36%	31.47%	21.59%	14.16%	20.04%	11.50%
Cereal Import Dependency	43%	43%	45%	17%	31%	9%
Total Food Imports (\$ M)	2,510.00	1,760.00	3,180.00	7,820.00	1,340.00	754.00
Total Food Exports (\$ M)	1,650.00	437.00	7,460.00	2,130.00	929.00	1,230.00
Main Food Import	Rice \$ 476M	Rice \$ 690M	Rice \$ 767M	Wheat \$3.32Bn	Rice \$ 327M	Rice \$ 156M
Intra OIC Food Import origin	Indonesia	Indonesia	Mauritania	Malaysia	Oman	Egypt
Main Food Export	Frozen Fish	Coconuts and Cashew	Cocoa Beans	Cocoa Beans	Cocoa Beans	Coffee

Food Security Strategic Initiatives

Short Term Track Initiative 1:

Inputs Supply to Farmers or Group of Farmers :

Key Findings

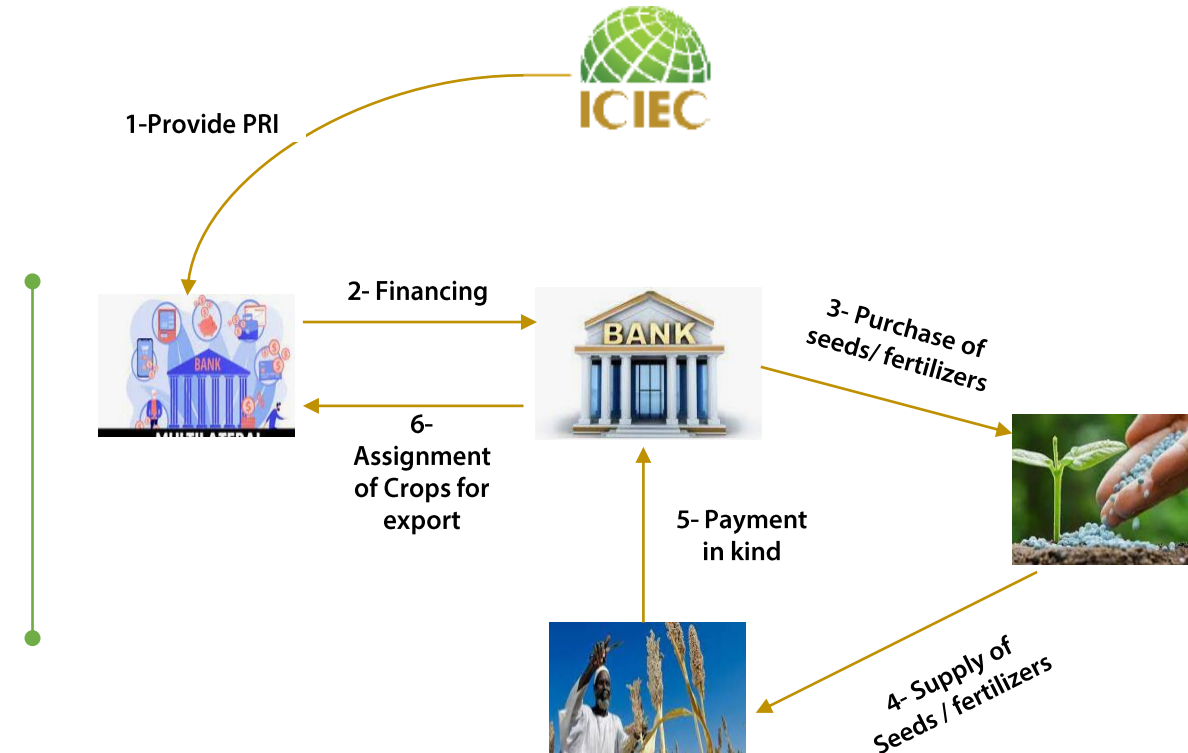
- The agricultural commodities that African countries import from Russia and Ukraine includes Wheat (4.83 billion \$), Maize (680 million \$) and fertilizers (470 million \$) in 2020.
- The value of Africa's fertilizer exports (\$8.9 billion) outpaced its imports (\$3.7 billion) by 2.4x in 2021. 15 African countries are net exporters of fertilizer products in 2021 with Morocco and Egypt cumulatively exporting USD \$6.23 Billion in fertilizer in 2021 (70% of Africa's total).
- Out of the top 10 net importers of fertilizer we have Nigeria, Cote d'Ivoire, Benin and Senegal. There is a huge potential in redirecting fertilizer within Africa and scaling up productive capacities to filling the gap left by the Ukraine-Russia crisis.

