ICIEC | THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

Newsletter

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Business Unusual to Boost Climate Insurance Ambition and Urgency

From Sharm El Sheikh to Dubai to Baku in 2024 and Belem in 2025!

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Navigating a Future Without Oil and Gas

Stocktake

COP28 UAE

Dubai and Beyond

From Sharm El Sheikh to Dubai to Baku in 2024 to Belem in 2025

"The ICIEC Climate Change Policy reinforces our commitment to combatting climate change and serves as a blueprint for increasing our intervention in sustainable projects and programs. To advance climate action, ICIEC commits to assisting Member States in meeting their Paris Agreement obligations and championing investment and trade opportunities that enhance resilience and adaptability to climate change."

Oussama KAISSI, CEO, ICIEC

MESSAGE FROM THE CEO

In the last Quarter of 2023, the focus of the world was on the United Arab Emirates which hosted the Conference of the Parties (COP28) in Dubai, under the aegis of The UN Framework Convention on Climate Change (UNFCCC). The proceedings comprised two weeks of negotiations, disagreements, compromises, pledges and commitments, culminating in some 150 countries agreeing for the first time ever at a COP to "transition away from fossil fuels in energy systems" in a "just, orderly and equitable manner."

That the Dubai Declaration is an important recognition that richer countries are expected to move away from coal, oil and gas more quickly is a moot point. What is important is whether a collaborative political will and global leadership to affect such a transformation exists and whether countries are committed to act beyond their mere national and self-interest as opposed to the current fragmented and in some respects competing pathway to climate action.

The IsDB Group and ICIEC were once again proactive participants in COP28 given that the UAE is a key member of both institutions, as they were in COP27 in Sharm El Sheikh, Egypt, and plan to be in COP29 in Baku, Azerbaijan in 2024. The fact that COP27, 28 and 29 are being hosted by three important IsDB and ICIEC Member States has reinforced the importance of climate action, adaptation and finance and its potentially debilitating impact also on food security in Member states. ICIEC marked its participation in Dubai by launching its Climate Change Policy and ESG Framework at COP28.

ICIEC is committed to helping its 49 Member States achieve their development goals, including resilience, mitigation and adaptation to the threats posed by climate change. ICIEC's risk mitigation solutions are directed towards various sectors, with US$2.35 billion going specifically into clean energy initiatives such as solar energy systems and wind farms. At COP28, IsDB President, Dr. Muhammad Al Jasser, unveiled a US$1 billion climate finance initiative for fragile and conflict-affected member countries over the next three years. The Group's participation included a motley of panel discussions, MoUs, financing agreements and accession to IRENA's Energy Transition Accelerator Financing (ETAF) Platform and toolkit.

In this Fourth Quarterly Newsletter of 2023, we have dedicated the issue to our own outcomes and shortcomings stocktake of the proceedings at COP28 Dubai and the legacy it has left for the next two COPs in Baku, Azerbaijan in 2024 and in Belem, Brazil in 2025. Our focus includes two Insight articles looking at important aspects of the COP28 proceedings in Dubai in December 2023. One article looks at how Export Credit and Investment Insurance (ECII) can enhance the urgency and demands of decarbonisation and clean energy through increased and innovative de-risking and credit enhancement solutions.Another article is about providing a dispassionate assessment of the outcomes – successes and shortcomings – of COP28.

In our Member Country Profile in this respect, Oguz Aktuna, Acting Manager, Asia Region Division, Business Development Department at ICIEC, highlights Azerbaijan's clean energy transition status and its Net Zero pathway, and ICIEC's recent and future involvement in the country's SDG and decarbonisation journey.

We have an exclusive interview with Francesco Le Camera, Director-General of the International Renewables Energy Agency (IRENA), in which he discusses the challenges and opportunities for renewable energy at a time when current global and national commitments fall short of the necessary levels required by between 30-50 percent. We also have our regular Meet the Team feature, where Salih Suwarelzahab, Senior Legal Counsel & Climate Action Team Lead, ICIEC, discusses the rubrics of 'Charting a Post-COP28 Climate Action Path incorporating ICIEC's Green Leap Forward.' This is followed by our regular Business Update and Project Highlights, and News and Events about the industry in the Quarter.

Oussama Abdul Rahman Kaissi

Chief Executive Officer, ICIEC

Business Unusual to Boost Climate Insurance Ambition and Urgency

Fast Tracking Clean Energy Transition and Food Security Through Proactive Sustainable Finance and De-risking Solutions and Alliances

Are Multilateral Insurers and Private Credit and Investment Insurers adequately rising to the challenge of underwriting Climate Action risks and resilience? Due to a fragmented global regulatory architecture and competing taxonomies, and the seemingly contradictory demands of fossil fuel dependency to raise much-needed budget revenues or consumption for household and industrial electricity generation, do multilateral insurers and National export credit agencies (ECAs) need to revisit their climate finance and sustainability playbooks in the race towards Net Zero? Oussama Kaissi, Chief Executive Officer, ICIEC, emboldened by the Corporation's newly launched Climate Change Strategy and ESG Framework, considers how Export Credit and Investment Insurance (ECII) can enhance the urgency of evolving and oft-competing demands of decarbonisation and just and clean energy transition against the background of geopolitical tensions, financing gaps, economic disruptions, inflationary pressures, rising inequality and an ongoing global Cost-of-Living Crisis?

While blended finance, Green, Social and Sustainability (GSS) bonds and, to a lesser extent Sukuk, have proliferated at a rapid pace over the last few years and according to S&P Global, could reach a cumulative US$4 trillion by end 2023, export credit and investment insurance (ECII) hardly get a mention in the cornucopia of climate action reports and initiatives.

The tendency is to lump them together under the generic title of climate finance and risk mitigation solutions, making ECII the poor relation of the decarbonisation and sustainable finance landscape.

The consensus is that ECAs are a critical link to support the rising ambition of governments and the private sector. While some ECII stakeholders have taken important steps to increase their support for the new green economy, the industry and their regulators are perceived as lacking greater ambition and action with more consistent methodologies and collaboration with the wider financial services sector.

Credit insurance acts as a catalyst that provides financing to the real economy across the globe. By protecting exporters and banks against the risk of non-payment, credit insurance enables cross-border trade and investment increasingly in climate-related business, inputs and projects. The Berne Union Members collectively provide payment risk capital worth US$2.5 trillion each year, insuring approximately 13% of the value of total global cross-border trade.

The availability of finance, liquidity and underwriting is not a problem. It is a question of matching the above with acceptable and bankable projects and transactions. The flipside is the inadequate action to mitigate climate change and biodiversity loss risks. A few weeks before COP28, a 34-strong international group of climate, environmental and consumer protection entities, including the Swiss-based WWF (Greening Financial Regulation Initiative), wrote a passionate, open letter calling on the International Association of Insurance Supervisors (IAIS) to scale up regulatory action on climate and shift away from environmentally harmful economic activities.

The signatories strongly expressed "our deep concern that the IAIS is taking insufficient action to address the risks of climate change and nature loss and their implications for the insurance sector. Unfortunately, the global regulatory environment on insurance and climate and environment related financial risk is not yet sufficiently developed to ensure a smooth transition to a net zero, nature positive financial system."

The Open Letter makes uneasy reading for insurers and underwriters pertaining to the proliferation of climate-related events and transactions.

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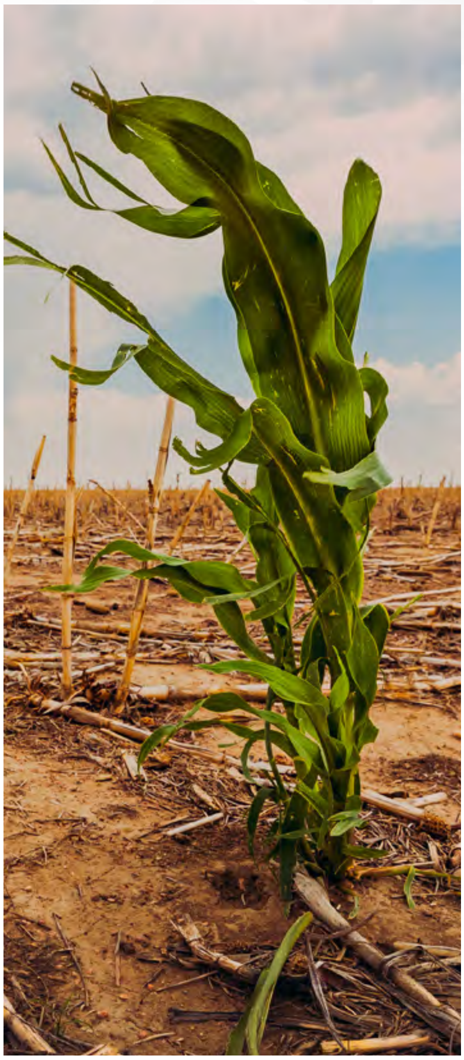
- Since 2017, the insured losses from natural disasters (mostly human-made climate disasters) averaged US$110 billion per year, more than double the average amount in the previous five years.
- Reinsurance and primary insurance rates have increased rapidly, but there are growing parts of the world where other countries risk is becoming "uninsurable."
- California's former insurance commissioner, Dave Jones, warned recently, "I do believe we're steadily marching towards an uninsurable future, not only in California but throughout the United States."
- In Europe, the European insurance supervisor (EIOPA) estimates that only about a quarter of climate-related catastrophe losses are currently insured and this insurance protection gap could widen in the medium to long term as a result of climate change.
- This scenario also creates serious risks to the insurance industry itself.
- Current global insurance regulations are patchy at best.

Climate Risk Proliferation for Underwriters

Climate change mitigation is falling behind, given that greenhouse gas emissions from the energy sector reached a record amount in 2022/23. Yet, despite its powerful role as a global risk absorber and manager, the insurance industry, say the signatories, is not using its influence to accelerate the transition from fossil fuels to clean energy. "Instead, it is adding fuel to the fire by underwriting the continued expansion of oil and gas extraction. As noted by the U.S. Treasury Department in a June 2023 report on climate-related risks for the insurance industry, the U.S. insurance industry's corporate bond and equities investment exposure to high GHG-emitting industries is approximately US$439 billion, or 15% of those investments."

The fact that fossil-fuel subsidies, according to the IMF, surged to a record US$7 trillion in 2022 as governments supported consumers and businesses during the global spike in energy prices caused by the Ukraine conflict and the economic recovery from the pandemic, remains another bottleneck in clean energy transition.

The signatories blame The Net Zero Insurance Alliance (NZIA), which was founded in 2021, for caving in to pressure from the fossil fuel lobby, under the pretence of anti-competition measures, which they claim, "poses great risks for an orderly transition in the insurance sector and requires regulators to urgently clarify the scope for collective industry action in the public interest."



The IAIS should be commended for monitoring climate change as a key trend for the industry, setting up a disclosure workstream, and conducting consultations on updates to its guidance related to climate change. But the scale, pace and urgency are insufficient. Not surprisingly, the signatories recommend the IAIS to i) take a precautionary approach to addressing environmental risk, which remains a regulatory blind spot, ii) should offer best practice guidance to ensure that insurance companies adopt transition plans with short-, medium- and long-term targets and aligned with credible 1.5°C pathways, iii) not to let contributors to the crisis get public support, and iv) to rely on evidence-based climate science.

With US$6.86 trillion in gross written premiums in 2021, insurance companies are an economic heavy weight with enormous potential to reduce the negative impact on climate change and nature loss through their underwriting business. Insurance regulators and supervisors have a critical leading role to play and can help advance insurance companies to reach global climate and biodiversity goals by aligning insurance regulation, policies and supervision to international best practice and ambitions.

