THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

Driving Economic and Social Development

مجموعة البنك الإسلامي للتنمية
Islamic Development Bank Group

NEWSLETTER

Quarterly Publication July - September, 2024

ICIEC 30 Year Pearl Jubilee

Inclusive Sustainable Development

Harnessing the Economic Power of Gender Balance

ICIEC underwrites gender-responsive policies for transactions it supports in its 50 member states, in line with their respective development agendas, particularly in promoting women-owned-and-run Micro-and-Small-and- Medium-Sized-Enterprises and women entrepreneurs.

Dr. Khalid Khalafalla, Officer-in-Charge, ICIEC

INSIDE THIS ISSUE:

Welcome to this Third Quarterly Newsletter of 2024, which comes as the world is set to converge in Baku, Azerbaijan in November for COP29. One prominent theme that will be highlighted is gender balance and climate, especially the role of women in climate action. The evidence is piling up on the correlation between narrowing the gender gap and gains in GDP, productivity, and climate action returns.

Research from the IMF suggests that narrowing the gender gap in labor markets could increase GDP in emerging markets and developing economies by almost 8%. Similarly, research by the European Central Bank suggests that a one-percentage-point increase in female managers at a firm leads to a 0.5% reduction in carbon dioxide emissions.

There is a clear business case for driving financial inclusion, yet the gaps in pay, access to financial services, and leadership representation persist. The Official Monetary and Financial Institutions Forum (OMFIF)'s 2024 Gender Balance Index found that although progress has been made in narrowing the gender gap in financial services, including insurance, and central banking, key opportunities to promote women into executive positions are still being missed.

ICIEC is in the midst of celebrating its 30th Anniversary, which is perhaps an opportune time to reflect on its own strategy regarding diversity and gender balance in the workplace, to which the Corporation is thoroughly committed. These issues are explored in our two Insight articles. The first, 'Gender and Climate – a Tale of Two Transitions' explores various issues and highlights how diversity and gender balance are embedded in ICIEC's corporate playbook and culture. The second, 'The Economic Power of Gender Balance - A Unique Opportunity to Advance Inclusivity, Resilience and Recovery' surveys the state of gender balance in the global economy, its correlation with key economic indicators such as GDP growth, productivity and inclusion, and the challenges in closing the various implementation gaps despite the progress achieved so far.

We have an exclusive Profile Interview with Ms. Maëlia Dufour, President of the Berne Union, whose two-year presidency ends in October 2024. In this Interview, she discusses the state of the credit and investment insurance industry, the challenges of digitalization and AI, the economic power of gender balance, the priorities going forward, and reflects on the achievements of the last two years under her tenure.

In our Member Country Profile, we focus on Suriname, one of the few countries in the world with negative carbon emissions, primarily thanks to its extensive forest cover. Dr. Sobir Komilov, Head of IsDB Regional Hub in Suriname, profiles the country's economic agenda, its climate and sustainable development strategy and challenges, and its growing cooperation with the IsDB/ICIEC.

We also have our regular Meet the Team feature, which in this issue is a collective contribution from Ms. Sabah Alharbi, Country Manager - MENA Region, ICIEC, Ms. Eman A Mahmoud, Country Manager Egypt, ICIEC, Ms. Khady Seye, Country Manager Senegal, ICIEC, and Ms. Christelle Rivera, Sales Administration Associate, UAE (MENA Region Division), highlighting ICIEC's Women in Credit and Investment Insurance - A Trajectory for Gender Responsiveness and Balance in the Workplace.

This is followed by our regular Business Update, and News and Events about the industry in the Third Quarter of 2024. The two standout features are the signing of an MoU between ICIEC and Korea Overseas Infrastructure and Urban Development Corporation (KIND) to foster Public-Private Partnerships in critical infrastructure and clean energy in ICIEC Member States, and the welcoming of the Togolese Republic as ICIEC's 50th member state.

Dr. Khalid Khalafalla
Officer-in-Charge, ICIEC

"ICIEC is in the midst of celebrating its 30th Anniversary, which is perhaps an opportune time to reflect on its own strategy regarding diversity and gender balance in the workplace, to which the Corporation is thoroughly committed."

Gender and Climate – a Tale of Two Transitions

"As a leading multilateral insurer, ICIEC remains committed to supporting its 50 Member States in achieving their development goals, including resilience, mitigation, and adaptation to the threats posed by climate change."