Key Activities :

- Identify the main suppliers : OCP (Morocco) , EFC (Egypt), Maaden or SABIC (RSA)
 - Partner with Regional MDBs such as TDB, BOAD, EBID, etc. with concurrence of the relevant MDAs and Countries Development plans
 - Identify the local banks specialized in financing the agriculture such as the Agric banks in all Member countries
- Export : Identify Eligible Crops that can be exported

This Intervention schemes has been identified:

- Provision of PRI to MDBs to secure Loans in favor of Local banks who in turn finance farmers through direct purchase and supply of inputs from Intra IOC companies. The farmers will then repay in kind to the banks who will assign those crops to the MDB for export.



Expected Outcome:

- Secure financing of High value inputs
- Boost Local production
- Increase Intra IOC trade
- Increase Export proceeds

Ancillary Business:

- DCIP for the purchase of fertilizers

Food Security Strategic Initiatives

Short Term Track Initiative 2:

Support the provision of Equipment for agriculture:

Key Findings

- Mechanization of agricultural has become a priority across many African countries as the continent gears up to exploit its well recognized potential to become the world's food basket. remain the least mechanized of all continents.
- 70% of the farmers cultivate parcels of less than two hectares by hoe. Furthermore, In SSA 65% of Agriculture is made by hand, 25% by Animals and only 10% through engine.
- Between 1961 and 2000's the growth of machinery in SSA was of 28% while for MENA region it was above 1 250+% and 500% for Asia
- Public sector Supply of Equipment tends to fail and SHF cannot afford such equipment

Key Activities :

Setup a mechanism whereby :

- Governments will source funding through direct borrowing or on lending scheme
- ICIEC to cover the lenders for NHSFO against Sovereign Guarantee
- Agriculture Ministries or dedicated Agencies through partnership with Banks and NBFi to Lease the equipment to farmers or to cooperatives
- Equipment are used to increase production and payments are made for the lease or the rental of the equipment such as tractors to banks



Expected Outcome:

- Secure financing of High value equipment
- Boost Local production
- Ensure intra food security
- Increase Export proceeds

Ancillary Business :

- DCIP during the purchase of equipment

Food Security Strategic Initiatives

Short Term Track Initiative 3:

Support the provision of Warehousing :