Net zero and renewable energy targets for GCC rated sovereigns vary

Country	Ratings - Outlook	Net zero targets	Renewable energy targets	Emissions reduction interim targets
UAE	Aa2 - STA	2050	44% by 2050	Reduce GHG emissions by 40% compared to business as usual (BAU) scenario by 2030
KSA	A1 - POS	2060	50% by 2030	Reduce, avoid and remove GHG emissions by 278 MMtCO2e annually by 2030
Qatar	Aa3 - POS	unavailable	20% by 2030	Reduce GHG emissions 25% compared to BAU scenario by 2030
Oman	Ba2 - POS	2050	30% by 2030	Reduce GHG emissions by 7% compared to BAU scenario by 2030
Kuwait	A1 - STA	2060	15% by 2030	Reduce GHG emissions by 7.4% compared to BAU scenario by 2035
Bahrain	B2 - STA	2060	20% by 2035	Reduce GHG emissions by 30% compared to BAU scenario by 2035

Net zero and renewable energy targets are not necessarily comparable. Some GHG emIssions reduction Interim targets are against business as usual, meaning that emIssions could continue to rise.
Sources: Company reports, MIddle East Institute (MEI) and Moody's Investors Service

Progress Out of Adversity

Very often, in adversity comes progressive initiatives. Several initiatives that have emerged out of COP28 could potentially be game changers in the role and ways de-risking solutions are contributing to the Net Zero ambitions. The first one is the launch of the Net Zero Export Credit Agencies Alliance (NZECAA) by a group of ECAs led by UK Export Finance (UKEF) under the aegis of the United Nations Environment Programme Finance Initiative (UNEP-FI) with the simple mandate of promoting the role of export credit in achieving net zero emissions by 2050 and limiting global warming to 1.5°C, in collaboration with the Glasgow Financial Alliance for Net Zero (GFANZ).

UN Under-Secretary-General and UNEP Executive Director, Inger Andersen could not have been more to the point at the launch of the Alliance when she stated thatECAs are in a strong position to deliver more sustainable global trade and complement the work already being undertaken by the private finance sector, helping to address market gaps to deliver net-zero economies by 2050. "This Alliance will play an important role in supporting tangible economic transition and help countries implement their commitments under the Paris Agreement. Large private financial institutions are powerful, but they cannot deliver net-zero alone. Public finance is the missing piece in net-zero financial landscape. We need the full might of the global financial system to combat and adapt to climate change," she maintained.

UKEF, with which ICIEC has a collaboration agreement, recently unveiled a multi-million-pound support for transactions supporting climate adaptation and sustainability across Africa and the Middle East, including a GBP226 million facility for the Iraqi Government to develop clean water and sewage treatment infrastructure in Hillah City.

UKEF has declared that it is committed to reaching net-zero in terms of its total financed emissions by 2050. It ended all new support for overseas fossil-fuel projects in 2021, except in very limited circumstances, and recently introduced more flexible and competitive terms for British exporters as part of the Government's drive to encourage them to use and offer finance solutions and other options which are consistent with the Green Finance agenda in line with the UN SDGs and the Paris Net Zero ambitions. According to the British ECA, it can now offer longer repayment terms and more flexible repayment structures for an expanded range of renewable and green transactions, and for standard transactions.

ICIEC's Climate Change and ESG Playbook

ICIEC similarly launched its Climate Change Policy and ESG Framework at COP28, which marks the commencement of a transformative results-oriented process where ICIEC's operations, insurance, de-risking, physical assets and human capital and focus are addressing the Climate Crisis at their core, based on the needs of ICIEC's member countries, IsDB Group synergies, the role of the private sector in climate finance and industry best practice.

ICIEC is committed to helping its 49 Member States achieve their development goals, including resilience, mitigation and adaptation to the threats posed by climate change. Since inception, ICIEC cover is directed towards various sectors, with US$2.35 billion going specifically into clean energy initiatives such as solar energy systems and wind farms - assisting with their importation and use in national infrastructure projects. At COP28, IsDB President, H.E. Dr. Muhammad Al Jasser, unveiled a US$1 billion climate finance initiative for fragile and conflict-affected member countries over the next three years.

At the same time, ICIEC granted in 2023 approvals exceeding US$788 million in support of food security under the Islamic Development Bank (IsDB) Group Food Security Response Programme (FSRP), surpassing our initial commitment of US$500 million for the entire period from H2 2022 until 31 December 2025. ICIEC initiatives in this respect primarily facilitate financial transactions, including the importation of essential agricultural commodities and inputs for agricultural projects, reinforcing resilience against potential food crises.

Collaboration with national, regional and international partners is a key component of ICIEC's strategy, given the complex risk metrics involved in climate-related events. Earlier this year MUFG Securities EMEA plc structured a €1.247 billion financing package to enable institutional capital investors and syndicate lenders to collaboratively contribute to the package for Türkiye's green Yerkoy Kayseri Highspeed Railway Project. The Project is backed by a coalition of four European ECAs led by UKEF.

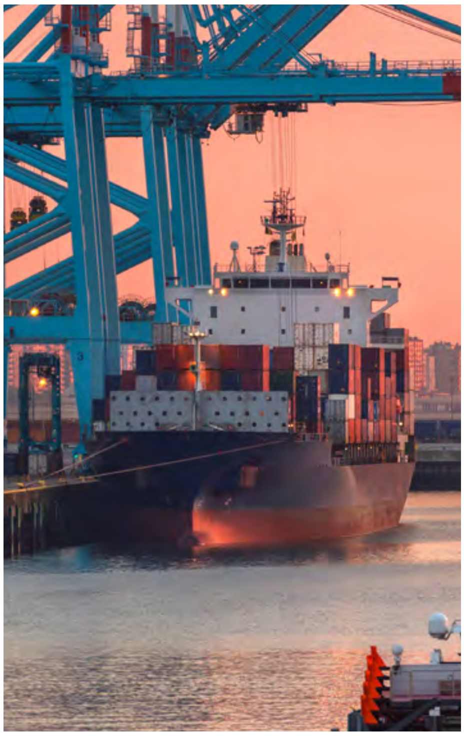
ICIEC participated in this landmark transaction with an 8-year tenor by covering the risks of the Non-Honouring of Sovereign Financial Obligation (NHSFO) of the Ministry of Finance and Treasury of Türkiye of up to €134.1 million, to cover a Syndicated Financing Facility of the same amount led by MUFG Securities EMEA plc and comprising six banks including MUFG, Banco Santander, DZ Bank, Deutsche Bank, Societe Generale and ING Bank. The aim of the project is to improve the efficiency and adequacy of the transportation system in the region by addressing poor rail connectivity and the lack of alternative environmental transport modes. ICIEC played an instrumental role in this impactful transaction, confirming our unwavering commitment to supporting critical infrastructure developments in Türkiye and within ICIEC Member States.

The above developments also follow a change earlier this year to the OECD Arrangement on Officially Supported Export Credits, which allows ECAs and Exim banks to offer greater incentives for climate-friendly transactions.

The Berne Union Members support the following sectors through medium / long-term export insurance products:

RENEWABLE ENERGY	6%
MANUFACTURING	6%
NATURAL RESOURCES	10%
OTHER ENERGY	11%
INFRASTRUCTURE	11%
TRANSPORTATION	16%
OTHER	35%
UNKNOWN	4%

The export credit industry is hugely influential globally with up to US$28 trillion – comprising 80 to 90% – of international trade relying on export financing, much of it provided by governments via export credit agencies and export-import banks. It has been a mistake for governments, international agencies, the COP process and other stakeholders not to capitalise on what the ECII community can bring to the table beyond their vanilla de-risking and credit enhancement solutions. On the other hand, the ECII community and their promoters and shareholders should take some responsibility for this lack of upscaling, collaboration and urgency in underwriting climate related and catastrophe risks.



It is noteworthy that the Berne Union Climate Working Group (BU CWG) which is doing important work in supporting the climate goals of the wider export credit community, has come up with a "refreshed BU CWG workplan for 2024" in the wake of the developments at COP28. At the same time, Export Finance for Future (E3F), an international coalition working to align public export finance with climate change and goals. In Dubai, E3F under the motto "Scale Up to Phase Out" confirmed in a debate that momentum is building in its efforts of "gathering a critical mass of countries ready to accelerate the progressive phasing out of Carbon-intensive projects and significantly increase the financial support to exporters' projects compatible with Paris Climate Agreements". E3F is also in the process of rolling out National Phase Out Plans for official export credit support for fossil fuels, inviting external monitoring by being transparent about their transactions and now going turbo on scaling up initiatives.

A Future of Proaction and Ambition?

Looking ahead, there are several other positives that indicate a much more proactive and ambitious role for the ECII community in promoting the green economy through climate transition and decarbonization initiatives.

In trade finance, in a post-Covid dispensation, there is a continued push for digitisation, transparency and automation in an environment with increasing regulatory and compliance requirements. In September 2023, the Electronic Trade Documents Act (ETDA) 2023 in the UK received Royal Assent in an effort to make Global Britain's trade with partners all over the world more straightforward, efficient and sustainable, and which according to the British Government's initial estimate could give the UK economy a GBP1.14 billion boost over the next decade through the trade documentation digitalisation.

Similarly, the introduction of ISO 20022 by the International Organization for Standardization (ISO), as "a single standardisation approach (methodology, process, repository) to be used by all financial standards initiatives," is a key development and challenge for the trade finance and credit insurance industry. ISO 20022 (MX), which comes into effect in November 2025, is the next generation of financial messaging standards, given its key characteristics of a common language with rich and structured data. The Swift MT format has been the standard for trade finance messages for the last four decades.

According to Trade Finance Global, (TFG), Swift (the world's leading provider of secure financial messaging services) is "already in the process of migrating payment and cash management messages from the legacy MT format to MX. In November 2025, when the current MT and MX coexistence period is set to end, all Swift traffic for cross-border payments and reporting (CBPR+) will be on an ISO 20022 standard. As the payments and cash management industry is finding out in real time, there are benefits, challenges and costs associated with such a wholesale transition.

Another unexpected challenge is the consequences of the attacks on ships in the Red Sea and drought in the Panama Canal area that have more than quadrupled shipping prices moving goods since late 2023. Impacts could worsen should disruptions persist into the peak shipping season in the second half of 2024. Swiss Re Institute in its latest Insurance Insight, stressed that marine insurance contracts in affected areas are repricing higher or covers being adjusted, while some claims inflation is a further potential risk.

"For insurers, marine is one of the most impacted lines, as it selectively covers war and terrorism, though not delays. Covers have generally been held for travel through the Red Sea, but with case-by-case flexibility and significant increases in rates to account for the higher risk. Port congestion creates accumulation risks, while longer transit times mechanically raise insureds' risk exposure, both factors that insurers may need to take into consideration. Thereare also risks to business interruption and related covers, including Credit & Surety. Exporters appear to be absorbing the delays and higher prices so far, but insured losses may rise if disruptions last longer or intensify. Stickier claims inflation is a risk if core goods inflation ticks up again."

Increasing geopolitical risks may threaten trade through affected routes. More frequent droughts are likely to jeopardise transit volumes in the Panama Canal, and climate change isalready affecting river shipping, as seen in the Rhine and Mississippi.

From Sharm El Sheikh to Dubai to Baku in 2024 and Belem in 2025!