As we approach COP29 in Baku this November, the world's attention will once again be focused on issues such as global warming, transition to Net Zero, biodiversity and climate change. It is also about managing expectations. One issue that is gaining more prominence is gender balance and climate, especially the role of women in climate action. Research from the IMF suggests that narrowing the gender gap in labour markets could increase GDP in emerging markets and developing economies by almost 8%. Similarly, research by the European Central Bank suggests that a one-percentage-point increase in female managers at a firm leads to a 0.5% reduction in carbon dioxide emissions. ***Dr. Khalid Khalafalla, Officer-in-Charge, ICIEC****, explores these issues and how diversity and gender balance are embedded in its corporate playbook and culture.*

It is no coincidence that COP29 President-Designate, Azerbaijan's Mukhtar Babayev, in a formal letter to member states and the global community outlining the plan and expectations for the climate summit in Baku in November 2024, included Gender Equality in climate action as one of the 10 themes up for discussion during the 11-day 2024 UN Conference of the Parties, otherwise known as COP29.

Following COP27 in Sharm El Sheikh, Egypt, in 2022, COP28 in Dubai, UAE, in 2023 and COP29 in Baku, Azerbaijan, later this year, it is remarkable that for three consecutive years, the climate summits have been held in member states of ICIEC. Azerbaijan, in fact, became the 49th member state to accede to ICIEC's membership last year.

COP29 President-Designate Mukhtar Babayev has allocated a whole day to discuss socio-climate issues including the role of gender equality, balance, leadership and responsiveness in climate action, nature and biodiversity, indigenous people, oceans and coastal zones.

Babayev's COP29 priorities are implicit:

- Keep 1.5 degrees within reach and leave no one behind.
- National Adaptation Plans and Biennial Transparency Reports.
- 1.5-aligned Nationally Determined Contributions from all stakeholders.
- New Collective Quantified Goal (NCQG) on climate finance, starting at a floor of USD 100 billion with the aim of dramatically increasing this figure.
- Finalise Article 6 of the Paris Agreement

Azerbaijan has also launched at Climate Finance Action Fund (CFAF) to invest in climate-related adaptation and projects in the developing world, although some experts question its ambition and size. "The proposal for the CFAF indicates an initial round of USD 1billion per year by 10 countries or shareholders.

Shock Absorbers and Mitigators of Risk

Multilateral insurers such as ICIEC, alongside national export credit agencies and private sector insurers act as the shock absorbers and mitigators of a wide range of risks, exacerbated in recent years by extreme climate related events, natural disasters, catastrophic occurrences, and conflict, all of which have served to undermine progress towards the Net Zero ambitions of the Paris Climate Agreement of 2015.

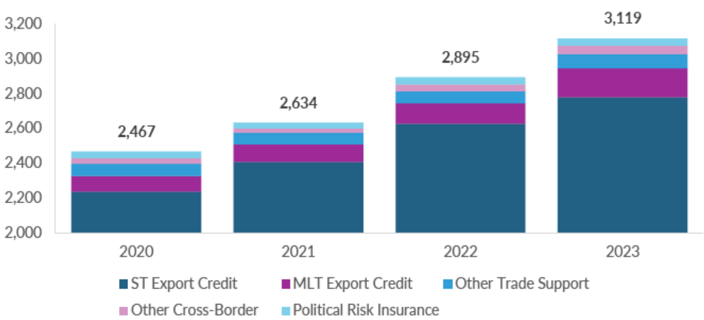
The Net Zero Export Credit Agencies Alliance (NZECAA) launched by a group of ECAs led by UK Export Finance (UKEF) under the aegis of the United Nations Environment Programme Finance Initiative (UNEP-FI) has the simple mandate of promoting the role of export credit in achieving net zero emissions by 2050 and limiting global warming to 1.5°C, in collaboration with the Glasgow Financial Alliance for Net Zero (GFANZ).

Berne Union (BU) members, of which ICIEC is one, according to the BU's Export Credit and Investment Insurance Industry Report 2023, supported USD 3.12 trillion of finance in support of export and investment in 2023 - an impressive 8% increase overall compared to 2022. "The tools and products members deployed have been necessary for supporting trade recovery, and members now support higher values of trade than ever before," says the report.

As a leading multilateral insurer, ICIEC remains committed to supporting its 50 Member States in achieving their development goals, including resilience, mitigation, and adaptation to the threats posed by climate change. The Corporation's cover extends various sectors, with USD 2.35 billion in 2023 specifically directed towards 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, also unveiled a USD 1 billion climate finance initiative for fragile and conflict affected member countries over the next three years.

Berne Union – New Business Insured by Product Line 2020-2023

New Business by Product Line (USD bn.)



Source: *Berne Union – Export Credit & Investment Insurance Industry Report 2023*

In contrast in 2023, ICIEC's Business Insured (BI) reached USD13.3 billion representing a14.66% growth from the previous year. New Insurance commitments reached USD4.2 billion and Total Gross Written Premium totaled USD108 million.