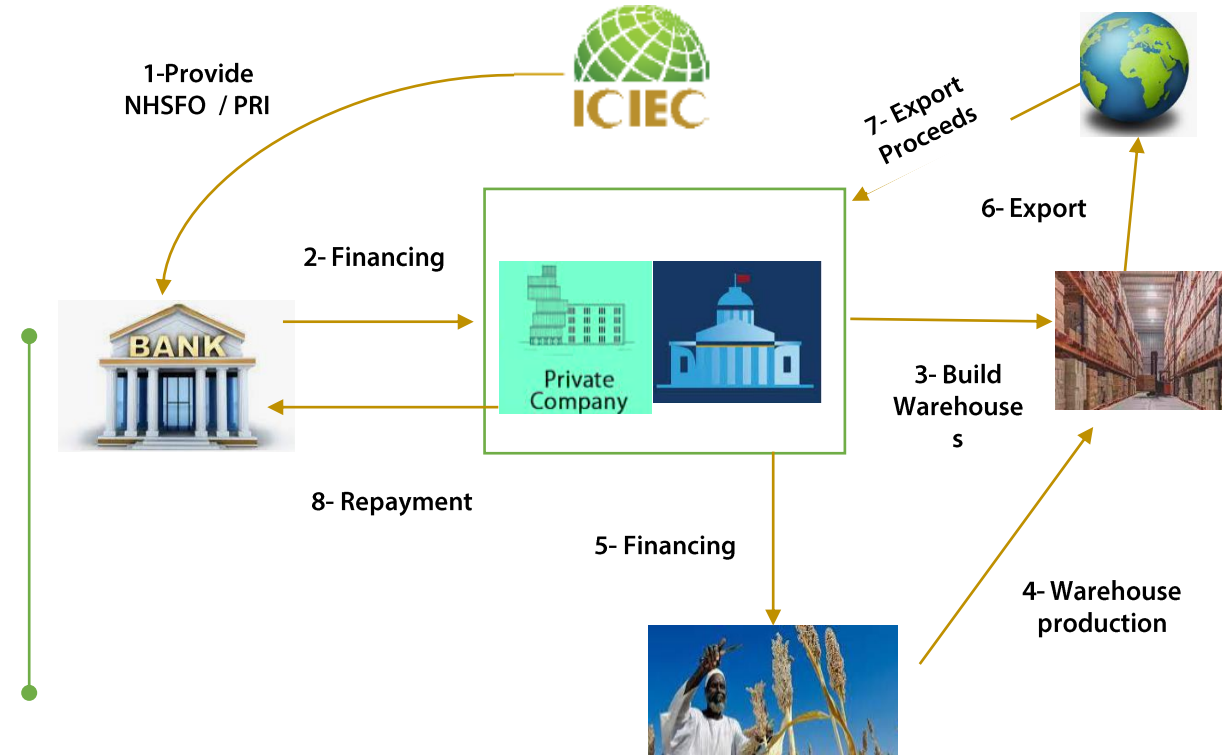
Key Findings

- The problem of post-harvest loss is one of the biggest challenges affecting economic growth globally as it largely affects global food security and long-term sustainable growth.
- FAO estimates suggest that as much as 37 percent of food produced in Sub-Saharan Africa is lost between production and consumption
- Investing in the storage stage of the supply chain and adopting new and improved storage technologies can help reduce the food losses by capturing a greater proportion of crop production and improving crop quality. Reliable pre-cooling facilities and capacities must also be made available and improved upon.

Key Activities :

Setup a mechanism whereby :

- Governments will source funding through direct borrowing or on PPP scheme with exporters
- ICIEC to cover the lenders for NHSFO against Sovereign Guarantee or PRI to MDBs
- PPP entities to Build and rent the warehouses against production of farmers
- Farmers receive funds during their production (around 70% of the production value)
- Farmers warehouse their production in the storage facilities
- Production is exported
- Banks are repaid



Expected Outcome:

- Secure financing of SMF
- Boost Local production
- Increase Export proceeds

Ancillary Business :

- CSTP for exporters
- DCIP during Warehouse building

Food Security Strategic Initiatives

Medium Term Track Initiative :

Setup an ecosystem with local investment and trade enablers – Active collaboration with the Co-Guarantee platform with designated areas of intervention for each player – Duplication of the ecosystem to other countries and regions

Identified Parties for first implementation

- Local players : NSIA : Sovereign Fund – NIRSAL : Nigeria Incentive-Based Risk Sharing System for Agricultural Lending – Infracredit
- Co-guarantee Platform members: ICIEC - ATIDI – AfDB – Afreximbank – GuarantCo
- Traders and Suppliers : Commodity traders – Input Suppliers – Storage Companies – Transportation companies