One of the perennial features of the COP process is expectations management. This is fueled by a frenzy of rhetoric on aspirations and on must-do measures to achieve often perceived arbitrary targets. Additionally, there is a motley of climate skeptics, deniers, and vacillators, along with a cohort of climate lobbyists ranging from eco-activists, NGOs, and interest groups to self-styled eco warriors and worriers. Furthermore, there are neoliberal dissenters, climate technology promoters, fossil fuel champions, and lip service-paying governments of every ilk. Also involved are a bevy of international agencies and self-interest groups, as well as a fanfare of funding announcements and commitments. The Conference of the Parties in Dubai – COP28, under the aegis of The UN Framework Convention on Climate Change (UNFCCC), was no exception. Amid the claims and counterclaims of the progress or failures of the Dubai climate discourse, ***Mushtak Parker*** *dispassionately assesses the outcomes – successes and shortcomings – of COP28.*

In some respect, the thunder of the anticipated outcomes of the COP28 proceedings in Dubai in December 2023 was captured by the first ever Global Stocktake (FGS), a comprehensive evaluation of progress against climate goals, of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, which convened concurrently from 30 November to 13 December 2023.

The euphoria of 150 countries agreeing for the first time to "transition away from fossil fuels in energy systems" in a "just, orderly and equitable manner" as per the final communiqué, instead of a clear and present commitment to phase out fossil fuels once and for all, was soon lost in the semantics of COP speak, let alone the fact that the agreement doesn't compel countries to take action, and no timescale is specified. Whether the Dubai Declaration is an important recognition that richer countries are expected to move away from coal, oil and gas more quickly is a moot point. The question is whether a collaborative political will and global leadership to effect such a transformation existed and whether countries are committed to acting beyond their mere national self-interest as opposed to the current fragmented and, in some respects, competing pathways to climate action.

The FGS is a comprehensive compact document of principles, aspirations, actions, observations, recommendations and warnings which effectively define the complexities of the global climate action playbook and spells out in no uncertain terms the dire implications to humanity of non-compliance with the evidence-based climate science findings and targets, and any delays in implementing them in an urgent, orderly and committed fashion.

The language of FGS contrasts sharply with the guarded exuberance (some would say misplaced optimism) of the COP28 Presidency and process. Article 5 of the first section of FGS, for instance, "expresses serious concern that 2023 is set to be the warmest year on record and that impacts from climate change are rapidly accelerating and emphasizes the need for urgent action and support to keep the 1.5 °C goal within reach and to address the climate crisis in this critical decade." Failing this, the risks and impacts of climate change are significantly increased, especially in the absence of drastic reductions in global greenhouse gas (GHG) emissions.

The FGS, in a rejoinder to the developed countries, "notes with deep regret that the goal of developed country Parties to mobilize jointly US$100 billion per year by 2020 in the context of meaningful mitigation actions and transparency on implementation was not met in 2021, including owing to challenges in mobilizing finance from private sources, and welcomes the ongoing efforts of developed country Parties towards achieving the goal of mobilizing jointly US$100 billion per year."

It also fears that the climate adaptation finance gap is widening, and that current levels of climate finance, technology development and transfer, and capacity-building for adaptation remain insufficient to respond to worsening climate change impacts in developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change.

The Stocktake also champions the needs of developing country Parties, in particular those disproportionately affected by and vulnerable to the impacts of climate change, including support provided and mobilized for their efforts to implement their nationally determined contributions (NDCs) – a need estimated at US$5.8–5.9 trillion for the pre-2030 period. Similarly, the FGS estimates the adaptation finance needs of developing countries at US$215–387 billion annually up until 2030, and that about US$4.3 trillion per year needs to be invested in clean energy up until 2030.

Supporters of the Global Stocktake stress the importance of uniting the three core elements of the climate agenda, bringing together mitigation, adaptation, and means of implementation, which includes finance, under one umbrella: united around higher ambition, giving clear direction on NDCs, and connecting everything agreed to practical action in the real world.

The reality of the FGS approved in Dubai is that there is no timeline, no strategy to compel countries to take action, no future finance structures and de-risking solutions, no SDG-driven real economy commitment to a "transitioning away" playbook, which merely reinforces the feeling that COP28 was a missed opportunity and raises questions about the very raison d'etre and the perversity of the process itself. With some 97,000 registered delegates for the Dubai meeting, easily making it the largest event in COP history since the inaugural one in Berlin in 1995, including an estimated 2,456 representatives of the oil, gas and coal industries and related organisations according to research by the Coalition of Green Groups – this compared with 600 such attendees at COP27 in Sharm El Sheikh last year – is the COP process itself in need of urgent reform and restructuring?

Moral Conscience of the Climate Discourse

It is a far cry from a "just, orderly and equitable" transition espoused in the Global Stocktake which calls on Parties to take actions towards achieving, at a global scale, a tripling of renewable energy capacity, and the phasing down of unabated coal power, with China committed to opening two coal-fired power plants per year over the next few years in addition to those in the UK, Indonesia, India and South Africa, and doubling energy efficiency improvements by 2030. Perhaps the FGS can be seen as the moral conscience of the climate discourse, whereas the individual Conference of the Parties have the ambition of implementation based on the specific and sometimes competing policy, economic, electoral, financial, demographic, geographic and societal needs.

No amount of reports, declarations, pledges and replenishments, disbursements from the US$792 million Loss and Damage Fund and the cornucopia of 175 announcements – all commendable microcosms towards the holy grail of limiting global warming to 1.5°C – will detract from the fact that it is the insanities of the climate discourse that needs to be exorcised.

One has to have some sympathy for COP28 President Sultan al-Jaber when he stressed in his closing speech that "I know that there are strong views among some parties about the phase down or phase out of fossil fuels. And allow me to say this again, this is the first presidency ever to actively call on parties to come forward with language on all fossil fuels for the negotiated task text." Indeed, far from being a seamless process, COPs are beholden to the agendas of the previous ones.

Their very modus operandi is based on almost continuous negotiations and compromise. For all their flaws, perceived abuses and issues, COPs are the only structured multilateral mechanisms to address the daunting task of global climate governance. So, we all await with abated breath the new NDCs that are due in early 2025.

COP28 was much trumpeted to be an "inclusive" discourse. So much for climate inclusion, when the 39 delegates from the Alliance of Small Island States who are particularly vulnerable to climate change and whose very survival is threatened because of rising sea levels, were not even in the room when the final agreement was "gavelled" by Sultan Al-Jaber and his colleagues.

Eight donor governments announced new commitments to the Least Developed Countries Fund and Special Climate Change Fund totalling more than US$174 million to date, while new pledges, totalling nearly US$188 million, were made to the Adaptation Fund at COP28 – nowhere near the real cost of adaptation required for mitigating catastrophic climate events to which their donor countries were more historical contributors.

Ambitious but Achievable Renewables Pledge

One of the commendable developments is the fact that Heads of State agreed to triple global renewable energy capacity by 2030, aligning with the International Renewable Energy Agency's (IRENA) World Energy Transitions Outlook on how to close the energy transition gap to stay on a 1.5°C Pathway. It particularly calls for a tripling of installed renewable capacity from around 3,400 GW today to over 11,000 GW by 2030, adding on average an ambitious 1,000 GW annually till the end of this century.

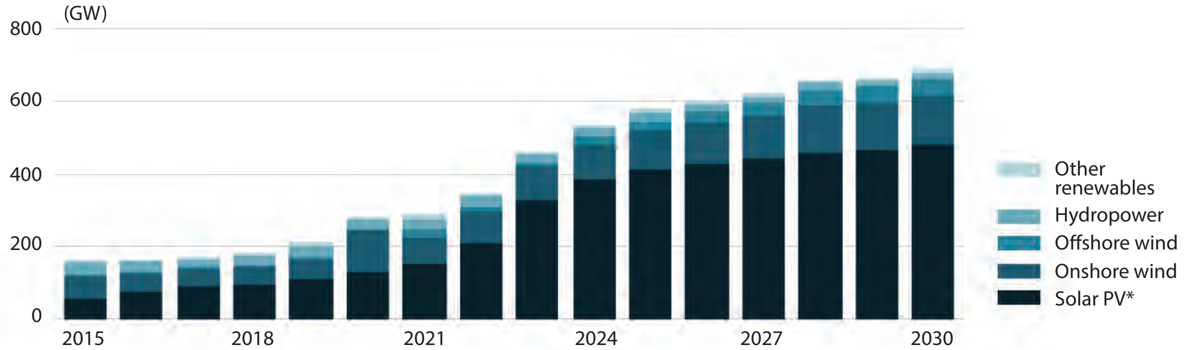
IRENA Director-General Francesco La Camera spelt out the caveats in Dubai: "Commitments must translate into concrete actions considering varied national circumstances. The forthcoming round of NDCs in 2025 represent a prime opportunity to make a transformative leap forward. As the custodian of today's pledge, IRENA supports countries in advancing their energy transitions to ensure progress is made every year towards 2030. Achieving the global pledge requires stronger policy actions, investment and global collaboration, reiterating the criticality of the next seven years for bringing the world back on track towards the 1.5°C pathway and realizing the SDGs."

Deeply entrenched barriers across infrastructure, policy and institutional capacities, remnants of the fossil-fuel era, he added, must be overcome to scale up and

speed up the deployment of renewables. And a reform of the global financial architecture should recognise the role of multilateral financial institutions in prioritising the infrastructure needed for a new energy system run on renewables.

According to Anna Mosby, Head of Environmental Policy Analytics at S&P Global, the COP28 pledge to triple renewables by 2030 is "ambitious but achievable." Some 4.6 TW of solar and wind capacity is forecast to be added between now and 2030, with a projected US$4.7 trillion investment. Despite impressive gains in wind and solar deployment in recent years, however, the target requires an unprecedented acceleration in deployment from today's 2.3 TW total for the two fastest growing technologies. The latest Clean Energy Technology forecast by S&P Global Commodity Insights sees 3.4 TWac (4.2 TWdc) of solar capacity added over the next eight years. This would more than triple the current installed solar capacity, the biggest increase across green technologies. The global wind sector would see some 1.2 TW added to more than double installed capacity, including some 264 GW offshore wind by 2030.

Global renewable power additions



*converted to GWac
Source: S&P Global Commodity Insights (GET base case as of Now. 2023)

Outside the Global Stocktake, the main COP28 outcomes, albeit 'works in progress, and largely based on 'yet-to-materialise' pledges, include:

- Operationalization of the Loss and Damage Fund to help vulnerable developing countries mitigate historical climate change impacts, which has thus far secured US$792 million of funding pledges.
- Establishing a framework for the Global Goal on Adaptation (GGA), albeit the Adaptation Fund aimed at developing countries only attracted pledges and contributions totalling US$134 million.
- Mobilizing US$85 billion in new commitments and 11 pledges and declarations of support under the UAE Presidency's total Action Agenda at COP28, which spans four pillars: fast tracking a just and orderly energy transition, fixing climate finance to make it more available, affordable, and accessible, focusing on people, nature, lives and livelihoods, and fostering full inclusivity in climate action.
- The launch of ALTÉRRA, the UAE's US$30 billion catalytic private finance vehicle, which seeks to mobilize a total of US$250 billion for dedicated global climate action.
- Adopting the Oil and Gas Decarbonization Charter (OGDC), which commits signatories to zero methane emissions and ending routine flaring by 2030, and to net-zero operations by 2050 at the latest. To date, 52 companies, representing over 40% of global oil production have signed up to it.
- Boosting the Second Replenishment of the Green Climate Fund (GCF) with six countries pledging new funding at COP28, with total pledges now standing at a record US$12.8 billion from 31 countries, with further contributions expected.
- The World Bank announced an increase of US$9 billion annually for 2024 and 2025 to finance climate-related projects. Multilateral Development Banks (MDBs) announced a cumulative increase of over US$22.6 billion toward climate action.