Ensuring gender equality in domestic legislation is essential to providing equal conditions for men and women to access economic opportunities created by international trade, whether in business, finance, credit insurance, surety, and policy making.

COP29 and the Gender Paradigm

UN Climate Change Executive Secretary Simon Stiell, in his Q1 2024 update message to the Parties and Observers, emphasized that "2024 will need to instigate a major step up in climate finance, both in quality and quantity. At COP29, Parties are expected to set the New Collective Quantified Goal on Climate Finance (NCQG) from a floor of USD 100 billion per year, considering the needs and priorities of developing countries, advancing gender equity and bolder climate action in tandem."

In this context, UN Climate Change, in collaboration with UN Women and UNDP, recently hosted the first-ever African regional workshop for National Gender and Climate Change Focal Points in Nairobi, Kenya, as a precursor to the Baku Summit. The agenda included the upcoming review of the UNFCCC enhanced Lima work programme on gender, highlighting opportunities for national gender-responsive climate policies and plans. This workshop saw a record-breaking 110 submissions from Parties and Observers.

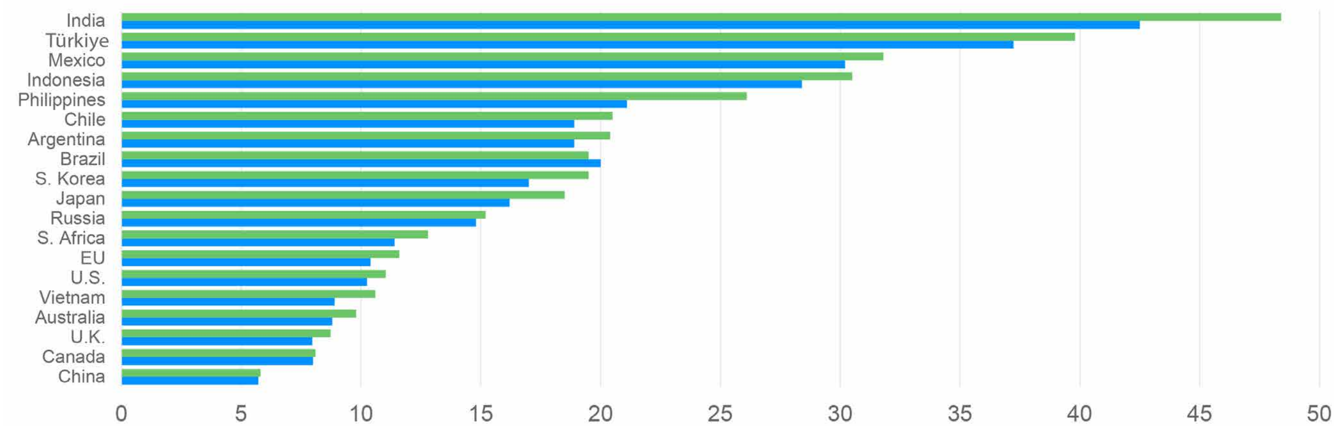
There is a consensus that significant gender disparities in export activities, underscoring the imperative to provide enhanced support for women in international trade. Ensuring gender equality in domestic legislation is essential to providing equal conditions for men and women to access economic opportunities created by international trade, whether in business, finance, credit insurance, surety, and policy making.

At the same time, there are several encouraging developments aimed at closing the gaps in gender balance. For example, the World Trade Organization (WTO) and the International Credit Insurance and Surety Association (ICISA), which brings together the world's leading companies providing credit insurance and/or surety bonds, have established trade and gender working groups. However, these are Informal Working Groups (IWGs) set up by dedicated industry women rather than permanent structures within the entities' articles of association.

Their task was not easy, especially considering that it was only the 13th WTO Ministerial Conference (MC13) Declaration in Abu Dhabi earlier this year which recognized the importance of promoting women's participation in trade. Another issue is that women's participation in trade is often sidelined as a Financial Inclusion initiative targeting female entrepreneurs, traders, and Micro, Small and Medium-sized Enterprises (MSMEs) as important as it is to help policymakers design gender-responsive trade policies, as opposed to a mainstream activity across the trade ecosystem.

GENDER GAPS IN THE LABOUR MARKETS HAVE NARROWED

Percentage point difference between male and female labour force participation rate, all ages



Sources: *Eurostat, International Labour Organization, OECD, Moody's*

The WTO's IWG is also spearheading proposals to develop gender disaggregated data and statistics relating to women in world trade. Similarly, ICISA's Women in Credit Insurance (WICI), founded in 2023, is an informal association of individuals, which strives to increase the representation of women in the trade credit insurance industry especially in leadership roles, through mentorship, speed networking and training. Members include women experts from Allianz Trade, AON, Atradius, Coface, FinCred, Marsh and Tokio Marine HCC.