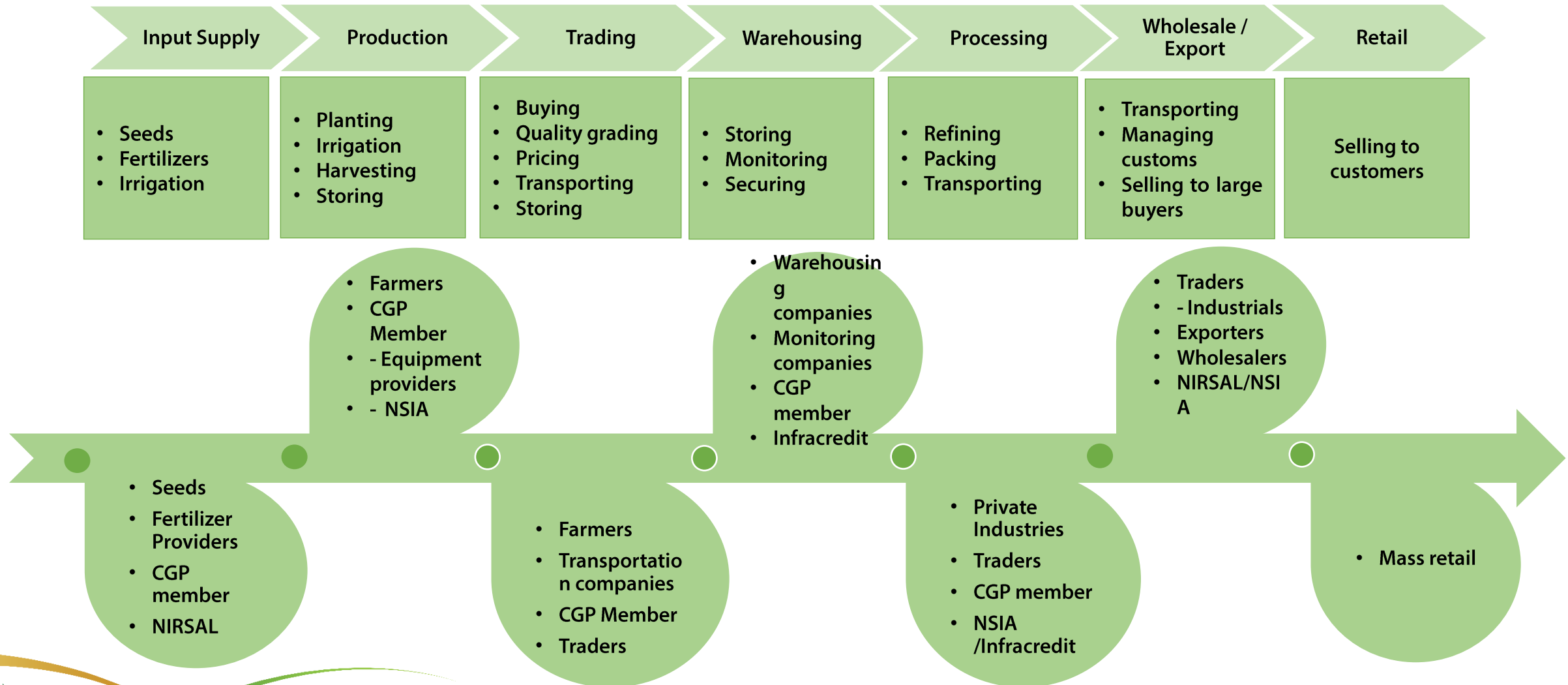
Key Activities :

Setup a mechanism whereby :

- All Co-Guarantee platform members will be allocated parts of the value chain to covered with respect to their mandate
- Identify the food security items to be promoted and invested in
- Setup collaboration with all local enablers that have been identified
- Ensure appropriation and sponsorship of the ecosystem by the governments
- Involve all private sector investors and traders with De-Risking Products
- Implementation

Food Security Strategic Initiatives :

Value Chain and Ecosystem:



THANK YOU



<https://iciiec.isdb.org>