As COP29 in Baku beckons in 2024, the clear trend over the last four years is that oil producing states have been setting the COP agenda. How perverse since the host countries play the crucial role of navigating the agenda. Azerbaijan, one of the largest oil and gas producers in the Caspian Basin, in 2024 is no exception.

One can perhaps excuse the gratuitous hyperbole and exuberance of COP28 President Sultan Al Jaber in his closing Plenary address: "We have delivered a comprehensive response to the Global Stocktake and all the other mandates. Together, we have confronted realities and we have set the world in the right direction. We have given it a robust action plan to keep 1.5°C within reach. It is a plan that is led by the science. It is a balanced plan, that tackles emissions, bridges the gap on adaptation, reimagines global finance, and delivers on loss and damage. It is built on common ground. It is strengthened by inclusivity. And it is reinforced by collaboration."

The COP28 Presidency has been clear in its intention to ensure that the agreements made at COP28 are delivered and followed through to COP29 in Baku and COP30 in Belem, with mechanisms to track progress against implementation. Perhaps a 'Triumvirate of the Willing'!

The next two years will be critical. The message of UN Climate Change Executive Secretary Simon Stiell in Dubai was unequivocal: "At COP29, governments must establish a new climate finance goal, reflecting the scale and urgency of the climate challenge. And at COP30, they must come prepared with new nationally determined contributions that are economy-wide, cover all greenhouse gases and are fully aligned with the 1.5°C temperature limit."

In the interim though on the road to Baku and Belem, in early 2025, countries must deliver new Nationally Determined Contributions, aimed at bringing every single commitment – on finance, adaptation, and mitigation – in line with a 1.5°C world. That surely will reveal the real intent of progress towards Net Zero and expose or reinforce any gaps or achievements in humanity's 'do-or-die' climate action journey.

Transforming the Progress of the 'UAE Consensus' at COP28 on Tripling Renewables through Greater Alignment of NDCs with National Energy Plans

Francesco La Camera,
Director-General, International Renewable Energy Agency (IRENA)

One of the positive outcomes of COP28 in Dubai was the setting of a global target to triple renewable energy capacity by 2030. The so-called 'UAE Consensus' seems to have cemented the role of renewables as one of the most effective ways to address climate change and transition to a just and clean energy dispensation. As the 'Custodian' of the global renewable energy pledge, the International Renewable Energy Agency (IRENA) is committed to monitoring the progress towards achieving the targets on an annual basis and track COP28 commitments to maintain momentum to 2030. Francesco La Camera, Director-General of IRENA, here discusses the challenges and opportunities for renewables at a time when current global and national commitments fall short of the necessary levels required by between 30-50% by modernising existing physical infrastructure to support and accelerate the renewables grid system and regulatory architecture to facilitate investments and improve socio-economic and environmental outcomes, the urgent need to develop a 'fit-for-purpose' workforce, and the role of Islamic finance options especially innovative de-risking and credit enhancement involving also private capital in enhancing IRENA's Energy Transition Accelerator Financing (ETAF) Platform and toolkit, to which the IsDB and ICIEC signed up to in Dubai.

ICIEC Quarterly Newsletter: Now that the fog of COP28 Dubai has settled, can you share your assessment of COP28 per se, and those relating in particular to achieving the Paris Net Zero targets by 2050, the holy grail of restricting global warming to 1.5ºC and the state of renewable energy in the global energy mix? What are the investment needs according to IRENA? How do they compare to where we are now?

By setting a global target to triple renewable energy capacity by 2030 to more than 11 TW, the UAE Consensus at COP28 in Dubai has successfully cemented the role of renewables as one of the most effective energy solutions to address climate change, creating unprecedented momentum and crystal-clear direction for the energy transition.

We are proud that IRENA's World Energy Transitions Outlook served as the foundation for this target. The chance to achieve the goals of the Paris Agreement is slipping away, we cannot afford to miss the closing window of opportunity. Now it is on governments to match this increased ambition with concrete plan and action.

IRENA's World Energy Transitions Outlook 2023 makes sober reading but also highlights the huge benefits a just energy transition could bring in terms of GDP growth, jobs, poverty alleviation, and remedies from the devastating impacts of climate change. Do you think the pledge made by Heads of State at COP28 to triple global renewable energy capacity by 2030 is achievable when funding commitments made on climate action at previous COPs were not met? Do you agree that accelerating transition progress worldwide requires a shift away from mindset and structures built for the fossil fuel era? In this respect what is your view on the UAE COP28 Presidency's call for a Global Renewable Energy Target to complement that of the Paris one? Fossil fuel producers argue for an orderly transition period given the role they have in forex earnings, revenues, job creation, financing budgets and development agendas. Do you agree?

Doubling down on the energy transition should not be viewed as a cost, rather as an investment opportunity. Our analysis clearly shows that a renewables-based energy transition will help create jobs, grow the global economy, improve energy access and enhance energy security.

In fact, IRENA's World Energy Transitions Outlook finds that the substantial job losses in conventional energy jobs would be more than offset by 2030 through gains in renewable energy and other energy-transition-related jobs. It is already concretely established that renewables are the most effective climate action tool available. The next frontier is to eliminate any lingering doubt about its business case and viability for economic growth and prosperity.

The Islamic Development Bank (IsDB) and its multilateral insurer, ICIEC signed Partners Agreements on accession to IRENA's Energy Transition Accelerator Financing (ETAF) Platform in Dubai, focused on advancing just, affordable and clean energy transition in low-and-medium-income countries (LMICs). How

will the ETAF Platform facilitate the financing of renewable energy projects in IsDB member states and how can we upscale the involvement of Islamic finance in climate action, mitigation, adaptation and finance, especially through a smart partnership between IRENA and ICIEC, specifically to boost the role of credit and investment insurers such as ICIEC in making renewable energy projects bankable to donors, institutional and private investors?

Last year was record-breaking in terms of renewable energy installations and investments. However, it is important to recognise that progress is not advancing equally across the world. In fact, over the past six years, the gap in renewable energy investment between developed and developing countries has widened considerably.

For example, in 2015, the per capita investment in renewable energy in Europe and North America (excluding Mexico) was nearly 23 times greater than in Sub-Saharan Africa. By 2021, this disparity grew further, with per capita investment in Europe outpacing that in Sub-Saharan Africa by 41 times, and in North America, the difference escalating to 57 times.

This is why IRENA is expanding its project and investment facilitation efforts to help narrow this gap and make affordable financing more accessible to developing countries. Through its Energy Transition Accelerator Financing Platform (ETAF), IRENA is creating a pipeline of energy transition projects and pairing them with investors to accelerate renewable energy deployment.

The platform, established in 2021 with support from the United Arab Emirates, aims to scale up renewable energy projects that contribute to Nationally Determined Contributions (NDCs) in developing countries, while also bringing benefits to communities through enhanced energy access and security, and promoting economic growth and diversification.

Today, the ETAF family is 13 partners strong, with collective pledges surpassing US$4 billion at COP28. The ETAF Platform also stands out for its inclusivity, offering a broad range of financial solutions and risk mitigation products. As members of ETAF, the Islamic Development Bank (IsDB) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) have broadened the platform's toolkit further with Islamic finance options, enhancing ETAF's capacity to tailor its support to the unique requirements of numerous developing countries in the Islamic world.

There is a clear global target to triple renewable energy, but how do we ensure that the transition accelerates to that level? What are the main challenges, bottlenecks and impediments in advancing just energy transition through renewable energy?

To ensure that the growth in renewables reaches the necessary levels by 2030, IRENA's World Energy Transitions Outlook identifies three priority actions for the coming years to urgently overcome existing systemic barriers from the fossil fuel era.

First, we must modernise and expand existing physical infrastructure to support and accelerate the development of a renewables-based energy system. According to IRENA analysis, approximately one third of the total power sector investment to 2030 must go into power grids and flexibility.

Secondly, we need to establish a new policy and regulatory architecture to facilitate investments and improve socio-economic and environmental outcomes. The energy transition is a system-wide effort, extending beyond just adding power, with new rules and regulations needing to be cross-cutting to encompass end-use sectors like industry, buildings, and transport.

Lastly, there is an urgent need to develop a workforce that is well-equipped to build and maintain a renewables-based energy system. This includes retraining and recertifying fossil fuel industry workers for careers in renewable energy.

Without addressing these three key areas, the world will not be able to triple renewables and accelerate the transition to the necessary speed and scale to limit rising temperatures to 1.5 °C.

As the "custodian" of the COP28 renewable energy pledge, where do you see the progress of the industry in 2030. Short of a doomsday scenario of climate apocalypse due to the failure of humanity meeting the cornucopia of targets, how optimistic are you that given the drive, determination and diligence of organisations such as IRENA, we can mitigate some of the worst effects of climate change through credible, just and affordable energy transitions?

There is undeniable progress being made, which will inevitably grow due to the momentum established by the 'UAE Consensus' at COP28. As the custodian of the global pledge, IRENA will track progress towards the global energy targets on an annual basis and track COP28 commitments to maintain momentum to 2030.

Our analysis indicates that current commitments fall short of the necessary levels by less than half to meet the tripling renewables pledge. Similarly, targets set in national energy plans and policies fall short by 30%.

The forthcoming round of NDCs in 2025 must bring a transformative leap forward. Renewable energy targets in NDCs must also be aligned with national energy plans to enhance the effectiveness and credibility of these commitments. It also sends a clear message to investors throughout the supply chain, promoting further growth in the renewable energy sector.

The UAE Consensus at COP28 in Dubai has successfully cemented the role of renewables as one of the most effective energy solutions to address climate change, creating unprecedented momentum and direction for the energy transition.

Navigating a Future Without Oil and Gas

Azerbaijan's Brave New Green Energy Strategy with a Stated Role for Islamic Finance, Investment and De-risking Solutions

Given that Baku is the host city for COP29 at the end of 2024 and Azerbaijan is a recent ICIEC accession member state, it is no surprise that the Government of President Ilham Aliyev is prioritising key economic development areas such as the promotion of regional connectivity (rail, gas pipelines, and electricity transmission), decarbonization especially through solar and wind renewable energy, the 'Middle Corridor' project which is aimed at supporting SMEs through collaboration with local domestic banks, and the promotion of Islamic finance and ICIEC's credit and investment de-risking insurance. ***Oguz Aktuna, Acting Manager, Asia Region Division, Business Development Department at ICIEC,*** *profiles Azerbaijan's clean energy transition status and its Net Zero pathway, and ICIEC's recent and future involvement in the country's SDG and decarbonisation journey.*

Azerbaijan joined membership of ICIEC in January 2023. Azerbaijan will host the COP29 Climate Summit in Baku in 2024. This signifies a crucial global event, with the country hosting the climate conference for the first time in the Central Asian region. ICIEC on the other hand, with its experience in renewable projects will support Azerbaijan's clean energy transition and its Net Zero pathway.

Azerbaijan plays a crucial role as an energy hub and as a transportation corridor in the region by connecting the CIS (Commonwealth of Independent Central Asian States) to Europe. In 2023, ICIEC, together with the Government of Azerbaijan, outlined key priorities to participate in projects for the economic development of the country, such as the promotion of regional connectivity (rail, gas pipelines, and electricity transmission), decarbonization (renewable energy – Solar, Wind), the "Middle Corridor" project, supporting SMEs through collaboration with local domestic banks, promotion of Islamic finance and Islamic insurance and supporting the reconstruction of the Karabakh enclave.