In this context the WTO-sponsored World Trade Congress on Gender, scheduled for 24-27 June 2025, under the theme "Gender Equality and Innovation: The Keys to Sustainable Trade," assumed a much greater urgency and importance.

ICIEC, Gender Balance, Climate Action

Diversity and gender balance are important consideration for ICIEC, which counts 50 member states as shareholders. The Corporation has a total of 85 employees, approximately of whom 15 are female, indicating room for improvement. In this issue of the Newsletter we show the experiences and career paths of four of ICIEC's female staff.

ICIEC's female employees are represented across various role including Country Managers, finance, underwriting, credit risk, corporate affairs, training, communications and marketing, human capital and resources, and public relations professionals. Their commitment, aspirations, knowledge, experience, expectations, and career pathways are universal, irrespective of the identity metrics, be it ethnicity, gender and creed.

Similarly, ICIEC, as a multilateral corporation, embodies an exemplary model of embedding Climate and ESG considerations into its business ethos and operational playbook. The Corporation is guided by its Climate Change Policy and ESG Framework, launched at COP28. This marks the beginning of a transformative, results-oriented process, where ICIEC's operations, insurance, physical assets, human capital, and focus address the Climate Crisis at their core. This approach is based on the needs of ICIEC's member states, the Islamic Development Bank (IsDB) Group synergies, the role of the private sector in climate finance and industry best practice.

The ICIEC Climate Change Policy reinforces the Corporation's unwavering commitment to combatting climate change and serves as a blueprint for increasing its intervention in sustainable projects and programmes. Anchored in this policy, ICIEC pledges to scale up its support for 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 promoting investment and trade opportunities that enhance resilience and increase adaptability to climate change.

The ICIEC ESG Framework is similarly a holistic tool that showcases our strong dedication to ESG principles. The framework emphasizes embedding ESG principles to ICIEC's operations, developing ESG-centric products and services, and incorporating ESG imperatives into risk assessment and underwriting. Measures are also implemented to promote sustainability throughout internal processes, including sourcing and resource usage practices.

Noteworthy also is the first ESG Credit Impact Score (CIS-2), assigned by Moody's Investors Service to ICIEC, which is neutral-to-low . This score indicates a limited impact from environmental and social factors on the Corporation's rating. ICIEC's strong governance, combined with its predominant focus on trade credit insurance, and its diversified portfolio, help in mitigating its exposure to environmental risks.

As a signatory to the Principles of Sustainable Insurance (PSI), first introduced in 2012, ICIEC is the unique sole Shariah-based multilateral insurer in the world, gender responsiveness and balance are embedded in ICIEC's strategic playbook, although it remains a work in progress, as in almost all multilaterals and corporates worldwide, regardless of demography and socio-economic status.

ICIEC also underwrites gender-responsive policies for transactions it supports in its 50 member states, in line with their respective development agendas, particularly in promoting women-owned-and-run Micro-and-Small-and-Medium-Sized-Enterprises (MSMEs) and women entrepreneurs. Gender responsiveness is increasingly becoming a core component of the global MDB and corporate architecture globally including the PSI.

Proactive Supporter of Gender Advancement in Development

In a recent joint article, IMF Managing Director Kristalina Georgieva and economists Nadia Calvino and Odile Renault-Basso, stressed that gender equality and equal rights are not just a matter of equity, but are also of paramount economic importance. Research from the IMF suggests that narrowing the gender gap in labor markets could increase GDP in emerging markets and developing economies by almost 8%. The gains from fully closing the gender gap would be even higher, lifting GDP in those countries by 23% on average.

Similarly, research by the European Central Bank suggests that a one-percentage-point increase in female managers at a firm leads to a 0.5% reduction in carbon dioxide emissions. Additionally, the European Investment Bank found that firms led by women have higher Environmental, Social, and Governance (ESG) scores. Likewise, IMF research shows that such firms are also more profitable, and that greater gender balance on bank boards is associated with greater financial stability and better performance.

Simply put, they emphasize, diversity and an equal role for women in the economy, in decision-making, and in policy debates lead to better results. Mobilizing all available talent maximizes productivity and competitiveness, which will be crucial for addressing climate change and promoting global prosperity. It is especially important at a time when the combined effects of the climate crisis, the COVID-19 pandemic, and on-going regional conflicts threaten to reverse many of the achievements we thought we had secured.