Azerbaijan's economic progress has historically relied on oil and gas exploration, constituting 95% of its export revenue. Despite this, the country has embraced global efforts to combat climate change, ratifying the Paris Climate Agreement in 2017. Azerbaijan announced a goal of reducing greenhouse gas emissions by up to 35% by 2030 and 40% by 2050 compared to 1990 levels.

The International Energy Agency (IEA) predicts a 25-year lifespan for Azerbaijan's oil reserves, emphasizing the need for alternative energy sources. It should be mentioned that the climatic conditions in Azerbaijan present significant opportunities for generating electricity through solar and wind resources. Key renewable energy sources include onshore and offshore wind farms/clusters, solar power, and hydroelectricity. The potential for solar and wind power generation is particularly noteworthy.

Azerbaijan is currently entering a strategic development phase. The focus is on creating economic opportunities in newly liberated territories (Karabakh, Eastern Zangazur and Nakhchivan), emphasizing a modern construction model and a "Green Energy Zone" with stated net-zero emissions. The government has undertaken extensive infrastructure development, including power transmission lines, substations, and hydroelectric projects. The Central Bank of Azerbaijan is developing a strategy to incorporate sustainable finance principles into the financial sector, including banking, insurance, and capital markets. Commitment to clean technologies, the use of clean energy, recycling, and environmental remediation is a key aspect of Azerbaijan's policy.

Azerbaijan's Green Energy Focus

To adhere to the targets Azerbaijan has initiated partnerships in "green energy" projects involving key players such as Masdar (Abu Dhabi Future Energy Company), ACWA Power, BP, and others. Such plans include the construction of the solar and wind energy projects with Masdar, for a total capacity of up to 1.0 GW onshore and offshore. ACWA Power has entered into implementation agreements with the Azerbaijani Ministry of Energy for the development of a 1.0 GW onshore wind farm and a 1.5 GW offshore wind farm featuring energy storage. In October 2023, the Garadagh Solar Power Plant (230 MW) constructed in cooperation with Masdar, came on stream.

> Azerbaijan's key role in energy and transportation, coupled with its green energy focus, underscores ICIEC's backing for its clean energy transition and climate objectives.

The country aims to strengthen its electricity network to integrate 1,862 MW of "green power" by 2027. Efforts are underway to establish the "Caspian-EU Green Energy Corridor" and the "Azerbaijan-Turkey-Europe Corridor", with plans to export approximately 5 GW of green electricity through various routes by 2030. To achieve this objective, leaders of the governments of Azerbaijan, Georgia, Hungary, and Romania have collectively signed a Memorandum of Understanding (MoU) for the construction of the Black Sea Energy Subsea Cable. Furthermore, Azerbaijan expresses a keen interest in involving other Caspian littoral countries, such as Kazakhstan and Turkmenistan, in this project.

In 2019, the IsDB's Board of Executive Directors (BED) approved the IsDB Climate Change Policy. During COP28, ICIEC announced the launch of its groundbreaking Climate Change Policy and ESG Framework and an agreement to join the Energy Transition Accelerator Financing (ETAF) Platform, managed by the International Renewable Energy Agency (IRENA). ICIEC recognizes that export credit insurance and political risk insurance are essential tools to bridge the Climate Action finance gap by de-risking investments and access to capital goods and green technology, thus making them more attractive and bankable to private sector participation.

Spanning the Water-Energy-Food Value Chain

Climate Action encompasses the range of vital value chains that span the Water- Energy-Food as relates to climate change resilience, mitigation and adaptation, which is reflected in the range of projects and interventions that ICIEC continues to support in its Member States. ICIEC's innovative solutions provide protection against nonpayment risks associated with international trade transactions, while also providing support for green investments in renewable energy projects, low-carbon transport systems, clean technology transfers and other sustainable initiatives.

ICIEC is committed to helping our 49 Member States achieve their development goals, including resilience, mitigation and adaptation to the threats posed by climate change. ICIEC cover has been directed towards various sectors over the years, with US$2.35 billion going specifically into clean energy initiatives such as solar energy systems and wind farms - assisting with their importation and use in national infrastructure projects. With this commitment to ICIEC Member States' development goals, we strive to help mitigate threats from climate change so that all stakeholders may benefit from a better future together.

Historically, ICIEC, as a multilateral credit and political risk insurer, has been playing an important role in facilitating renewable energy projects in its Member Countries. For example, in 2016, ICIEC supported 316 MW Wind Farm Projects in Turkey and provided a US$80 million reinsurance cover to Eksport Kredit Fonden (EKF), - the Danish ECA, now rebranded as EIFO. In 2018, ICIEC provided US$68 million in political risk cover to support Alcazar Energy's (UAE) investment in four 50MW solar plants. The project is part of Egypt's Nubian Suns Renewable Energy Feed-in Tariff (FiT) programme announced in September 2014, which is in line with the Egyptian government's Sustainable Energy Strategy 2035.

In Sharjah, UAE, ICIEC supported the waste-to-energy (WtE) project, led by Masdar, and Bee'ah (Sharjah Environment Company). ICIEC provided insurance cover for the project's construction financing, working in partnership with SMBC, the leading Japanese bank. During COP 28 ICIEC and Standard Chartered Bank signed a Non-Honoring of Sovereign Financial Obligation (NHSFO) policy for supporting the project of procuring and installing 50,000 off-grid solar-powered streetlamps across Senegal's rural areas.

We will continue our support for clean energy projects in our Member Countries. In 2023, ICIEC and Masdar signed an MoU to promote renewable energy projects in Member Countries using ICIEC's credit enhancement and risk mitigation solutions. During COP 28, ICIEC and GE Energy Financial Services, Inc. (GE Vernova) inked an MoU aimed at bolstering sustainable development and climate action across ICIEC's 49 Member Countries.

Charting a Post-COP28 Climate Action Path - ICIEC's Green Leap Forward

Given that Baku is the host city for COP29 at the end of 2024, the focus for the third consecutive Conference of the Parties (COP) under the aegis of The UN Framework Convention on Climate Change (UNFCCC) converges on Azerbaijan, the newest ICIEC accession Member Country, following in the footsteps of Sharm El Sheikh for COP27 and Dubai for COP28. In the UAE, ICIEC also launched its much-anticipated Climate Change Policy and ESG Framework. ***Salih Suwarelzahab, Senior Legal Counsel and Climate Action Team Lead at ICIEC,*** *looks ahead to a post-COP28 Climate Action, Finance and Risk Management Pathway underpinned by the Corporation's transformative results-oriented Climate Change Policy and ESG Framework, the IsDB Group synergies, the role and importance of partnerships with global best practice institutions and the private sector, and the promise and opportunities of Azerbaijan's brave new Green Energy and Decarbonisation Strategy.*

Salih Suwarelzahab,
Senior Legal Counsel
& Climate Action Team
Lead, ICIEC

COP28 in the United Arab Emirates (UAE) represents a watershed moment in ICIEC's history with the launch of ICIEC's Climate Change Policy and ESG Framework. The publishing of the two key documents reflects an ongoing commitment towards mainstreaming Climate Action that began in 2021 at COP26 in Glasgow, in which Mr. Oussama Kaissi, CEO of ICIEC, participated.

Through a stepwise approach ICIEC setup a Taskforce dedicated to Climate Action and implemented the screening of Political Risk Insurance projects for Climate Risks. ICIEC staff were trained in Climate Change Fundamentals, whilst existing partnerships were steered towards addressing common objectives around sustainability and climate change, and new partnerships were forged, such as ICIEC's membership of the InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions in 2022.

In 2023 a total business insured target of 10% was dedicated to Climate Action and this target was reached and surpassed. In 2024 the target for total business insured for Climate Change projects and transactions was increased to 13%.

Climate Change Policy

ICIEC Climate Change Policy serves as a testament to our dedication to addressing climate change head-on. It is our blueprint for a greener, cleaner, and more sustainable world. Through this policy, we outline our commitment to reducing carbon emissions, protecting our planet's invaluable natural resources, and promoting sustainable economic growth.

The ICIEC Climate Change Policy establishes to:

- Support Member States to meet their commitments under the Paris Agreement, particularly their Nationally Determined Contributions (NDCs).
- Promote investment and trade opportunities that support resilience, playing a pivotal role in reducing greenhouse gas emissions and enhancing adaptability to climate change.
- Be aligned with The Islamic Development Bank Group by guaranteeing projects and investments that are in line with the Group's climate action objectives.
- Engage with Financial Institutions to promote business models and investments that are focused on renewable, energy-efficient, natural capital, among other environmental themes, aligning with the broader transition towards the low-carbon economy.

ICIEC Climate Change Policy	
Internal Operations	Operationalization of climate change management across ICIEC internal operations focusing on decarbonization initiatives, policies, and plans to manage the organization's own carbon footprint.
Insurance and Reinsurance	Opportunities for ICIEC to incentivize and contribute to scaling up climate agenda across member countries.
Risk Management	Approach to climate-related risks in Risk Managemen
Contribution to Capacity Building	Integration of climate change in ICIEC capacity building support and engagement with member countries.
Communication	Development of climate change-specific reporting at the level of the organization and its development impact intervention in member countries.

ICIEC's Climate Change Policy and ESG Framework mark the commencement of a transformative results-oriented process where ICIEC's operations, insurance, de-risking, physical assets and human capital and focus are addressing the Climate Crisis at their core, based on the needs of ICIEC's member countries, IsDB Group synergies, the role of the private sector in climate finance and industry best practice. 2024 sees the second phase of the Climate Change project which is dedicated to screening, monitoring and evaluation based on practical, achievable and industry benchmarked parameters that take all ICIEC's business lines into account.

At the institutional level, the year 2024 will witness the responsibility for Climate Change and ESG being housed in a dedicated Function whilst capacity building continues to be offered to all operations staff who will have specific climate change specific KPI's. Staff who are trained in climate change are naturally better equipped to proactively seek out transactions and projects that contribute towards climate change mitigation, adaptation and/or resilience. A stock take of ecological consumption versus potential savings will take place on ICIEC's physical premises with clear environmentally friendly recommendations made and implemented, and travel mission carbon footprints will be mitigated through investment in certifiable carbon sink schemes in ICIEC member countries.

ESG Framework

The ICIEC ESG Framework is a comprehensive strategy that reflects the organization's strong commitment to Environmental, Social, and Governance (ESG) principles. It is designed to integrate ESG values into every aspect of ICIEC's operations and decision-making.

Key elements of the ICIEC ESG framework include:

- The framework underscores the importance of embedding ESG principles at the core of ICIEC's operations.
- ICIEC's governance structure ensures oversight of ESG initiatives and their integration into the overall business strategy.
- ICIEC focuses on developing ESG-centric products and services while incorporating ESG criteria into risk assessment and underwriting.
- ICIEC implements various measures to promote sustainability throughout its internal processes, from HR to supply chain management and policies.
- ICIEC actively aligns with global sustainability objectives and collaborates on initiatives that contribute to these goals.
- ICIEC's framework includes a robust ESG reporting mechanism that promotes transparency and accountability, ensuring stakeholders are informed about ICIEC's ESG performance.

Collaboration & Smart Partnerships the Key

Collaboration and smart partnerships remain at the heart of ICIEC's Climate Action strategy as the global climate funding gap continues to grow whilst climate disasters proliferate. Through smart partnerships, ICIEC has signed a number of MoUs with technology and industry leaders such as GE Vernova, multilateral institutions focused on designing climate-based solutions such as the Global Green Growth Institute and export credit agencies (ECA's) whose portfolio of transactions and supported companies are predominantly renewable energy based, such as EKF of Denmark.

Closer to ICIEC Headquarters, outreach is underway with the Saudi and Middle East Green Initiatives in order to tap into the value chains of carbon sequestration and the circular economy. A methodological approach to partnerships has ICIEC member states' National Determined Contributions and National Adaptation Plans at its core.

Due to its proximity to its member countries, ICIEC, through the Member Country Partnership Strategy of the IsDB Group, remains cognizant of the priority areas of respective member countries for climate action. This know-how is invaluable to financial institutions that have financing targets and that need ICIEC's de-risking and insurance support to access new markets and to expand their footprint in existing ones. Furthermore, specialized companies in member countries that produce goods or services that contribute towards climate action are continuously identified with a view to assisting their activities in other ICIEC member states and beyond.

ICIEC joined ETAF, the Energy Transitional Accelerator Financing Platform, managed by IRENA, at COP28 in Dubai in recognition of the need to bring diverse, effective partners (including the private sector, multilateral lenders and renewable energy industry leaders) around the same table in order to support the rollout of renewable energy projects to the amount of US$4 billion by 2025. ICIEC, as a member of the International Union of Credit and Investment Insurers (the Berne Union), which celebrates its 90th anniversary this year, has been invited to join the Berne Union Climate Working Group and shall bring the perspective of the Economic South and 49 member countries in the search for export credit and insurance-based contributions and solutions to the climate crisis.

As a founding member of the AMAN Union of Commercial and Non-commercial Risk Insurers and Reinsurers in member countries of the Organisation of Islamic Cooperation (OIC) and the Arab League, ICIEC strives to provide climate leadership and assistance to sister ECA's in member countries as the common challenges posed by the climate crisis invariably provide opportunities for growth in new economic sectors.

ICIEC and Climate Action

Partnership: ICIEC is proud to announce the signing of several key partnerships to provide a framework for joint action in promoting climate action, green projects, extending training and capacity-building opportunities, and organizing joint seminars and workshops. These collaborations will enable us to better understand our shared challenges related to climate change mitigation efforts as well as help create a more sustainable future for all. We are confident that these initiatives will bring positive changes both locally and globally by providing access to resources that can help reduce emissions while also creating jobs through green investments.

- ICIEC has been proactively aiding the OIC member states in reaching their climate objectives. An innovative step by ICIEC in this direction is the **Green Sukuk Insurance Policy**, facilitating Sukuk issuers to secure capital for viable green initiatives. Furthermore, ICIEC is providing **de-risking solutions for regional funds in Africa, focusing on mitigation and adaptation measures.**
- Towards a sustainable financial horizon, ICIEC has put forth the idea of a **climate-centric fund** in collaboration with institutional partners. This proposed fund is poised to offer discounted insurance premiums for financing Climate Action initiatives, especially in the Least Developed Member States. Additionally, ICIEC is committed to **capacity building**, leading to the provision of climate change training for its employees.
- To underscore its commitment to the Climate Action cause, ICIEC has become a part of the **InsuResilience Global Partnership**, aiming for climate disaster risk finance and solutions. This move solidifies ICIEC's position as a pioneer among its industry contemporaries. Presently, ICIEC signed a Collaborative Partnership Agreement with The International Renewable Energy Agency (IRENA), through **the Energy Transition Accelerator Financing Platform (ETAF)**, a multi-stakeholder climate finance solution.
- ICIEC has signed an agreement with "**Aware for Projects**", a landmark online climate risk screening software solution. This new tool will help the Corporation identify potential climate change risks and develop a consistent approach to assessing them.
- ICIEC developed a **Climate Change Policy and ESG Guideline**s to institutionalize its Climate Action and Green Finance commitments.

Azerbaijan's Competitive Green Advantages

Since COP26, two COPs have fortuitously been hosted by ICIEC member countries, COP27 in Sharm El Sheikh, Egypt, whose focus was on adaptation, and COP28 in Dubai, in the UAE with COP29 being hosted by ICIEC's newest member country Azerbaijan. Azerbaijan is one of the oldest and most pioneering oil producing countries in the world, with drilling and extraction activities dating back to at least the 1800's.

Few countries reflect energy transition in a similar manner to Azerbaijan with a commitment to produce 30% of energy from renewables by 2030 and with the potential to be a green hydrogen hub and key supplier to the European Union, capitalizing on 23,000 MW of solar power potential, 800 MW of wind energy power, 520 MW of hydropower energy and 800 MW of geothermal energy. In a geopolitical energy ecosystem rife with uncertainty and volatility due to the conflict in Ukraine, if implemented correctly, Azerbaijan's hydrogen potential is capable of providing the ultimate win-win scenario and playbook, clean fuel for the European Union (EU) market in line with EU pledges, legislation and taxonomies, and a new and profitable global export for Azerbaijan.

One of Azerbaijan's competitive advantages for green hydrogen export is the existing pipeline infrastructure that was designed and built to export hydrocarbons. Across ICIEC's 49 member countries whilst the severity of the climate crisis continues to become more manifest, innumerable opportunities for green growth emerge that are spurred on by innovation, technology and enterprise.

ESG Infrastructure Projects - Republic of Côte d'Ivoire

Insurance of AfDB) Partial Credit Guarantee Provided to Secure Financing for ESG Projects in Côte d'Ivoire

ICIEC was requested to provide a Non-Honouring of Sovereign Financial Obligations (NHSFO) insurance policy to the African Development Bank (AfDB) to cover a Partial Credit Guarantee (PCG) it extended to Standard Chartered Bank (SCB) Singapore Limited and SCB Hong Kong Limited for a loan to the Government of Côte d'Ivoire, aimed at financing projects under the country's Environmental, Social, and Governance (ESG) Framework.

ICIEC's role is to provide additional insurance cover for a portion of a loan guaranteed by AfDB to SCB for financing projects in Côte d'Ivoire. Specifically, ICIEC is to cover 48.5% of the €400 million guaranteed by AfDB under its PCG, equating to €194 million. ICIEC's cover is for a period of 12 years.

The projects selected by the ESG Committee and categorized under eligible social and green projects will align with numerous UN SDGs.

They include Social Categorized Projects (SCP): SDGs 6, 7, 9, 11, 3, 4, 10 and 1. Examples of the SCPs selected to be financed under SCB's ESG loan: Water & Sanitation: Drinking Water Supply to Abengourou and surrounding areas from the Comoé River (€38.7 million), Affordable Housing: 12,000 social housing units (€15.2 million), Healthcare Infrastructure: upgrade of health facilities (€15.7 million). Examples of Green Categorized Projects (GCPs): SDGs 6, 12, 13, 14 and 15. Examples of the GCPs selected to be financed under SCB's ESG loan: Renewable Energy: Boundiali Solar Powerplant (€2.7 million), Conserving Terrestrial and Aquatic Biodiversity: Rural and pastoral land management support project (€2.7 million). The Project will also contribute to establish Côte d'Ivoire as a credible sustainable issuer by supporting the country to build a track-record.

The project aims to support growth and sustainable development in Côte d'Ivoire, aligning with several UN Sustainable Development Goals (SDGs), particularly in areas like renewable energy, affordable housing, water and sanitation, and health infrastructure, and the Government of Côte d'Ivoire's National Development Plan and its ESG objectives.

The project focuses on promoting inclusive growth and mobilizing long-term financing for ESG expenditures in various sectors like renewable energy, education, and infrastructure development projects like water supply systems, healthcare facilities, renewable energy plants, social impact affordable housing, healthcare improvements, education, and financial inclusion initiatives. Environmental benefits implicit in some of the projects include biodiversity conservation and pollution prevention.

This strategic collaboration among ICIEC, AfDB, and the Government of Côte d'Ivoire demonstrates a robust commitment to ensuring the successful financing and execution of vital ESG projects in Côte d'Ivoire.

Energy Sector - Procurement & Installation of 50,000 Solar Streetlights Senegal

ICIEC Provides €134.32m NHSFO to SCB to Cover Procurement and Installation of 50,000 Solar Streetlights in Rural Regions of Senegal

ICIEC was approached by Standard Chartered Bank (UK) for the extension of an insurance coverage facility, which pertains to their financing facility for the procurement and installation of 50,000 solar streetlights in the rural regions of Senegal, with the funds being directed to Banque Nationale pour le Développement Economique (BNDE), Senegal's public bank.

Notably, the Senegalese Ministry of Finance has committed to offering a Sovereign guarantee that covers the entire financing obligations. Standard Chartered Bank was keen on acquiring a Non-Honouring of Sovereign Financial Obligations (NHSFO) insurance cover from ICIEC amounting to €103 million spanning a tenor of 8 years.

The project comprises the procurement and installation of 50,000 solar streetlights in rural Senegal. Standard Chartered Bank is financing the project, with insurance coverage provided by ICIEC.

BNDE, Senegal's state-owned bank, is the direct beneficiary of these funds. The project involves careful consideration of local conditions (like irradiation, night duration, ambient temperature) to ensure the efficiency of solar streetlights.

ICIEC will provide Non-Honouring of Sovereign Financial Obligation (NHSFO) insurance to cover the government's financial obligations related to this project. The total amount covered by ICIEC is €134,315,897.93 (including the profit element).

The ICIEC policy was issued on 28 November 2023. The financing and coverage align with SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action). This ensures that the project's funding is secure despite any financial instability. By covering 95% of the risk, ICIEC plays a crucial role in mitigating financial risks associated with sovereign guarantees.

This project not only addresses the immediate need for rural electrification but also aligns with broader sustainable development goals, demonstrating a comprehensive approach to development and energy sustainability.

The development impact and expected key results of the project and ICIEC's participation include:

A. Enhancing access to electricity in rural areas, which currently stands at around 70%.

B. Improved street lighting will enhance nighttime safety and enable community activities after dark.

C. Students will benefit from extended study hours, positively impacting academic performance.

D. Replacing candles and kerosene lamps with solar lamps reduces the risk of fire-related incidents.

ICIEC's Launch of Bespoke Climate Change Policy and ESG Framework at COP28 Focuses on Climate-related Sustainable Development

Dubai, 2 December 2023 - The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a multilateral credit and political risk insurer and a member of the IsDB Group, unveiled its bespoke Climate Change Policy and Environmental, Social, and Governance (ESG) Framework during COP28 in Dubai. The landmark launch was witnessed by Dr. Muhammad Sulaiman Al Jasser, the President of the Islamic Development Bank and Chairman of the Board of Directors of ICIEC, Mr Francesco La Camera, the Director-General of International Renewable Energy Agency (IRENA), and Mr. Oussama Kaissi, the CEO of ICIEC.

"The ICIEC Climate Change Policy," emphasised Mr Kaissi, "reinforces our unwavering commitment to combatting climate change and serves as a blueprint for ICIEC's to increase ICIEC's intervention in sustainable projects and programs. Anchored on this policy, ICIEC pledges to upscale its support to initiatives aimed at reducing carbon emissions, safeguarding nature, and fostering sustainable economic growth. To advance the role of climate action, ICIEC commits to assisting Member States in meeting their obligations under the Paris Agreement and champion investment and trade opportunities that enhance resilience and increase adaptability to climate change."

The ICIEC ESG Framework, added Mr Kaissi, "is a holistic tool showcasing our strong dedication to ESG principles. The framework emphasizes embedding ESG principles to ICIEC's operations, developing ESG-centric products and services, incorporating ESG imperatives into risk assessment and underwriting. Measures are implemented to promote sustainability throughout internal processes, including sourcing and resource usage practices. The launch of our Climate Change Policy & ESG Framework reflects ICIEC's commitment to sustainability. We aim to drive positive change, contribute to global climate objectives, and set new benchmarks for ESG excellence in insurance and development."