As for President-Designate Mukhtar Babayev, the message in his open statement to the COP29 process could not be more poignant: "There is nothing easy about this challenge or these negotiations, but this process is better than any alternative. It is our best hope, and we must now do whatever it takes to make it work."

The Economic Power of Gender Balance

A Unique Opportunity to Advance Inclusivity, Resilience, and Recovery

The state of gender equality and balance in the economy and workplace – finance, insurance, investment, trade and industry – has gained increasing prominence over the last few years. The issue of greater diversity and inclusion of women in international institutions, including the World Bank, IMF, OECD, the Basle Committee, in governments of key OIC economies such as Egypt, and in senior positions in central banks, commercial banks, pension funds, insurance providers, and sovereign wealth funds, is now firmly on the corporate agendas of these entities. ***Mushtak Parker*** *surveys the state of gender balance in the global economy, its correlation with key economic indicators such as GDP growth, productivity, inclusion, and the challenges in closing the various implementation gaps despite the progress achieved so far.*

Whether it is the McKinsey & Company's 'Women in the Workplace 2024' report, OMFIF's 'Gender Balance Index 2024', the 'UN Sustainable Development Goals Report 2024', or the observations of global leaders such as Kristalina Georgieva, the Managing Director of the International Monetary Fund (IMF), the message is consistent: promoting gender balance in the economy and workplace is beneficial for inclusive growth and higher productivity. However, while there has been real progress for women at every level of corporate activity, this progress remains slow, particularly in advancing women into managerial positions.

The positive correlation between gender balance in the workplace and the wider economy, alongside key economic indicators such as GDP growth, productivity, and social and financial inclusion is undisputed. However, the gender balance gap varies from country to country regardless of economic status, with low-and-medium-Income-countries (LMICs) often disproportionately affected.

The reality remains that women are underutilized stakeholders, with lower participation in the economy and in leadership positions, including in financial services. The fact that diversity and gender balance are smart economics, and are essential for development agendas, increasing aggregate productivity and socio-financial inclusion, while also maintaining the dignity and wellbeing of women in the workplace and society, is beyond dispute.

The IMF in a blog on 'Inclusion and Gender' authored by Antoinette Monsio Sayeh, Deputy Managing Director, alongside economists Alejandro Badel and Rishi Goyal, the link between narrowing the gender gap in the workplace and potentially higher global economic outcomes was highlighted, particularly amid the weakest medium-term growth outlook in more than three decades.

The IMF's World Economic Outlook, released in July 2024, projected global GDP growth at 3.2% in 2024 and 3.3% in 2025. The average growth rates for the Developed Economies are projected at 1.7% and 1.8% for the same period, while for the Emerging Market and Developing Economies are expected to grow by 4.3% for both 2024 and 2025. The two regions where the IsDB and ICIEC membership is concentrated, the Middle East and Central Asia, and Sub-Saharan Africa (SSA), are projected to grow at 2.4% in 2024 rising to 4.0% in 2025, while SSA alone is projected to fare slightly better at 3.7% in 2024 rising to 4.1% in 2025.

For developing countries, these figures suggest disproportionality not only in the impact of the subdued global economic recovery but also in sharing the burden of any remedial policy reforms. These numbers present both challenges and opportunities for narrowing the gender balance gap in the workplace, a reform that the IMF views as crucial to reviving economies amid the weakest medium-term growth outlook in more than three decades.

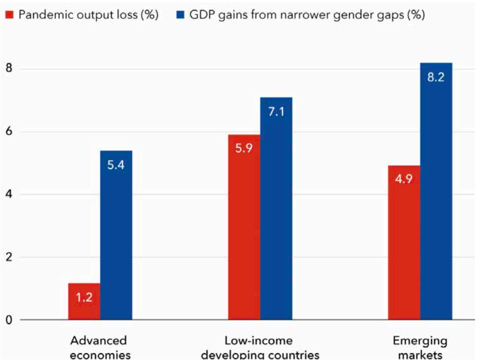
"With global growth predicted to languish at just 3% over the next five years, and with traditional growth engines sputtering, many economies are missing out by not tapping into women's potential. Only 47% of women are active in today's labor markets, compared with 72% of men. The average global gap has fallen by only 1 percentage point annually over the past three decades and remains unacceptably wide," maintain the authors of the IMF Blog.

Gender Balance and GDP Growth

The IMF estimates that emerging and developing economies could boost GDP by about 8% over the next few years by raising the rate of female labor force participation by 5.9 percentage points—the average amount by which the top 5% of countries reduced the participation gap during 2014-19. This increase would more than offset the economic "scarring," or output losses, inflicted on countries by the COVID-19 pandemic.

In search of new growth sources

Narrowing gender gaps in labor force participation could more than offset pandemic scarring.