Climate change represents a threat to global stability, security, and prosperity, and it is one of the most significant challenges of modern times. Addressing climate change is a priority to ensure sustainable development and economic growth, both fundamental to ICIEC's mandate.

The Corporation aims to fully integrate considerations on the impacts of climate change into its operations and to adapt its operating model. In doing so, it may better support its clients, Member States and their societies. It will also adopt new policies and approaches to reorient its business model in a manner that is coherent with the policies and practices of the whole IsDB Group, fully integrated into the ecosystem, and in line with the principles set forth under the Paris Agreement and the MDB Framework Alignment.

Crucially, ICIEC also commits to incentivizing climate change actions and investment initiatives, and to decreasing the climate footprint of its operations, including offsetting emissions in travel, and to mobilize climate finance up to 35% of its underwriting and activities within the next 5 years. The rationale of the Climate Change Policy includes incorporating climate change principles into all ICIEC activities, prioritizing the needs and aspirations of its Member States, supporting national climate ambitions and sustainable development agendas, increasing its financing capacity for higher positive climate impact, sharing and promoting knowledge and awareness and assist Member States to embrace modern climate practices.

ICIEC will also support the decarbonization and increased adoption of technologies to facilitate trade and reduce costs to both producers and consumers through collaboration with industry peers and Member States. The Corporation's Climate Change Policy incorporates three operational objectives, namely supporting Member States, alignment with the IsDB Group, and engagement with Financial Institutions.

Similarly, the ICIEC ESG Framework is a comprehensive strategy that reflects the organization's strong commitment to ESG principles. It is designed to integrate ESG values into every aspect of ICIEC's operations and decision-making.

At the core of ICIEC's Climate Action Policy are the importance of partnerships and the recognition that export credit and political risk insurance are essential tools to bridge the Climate Action finance gap by de-risking investments and access to capital goods and green technology. ICIEC's innovative solutions provide protection against nonpayment risks associated with international trade transactions, while also providing support for green investments in renewable energy projects, low-carbon transport systems, clean technology

transfers and other sustainable initiatives. Its underwriting has been directed towards various sectors over the years, with US$2.35 billion going specifically into clean energy initiatives such as solar energy systems and wind farms.

"Our Climate Change Policy solidifies our commitment to combat climate change by intensifying support for sustainable projects and reducing carbon emissions. The ESG Framework showcases our dedication to embedding ESG principles into our operations, products, and risk assessments," concluded Mr Kaissi.

IsDB and ICIEC Accede to Membership of IRENA's Pioneering Energy Transition Accelerator Financing Platform (ETAF) with US$250m Pledge

Dubai, 2 December 2023 – The Islamic Development Bank (IsDB) and The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the multilateral insurer and member of the IsDB Group, officially join the International Renewable Energy Agency (IRENA's) Energy Transition Accelerator Financing Platform (ETAF) at an accession ceremony during COP28 in Dubai.

The accession agreement was signed by IsDB President, Dr. Muhammad Al Jasser, Mr. Oussama Kaissi, CEO of ICIEC, and Francesco Le Camera, Director General of IRENA. Dr. Al Jasser underlined both initiatives as a reflection of the IsDB Group's firm commitment to:

- Promoting renewable energy production in Member Countries.
- Assisting Member Countries with addressing climate-change-related challenges.
- Capitalizing on opportunities inherent to green growth.

The IsDB and ICIEC also pledged US$250 million to projects on the platform by 2030 and to provide de-risking tools to support renewable energy projects in member developing countries. Accelerating clean energy transition progress worldwide requires a shift away from mindset, structures and systems built for the fossil fuel era. In this respect the IsDB and ICIEC's accession to the ETAF Platform, which is managed by IRENA, is timely and opportune, and resonates with the UAE COP28 Presidency's call for a Global Renewable Energy Target as a practical step to implement the Net Zero goals of the Paris Agreement, which we support.

"We're thrilled to announce our Collaborative Partnership Agreement with the IRENA to drive

global energy transition and support sustainable development goals. Through the ETAF

Platform, a multi-stakeholder climate finance solution managed by IRENA, we will provide credit and political risk insurance solutions to support the financing of renewable energy projects recommended by IRENA for the benefit of common member countries. This partnership leverages our expertise in credit and political risk insurance and our synergies with the broader reinsurance market. The IsDB Group and ICIEC welcome our partnership with other stakeholders in the ETAF platform, which is managed by IRENA, and focused on advancing just, affordable and clean energy transition in low-and-medium-income countries (LMICs)," explained Mr Oussama Kaissi, CEO of ICIEC.

LMICs form the largest component of the 57 member states of the IsDB and are disproportionately affected by the ravages of climate devastation despite the fact that as a group they are the lowest emitters of carbon in the world. As such, energy transition is not only a financial, economic, technological, survival and societal imperative, but also a moral one. As part of a diverse network of partners, the ETAF Platform enables the financing of renewable energy projects, giving developers access to a suite of de-risking solutions and manifold financing opportunities as a way of advancing their energy projects and making them bankable to donors, institutional and private investors.

"We at the IsDB Group and ICIEC firmly believe we can bring to the table alternative funding and de-risking tools in the form of Islamic Green Finance, such as Syndicated Murabaha and Instalment Sale, a suite of risk mitigation policies underwritten on the basis of Takaful (Islamic equivalent to insurance based on the principle of mutual solidarity) and Re-Takaful, and the issuance of Green/Sustainability Sukuk (trust certificate issuance backed by real assets), which our data shows alone raised cumulatively US$16.24 billion in 2022/23, and which according to the G20 is ideal for financing development and infrastructure projects," added Mr Kaissi.

ICIEC Partners with AfDB to Support Financing of ESG Projects in Côte d'Ivoire with €194 million Insurance Support

Jeddah – The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a multilateral credit and political risk insurer and a member of the IsDB Group and the African Development Bank (AfDB), signed a strategic risk sharing collaboration aimed at fostering sustainable development in Côte d'Ivoire.

In this landmark transaction, ICIEC provided an insurance capacity of €194 million, backstopping the €400 million Partial Credit Guarantee (PCG) issued by the African Development Bank against the non-payment risk associated with a facility of €533 million extended by Standard Chartered Bank (SCB), to the government of Côte d'Ivoire. The facility will be used to finance a range of eligible environmental and social projects, including renewable energy, education, pollution prevention and control, terrestrial and aquatic biodiversity conservation, health infrastructure, as well as sustainable use of water and wastewater management, in accordance with Côte d'Ivoire's Sustainable Framework.

The AfDB's partnership with ICIEC is pivotal to scaling up the Bank's partial credit guarantee scheme to attract the needed financing by Standard Chartered. The Bank will retain a stake of €206 million (51.5%) in the €400 million PCG, while ICIEC will cover the remaining €194 million. This arrangement not only optimizes the African Development Bank's balance sheet by transferring a portion of the exposure to ICIEC, but also maintains a significant residual exposure, demonstrating a balanced risk-sharing approach. The transaction marks a significant step by Côte d'Ivoire in enhancing its capacity to attract long-term, competitive financing dedicated to ESG projects. It is also a clear demonstration of the collaborative efforts of multilateral development institutions in supporting the sustainable development aspirations of their common member countries.

Oussama Kaissi, CEO of ICIEC, commented: "We are proud to partner with the AfDB in this transformative initiative, which aligns with our mission to bolster sustainable and inclusive development in member states. By providing this insurance cover, we are not only supporting the Republic of Côte d'Ivoire in realizing its ambitious National Development Plan but also assisting in improving the country's funding terms under challenging market conditions. This is a testament to our commitment to fostering economic resilience and progress in emerging markets. This is the first risk participation arrangement between both institutions, which lays the ground for more cooperation in common member states. Cooperation between Africa-focused risk mitigation providers to de-risk investments and mobilize financing for common member states in Africa is in line with the objectives of the Africa Co-Guarantee Platform, in which both ICIEC and the AfDB are founding participants."

African Development Bank Vice President for Finance and Chief Financial Officer Hassatou N'Sele commended the innovative solutions the Bank is providing and described this cooperation with ICIEC as another strong example of collaboration with peer institutions to scale up lending in line with the G20 recommendations on capital adequacy.

"We are delighted with the closing of this risk participation with ICIEC, a member of the Africa Co-Guarantee Platform housed at the AfDB, which brings together Africa's risk mitigation providers to better collaborate for the benefit of our respective member countries. This loan facilitated by the AfDB and ICIEC will help Cote d'Ivoire make further significant progress towards contributing to the SDGs and improving the quality of life of the Ivorian people given the myriad of global and regional challenges Africa is currently facing," she added.

ICIEC and GGGI Form Strategic Partnership for Sustainable Economic Growth Focussing on Scaling Up Climate-resilient Agriculture and Catalysing Transformation of Food Systems in Africa and the Middle East

Dubai, 2 December 2023 - The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a multilateral credit and political risk insurer and a member of the IsDB Group, and the Global Green Growth Institute (GGGI) signed a landmark Memorandum of Understanding (MoU) during COP28, whereby GGGI would link ICIEC's credit and political risk insurance tools to funds, transactions, and projects in common Member and Partner States.

The MoU was signed by Mr Oussama Kaissi, CEO of ICIEC, and Dr Frank Rijsberman, Director General of GGGI. ICIEC and GGGI play a pivotal role in advancing sustainable economic development, addressing climate challenges, and achieving global environmental goals. A key focus of the partnership is scaling up climate-resilient agriculture and catalyzing the transformation of food systems in Africa and the Middle East, through the Africa and Middle East SAFE Initiative.

SAFE, conceived in the deliberations of UNGA 2023 and the Africa Climate Summit 2023 in September, at its core is a US$10 billion public-private partnership (PPS) initiative to scale up climate-resilient agriculture and transform food systems in Africa. Global events in the last four years have reinforced the importance of collaboration amongst the global development community. Achieving the SDGs says the UN will require US$3.9 trillion annually over the next 10 years. The pressure on national budgets due to the various impacts has severely limited the ability of governments to mobilize funds to finance investments to close this gap.

The SAFE for Africa and the Middle East Initiative will require substantial costs and commitments. But the rewards are potentially even higher. The stated aims are noble and realizable:

- Irrigating 2 million hectares of African farmland.
- Enhancing the climate resilience of 10 million smallholder farmers (especially women and young people).
- Contributing to food security in Africa and the Middle East.
- Generating 2 million green jobs thus improving livelihoods.
- Exporting 2 million metric tons of food crops to the Middle East, valued at around US$2 billion.

The Africa and Middle East SAFE Initiative was officially launched in Dubai during COP28. "As the only Shariah-compliant multilateral credit and investment insurer in the world and a member of the Islamic Development Bank Group, we strongly welcome our participation in the SAFE Initiative for the Middle East and Africa, which I believe is an exemplar and real economy embodiment of the UN SDG 17 on the importance of "Partnerships for the Goals," explained Mr Oussama Kaissi.

Food security and transformative resilient food systems fit for purpose in an era of repeated supply chain disruptions caused by climate change, conflict and arbitrary catastrophic events such as the COVID-19 pandemic, is one of the three main trilemmas facing humanity today, the other two being climate fragility and economic governance to ensure nobody is left behind in a persistent global cost-of-living crisis. Additionally, the two entities will jointly engage Member States to support their Nationally Determined Contributions, utilizing ICIEC's de-risking capabilities alongside multilateral and private sector financing. The collaboration extends further to providing thought leadership and support for the development of scalable risk mitigation structures, solidifying the commitment to fostering a greener and more resilient future. Furthermore, the partnership will include capacity building, knowledge product development, and the exchange of technical expertise in Climate Risk and Vulnerability Assessment.

"This strategic partnership with GGGI underscores our unwavering commitment to sustainable economic development. By connecting ICIEC's insurance solutions to projects in Member States, we aspire to bring about a tangible impact, with a specific focus on the expansion of climate-resilient agriculture and the transformation of food systems in Africa and the Middle East. Our de-risking capabilities, in conjunction with active engagement in achieving climate goals and the creation of scalable risk mitigation structures, demonstrate our steadfast dedication to nurturing a greener and more resilient future. Going beyond financial instruments, our comprehensive approach encompasses capacity building, knowledge development, and the exchange of technical expertise in Climate Risk and Vulnerability Assessment," added Mr Kaissi.

Dr Frank Rijsberman, Director General of GGGI, similarly highlighted the collective impact of the collaboration. "There is a real opportunity to bring transformative change to the food systems in both the Africa and the Middle East regions. De-risking and private sector financing will be key to realizing the potential and benefiting millions of people whose lives and livelihoods are under threat due to the climate crisis. Through this collaboration, we aim to develop scalable risk mitigation structures for a greener, more climate-resilient future," maintained Dr Rijsberman.

Moody's Affirms ICIEC Aa3 Insurance Financial Strength Rating (IFSR) with Stable Outlook for the 16th Consecutive Year

Jeddah, 10 December 2023 - Moody's Investor Services affirmed ICIEC's Aa3 Insurance Financial Strength Rating (IFSR) with a stable outlook for the 16th consecutive year. The affirmation of the rating reflects the Corporation's strong fundamentals - ICIEC's financial position, risk governance and continued support from its parent – the Islamic Development Bank (IsDB) and sovereign members of the Organization of the Islamic Cooperation (OIC).

Moody's highlighted the continuation of strengthening of the standalone credit quality of

ICIEC over the recent past years as evidenced by the improved profitability, strong core market positions, diversified operation, very liquid invested portfolio and sufficient capital level. ICIEC's profitability, added Moody's, remained resilient in 2022, with a combined ratio of 37.3% and net income of Islamic Dinar 8.2 million, benefitting from enhanced business-coverage, reduced risk and business/client concentrations, efficiency gains and substantial investment income. Moody's assigned ICIEC's ESG Credit Impact Score as neutral-to-low (CIS-2), for the second time, reflecting a limited impact from environmental and social factors on the rating. The Corporation's strong governance and predominant focus on credit and political risk insurance with its diversified portfolio help mitigate its exposure to ESG risks.

Mr Oussama KAISSI, CEO of ICIEC, thanked ICIEC's Member Countries, Board Members, and dedicated Staff for their unwavering commitment and consistent progress in carrying out the mandate of the Corporation. In alignment with IsDB Group initiatives, he reaffirmed the management's steadfast dedication to prioritizing strategic objectives to support member countries by contributing to the development of Islamic finance and top initiatives such as green financing, ESG engagement, and fostering food security. He assured stakeholders that ICIEC is well-positioned to navigate the escalating instability in the international geopolitical arena, pledging to uphold financial stability and solvency throughout these challenges.

ICIEC and Standard Chartered Bank Partner for a Transformative Solar Electrification Project in Senegal

Dubai, 1 December 2023 — The Islamic Corporation for the Insurance of Investment and Export Credits (ICIEC), a multilateral credit and political risk insurer and a member of the IsDB Group and Standard Chartered Bank (SCB), a leading international cross-border bank, signed a Non-Honouring of Sovereign Financial Obligation (NHSFO) agreement to fund a €103 million solar electrification project through the installation of 50,000 off-grid solar-powered streetlamps in rural areas across Senegal.

This pivotal agreement represents a major step in sustainable development and will support the funding of a key project for the Senegal government's Ministry of Finance aimed at procuring and installing 50,000 off-grid solar powered streetlamps across Senegal's rural areas signifying substantial progress in the nation's pursuit of renewable energy.

The agreement was signed by Mr. Oussama Kaissi, CEO of ICIEC, and Mr. Sunil Kaushal, CEO of Standard Chartered, Africa and the Middle East in Dubai during COP28. This ambitious project, valued at €103 million, aims to harness solar energy to power streetlights across Senegal's rural areas, improving the quality of life, and supporting economic activities reliant on consistent energy access.

It promises enhanced safety and security through well-lit streets, extending business hours, encouraging community gatherings, and fostering local economic growth. Environmentally, the project underscores the importance of reducing carbon emissions and adopting eco-friendly energy practices.

This deal also reflects ICIEC's resolve to accelerating climate finance through providing much needed de-risking which is key to attracting private capital in this domain in the Global Economic South. The importance of today's deal cannot be overstated. It is one more cog in consolidating financing and underwriting of projects especially serving rural and inner-city populations not only to better their lives and livelihoods but also to ensure they are not left behind.

The stark reality is that over six hundred million people in continental Africa lack access to electricity, mainly in rural areas, posing a significant hurdle to both daily life and economic progress. rural electrification stands out as a challenging yet transformative opportunity for sustainable development.

At the core also of ICIEC's Climate Action Policy are the importance of Partnerships (UN SDG 17 – The Importance of Partnerships in Achieving the SDGs) and the recognition that export credit insurance and political risk insurance are essential tools to bridge the Climate Action finance gap by de-risking investments and access to capital goods and green technology.

"Our partnership in Senegal," reminded Mr Kaissi, "is well-established, flourishing and has real economy impact, realising projects in wastewater management, rail and road transport, tourism and convention infrastructure and state-of-the-art sports stadia and facilities. This agreement we are signing today symbolises what can be achieved when innovative financing, risk mitigation solutions, social and development inclusion, private sector finance and government agencies come together in service of the real economy with its real impacts on communities and their ambitions."

Standard Chartered Bank UK sought an extension of our 95% insurance coverage, with a tenor of eight years, for their €126 million financing facility for the procurement and installation of 50,000 solar streetlights in the rural regions of Senegal, with the funds being managed by BNDE, Senegal's public bank. ICIEC provided our flagship Non-Honoring of Sovereign Financial Obligation (NHSFO) Policy Cover against any default by the Government of Senegal.

Reflecting on the agreement, the Mr Oussama Kaissi, CEO of ICIEC, commented: "Our collaboration with Standard Chartered Bank for the solar streetlight project in Senegal is a testament to our commitment to sustainable development in our member states. This initiative is not just about illuminating streets, it's about empowering communities, enhancing safety, and sparking economic growth in rural areas. By harnessing the power of solar energy, we are taking a significant step towards energy independence and security in Senegal, aligning perfectly with Sustainable Development Goals 7, 11, 10, and 17."

Mr. Sunil Kaushal, CEO of Standard Chartered Africa and Middle East, commended the Bank's "continued partnership with ICIEC which has supported strategic infrastructure projects in Senegal, making it the first Green Loan provided by the Bank to the Republic. The installation of solar-powered streetlamps will uplift the lives of local communities while supporting the Senegalese government's climate goals. The Bank will continue to drive the development of the AME region by identifying financing opportunities for key infrastructure projects across a range of sectors."

The project strongly supports Senegal's energy diversification and transition policy by promoting clean renewable energy, enhancing its energy independence and security strategy, which prominently features the integration of solar power in the energy mix. Currently, solar energy contributes to 22 percent of Senegal's overall energy production.

The development impact of streetlight electrification in rural areas will be transformative for businesses, SMEs and communities in several ways – extension of business hours, community gatherings, safety and security – at the same time contributing to sustainable development, community cohesion and towards achieving Senegal's net zero commitments.

This transaction is compelling evidence and progress of ICIEC's innovative playbook in the provision of protection against non-payment risks associated with international trade transactions, while also providing support for green investments in renewable energy projects, low-carbon transport systems, clean technology transfers and other sustainable initiatives.

ICIEC Joins Forces with GE Vernova at COP 28 to Promote Sustainable Projects Across ICIEC Member States

Dubai, 4 December 2023 – In a landmark event during COP 28, The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a multilateral credit and political risk insurer and a member of the IsDB Group, and GE Energy Financial Services, Inc (GE Vernova) signed a Memorandum of Understanding (MOU) aimed at bolstering sustainable development and climate action across ICIEC's 49 member states.

The MOU, signed by Mr. Oussama Kaissi, CEO of ICIEC, and Mr. Nomi Ahmad, President & CEO of GE Energy Financial Services, Inc, establishes a cooperative framework to leverage ICIEC's suite of insurance and credit enhancement solutions, alongside GE Vernova's expertise in energy sectors with a focus on renewable energy. It is envisaged that this collaboration will accelerate the deployment of capital, goods, and services necessary for sustainable energy projects in ICIEC member states.

Under the MoU, GE Vernova and ICIEC will explore suitable energy projects and transactions for the mobilization of ICIEC's suite of insurance, co-insurance and reinsurance and other credit enhancement products. This MoU is a step forward in providing affordable, reliable and sustainable energy to the region through collaboration with the broader industry via public-private co-operation.

In a statement highlighting the developmental potential of this cooperation, Mr. Oussama Kaissi, CEO of ICIEC, emphasized: "Our collaboration with GE Vernova is a significant stride towards fulfilling our mandate of promoting sustainable development and climate action. By combining our strengths, we are uniquely positioned to advance the Sustainable Development Goals and support our member states in meeting their commitments under the Paris Agreement. This partnership reflects our dedication to fostering economic growth while adhering to the principles of Shariah and upholding the highest environmental and social standards."

Speaking at the signing, Mr Nomi Ahmad commented: "We're thrilled to work with ICIEC on this exciting advancement toward funding and developing impactful energy transition projects in the region and look forward to the progress this partnership can create, in line with GE Vernova's mission to electrify and decarbonize the world." ICIEC and GE Vernova share a mutual aspiration of empowering economies and enhancing the quality of life through sustainable and affordable energy solutions.

ICIEC Partners with BOAD at COP 28 to Boost Sustainable Investment and Prosperity in West Africa

Dubai, 2 December 2023 – The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a leading multilateral credit and political risk insurer, and the West African Development Bank (BOAD) signed a Memorandum of Understanding (MOU) during the COP28 climate conference in Dubai to promote economic integration and sustainable development in member countries in West Africa common to both institutions.

The MOU, signed by Mr. Oussama Kaissi, CEO of ICIEC, and Mr. Serge EKUE, President of BOAD, lays the groundwork for a synergistic partnership facilitating large-scale investments and bolstering economic and social development across common member states of ICIEC and BOAD. The core focus of the partnership is to address key areas such as climate change adaptation and communication projects.

This collaboration has been strengthened by the alignment of BOAD's mission to advance existing infrastructure and contribute to the economic integration of West Africa with ICIEC's objective of enlarging trade transactions and investment flows. Both institutions aim to leverage this partnership to encourage direct investments and enhance the economic landscape of their common member states.

Mr. Oussama Kaissi, CEO of ICIEC, stressed at the signing ceremony: "This MOU with BOAD is a significant stride towards upscaling our shared goal of promoting economic growth and sustainable development in our common membership in West Africa. Our collaboration is set to unlock new avenues for investment and trade, enhancing our capacity to support impactful initiatives. By working together, we are not just aiming for economic growth but also nurturing a resilient and sustainable future for our member states."

The focus will be on ICIEC providing insurance and credit enhancement solutions in common member states and supporting BOAD's financing operations. Additionally, a capacity-building plan related to credit insurance, particularly within ICIEC's proposed solutions, is a key component of this collaboration.

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