Source: IMF Staff Calculations.

Note: *Pandemic Output Loss is the percent deviation of projected real GDP in 2023 relative to the pre-pandemic (Jan. 2020) WEO projection. GDP gains are computed from narrowing the gender gap by 5.9 percentage points, which is the improvement achieved in the top 5 percent of EMDEs during 2014-19.*

Policymakers can influence growth in various ways, from governance reforms to strengthen institutions, to financial and fiscal reforms, and investment incentives to unlock capital flows, for investment especially in infrastructure. However, as the IMF researchers suggests, complementing these reforms with measures to narrow gender gaps would greatly amplify these returns.

The challenge is how to enhance current policy trends at the government, institutional, and corporate levels to close gender gaps. "Our analysis of three decades of data," says the IMF, "shows that countries have made progress increasing women's participation, but economies of all income levels experienced several setbacks—a result of shocks, crises and policy reversals.

Countries must step up efforts to break down barriers to women's participation in the labor market and workplace. Unfair laws, unequal access to services, discriminatory attitudes, and other obstacles prevent women from realizing their full economic potential.

The result is a shocking waste of talent, leading to losses in potential growth."

There are other compelling reasons for pushing gender balance parity in the economy and the workplace. For instance, Global trade is poised to rebound in 2024 according to UNCTAD's latest trade update, reversing the downward trend in 2023 when overall, the value of global trade fell by 3% to USD 31 trillion. The WTO's July 2024 Goods Trade Barometer similarly reports signs of recovery in trade flows. After remaining flat since Q4 2022, the volume of world merchandise trade began improving in Q4 2023 and gained momentum in Q1 2024, rising 1.0% compared to the previous quarter and 1.4% year-on-year.

International gatekeeper organizations, including the Bretton Woods institutions and peer MDBs, must also reflect on their approach to gender responsiveness and balance. At the 49th Meeting of the International Monetary and Financial Committee during the 2024 Spring Meetings of the World Bank/IMF in Washington, DC, the clarion call from LMICs to the World Bank/IMF Executive Boards to "make meaningful strides" towards greater Diversity and Inclusion, particularly for gender parity in the Executive Board of the IMF, as well as enhanced gender balance on all grade levels in the offices of Executive Directors.

"We recognize the progress made on Diversity and Inclusion and accelerating gender equality and inclusion as key drivers of effective and impactful development," reminded Lesetja Kganyago, Governor of the South African Reserve Bank (SARB). "But we call for continued commitment to make meaningful strides in tackling the ongoing challenges of greater recruitment and promotion of staff from underrepresented regions, as well as more female appointments at all levels, to ensure a level playing field and equitable treatment for staff at all grade levels across the membership." In this respect, the World Bank Group's new Gender Strategy assumes even greater importance in strengthening work to elevate human capital, expand economic opportunities, and engage women as leaders.

Gender outcomes were a prominent feature at the 13th Ministerial Conference (MC13) of the WTO in Abu Dhabi in March 2024, particularly concerning gender inclusivity in trade, trade finance and insurance. To mark International Women's Day on 8 March 2024, the WTO through its Informal Working Group on Trade and Gender launched the International Prize for Gender Equality in Trade, which recognizes the most impactful gender-responsive trade policies implemented by WTO members and observers.

Looking ahead, the WTO and the WTO Gender Research Hub will organize the second edition of the World Trade Congress on Gender in 2025, focusing on innovation. The Secretariat will also release new policy tools during the Aid for Trade Global Review 2024, including incorporation of gender indicators in Aid for Trade programming and a new database mapping gender-responsive trade policies.

The Current State of Gender Balance

Research and data on gender balance and the socio-economy has flourished enormously over the last decade . The Sustainable Development Goals (SDG) Report 2024 reminds us through SDG 5 on Gender Equality, that "the world continues to lag in its pursuit of gender equality by 2030. Parity in women's participation in public life remains elusive, and in management positions, at current rates, parity will require another 176 years. Enhancing women's roles in leadership and decision-making and adequately scaling up investments in gender equality on national, regional, and global scales are top priorities."

Earlier this year, Moody's Analytics published a research study that highlights a significant shift in the global labor market. The study found that gender employment gaps are narrowing across the world due to increased female participation rates, adding USD 1.5 trillion to global income since 2019.

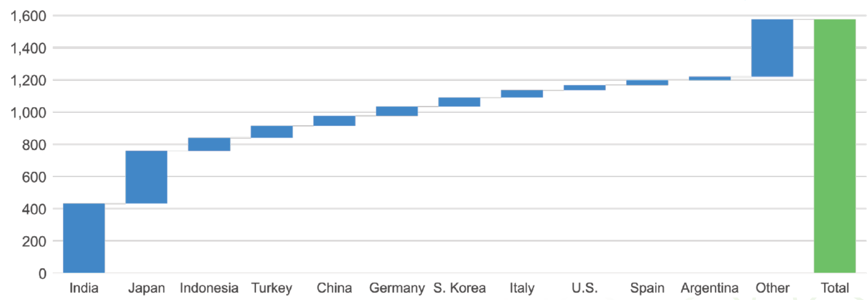
The female participation rate rose above its pre-pandemic level already in 2021 in the European Union, and in 2022 in the U.S. Progress in the EU has been especially remarkable, with the female labour force participation rate rising almost three percentage points in just over three years.

Moody's Analytics identified three key forces behind the narrowing in gender gaps:

1. Tight labour markets – unemployment rates are at or near record lows in many countries. To attract talent, employers may be offering higher wages or incentives, drawing participants into the labor market.
2. Cost of living increases – high inflation and interest rates have squeezed household budgets, promoting new entrants into workforce to make ends meet.
3. More flexible working conditions – the post-pandemic shift towards remote working and more flexible work arrangements has increased labor participation.

Narrowing Gender Gaps Have Added $1.5 Trillion to Global Income

Contribution to global income, $ bil international (purchasing power parity)



Source: *Moody's Analytics*

A report by Moody's Investors Service in March A report by Moody's Investors Service in March 2024 found that higher-rated companies tend to have a higher proportion of women on their boards. Women account for an average of 29% of the board seats of investment-grade companies (those rated Baa and above), and an average of 24% of the board seats of speculative-grade companies (those rated Ba and below). Companies based in advanced economies show a correlation between board gender diversity and credit ratings, whereas those in emerging markets do not. "The presence of women on boards – and the potential diversity of opinion they bring – supports good corporate governance, which is positive for credit quality," emphasized Moody's.

Another report by Sustainable Fitch indicates that companies with high gender diversity across all staff levels tend to have better overall ratings, suggesting a link between gender diversity and comprehensive ESG performance. Banks and financial institutions lead in gender diversity, while sectors such as energy, automotive, and transportation lag behind. "Board-level gender diversity," says the report, "has risen in recent years, facilitated by supportive regulations. However, more effort is required to promote greater representation across countries and sectors. Our data indicate that European countries continue to lead in terms of the number of women on boards, with the Middle East and Latin America behind. Female board representation is also higher in insurance, healthcare, and education."

McKinsey & Company's 'Women in the Workplace 2024' report echoes the consensus that there have been important gains for women at every level of the corporate pipeline (in this case in the US for instance), particularly in senior leadership. "Research shows that companies with more women in leadership benefit from greater innovation, healthier cultures, and stronger performance. And in addition to offering valuable skills and perspectives, women leaders inspire the next generation of women to make their mark."

However, progress toward parity remains slow for women at the manager and director levels, creating a weak middle in the pipeline and impacting most women. "At the current rate of progress, it will take almost 50 years to reach parity for all women in corporate America—and that assumes companies can translate their somewhat precarious momentum into more substantial and sustainable gains," concludes the report.

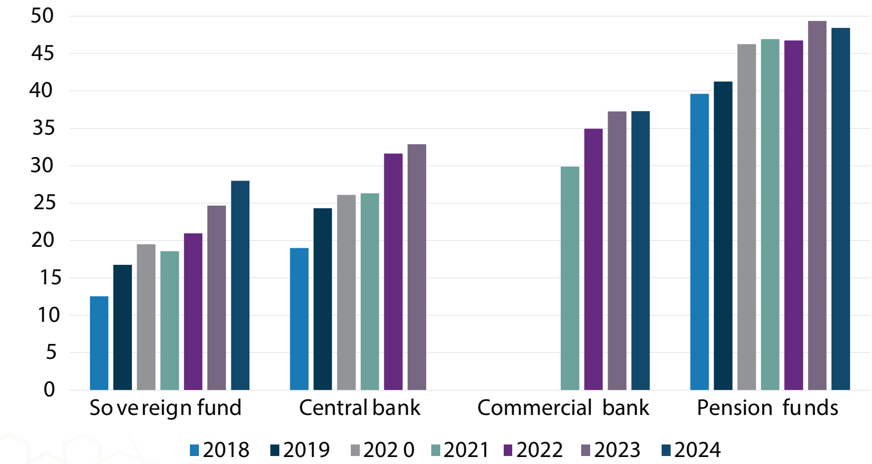
Missed Opportunities

Two other reports provide sobering insights into the current and near-to-medium-term state and prospects for women in finance, the workplace, and trade. The 11th edition of the Gender Balance Index (GBI) published by OMFIF, the independent forum for central banking, economic policy, and public investment, paints a picture of missed opportunities. The index tracks the presence of men and women in senior positions in central banks, commercial banks, pension funds and sovereign funds.

"Even though there are more women in senior positions across central banks and top financial institutions in 2024, only 14% of the 63 institutions with new governors or chief executive officers in the past year appointed women. At this rate of change, the prospect of gender parity in leadership remains decades away," states OMFIF.

Considerable progress across institutions in the long term

Average GBI scores



Source: *OMFIF Gender Balance Index 2018-24*

Note: *Commercial banks were included in the index from 2021 onwards. The sample of pension funds and sovereign funds included in the index changed in 2022 to cover 50 of the largest institutions by assets under management across regions.*

The proportion of female leaders in the 335 institutions in the GBI increased to 16% – its highest ever share. Most of the progress was seen in central banks, where the number of female governors increased to 29 (16%) from 23 (15%) in 2023. Pension funds hold the highest share of women in the top rank, –rising to 28% from 24% in 2023. However, commercial banks and insurance companies have regressed: the share of female CEOs fell to 12% this year from 16% in 2023. Sovereign Wealth Funds (SWFs) have an even lower representation, with 10% led by women.

However, in this landscape of gender gaps and parities, the data can be misleading. While absolute numbers may show some improvements, they often mask the fact that the base for the metrics is low and that barriers to entry remain high. These barriers are dominated by policymakers and national leaders, who are still predominantly men. According to OMFIF, in 2023, the share of new women CEOs in commercial banks and SWFs was zero, and in central banks and pension funds it was only 18% and 22% respectively.

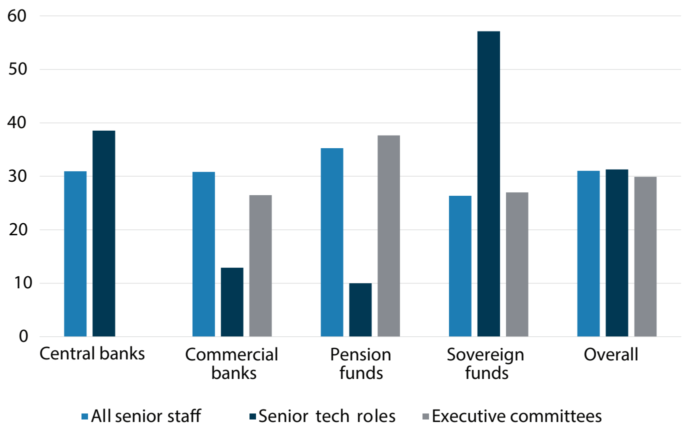
Take, for instance, the South African Reserve Bank (SARB), the central bank. SARB's gender balance record is mixed. Although SARB's ranking in the GBI improved from 100 in 2022 to 63 in 2023, and its GBI score rose by 19 points year-on-year to 54. the percentage of senior female staff at the central bank was still only 35%. In March 2024, President Cyril Ramaphosa reappointed Ms. Nomfundo Tshazibana as Deputy Governor of SARB for a period of five years effective from 1 August 2024. He also appointed the prominent economist Dr. Mampho Modise as a new Deputy Governor of SARB for a period of five years effective from 1 April 2024. The gender bias has now shifted in favour of women in the Deputy Governor cohort, which now includes three female appointments.

Women in Technology

Senior technology roles in financial institutions present a promising avenue for women in leadership, with encouraging signs for women in technology. Of the seven sovereign fund Chief Technology Officers (CTOs) included in the OMFIF's GBI index, four are women. Two out of five African sovereign funds have women in leading technology roles, including Makano Mosidi CTO of South Africa's Public Investment Corporation (PIC) and Sheila Malebogo Sealetsa, adviser on banking and currency digitisation of Botswana's Pula Fund. In fact, the Central Bank of Seychelles and Bank of Namibia were the two highest ranked African countries in the GBI, with 54% senior staff comprised of women professionals. In contrast, the PIC has 17 female executives but no women on its board. Meanwhile, Absa and Standard Bank had 43 and 29 female board members, respectively, and 23 female executives each.

Share of women in tech is on par with industry trends

Share of women in senior positions, %



Source: *OMFIF analysis*

Note: *Executive committee data unavallable for central banks.*

The biggest challenge for women in the workplace may be reflected in the World Bank Group's 'Women, Business and the Law' Report launched in March 2024. The report confirms that "the global gender gap for women in the workplace is far wider than previously thought. When legal differences involving violence and childcare are included, women on average enjoy just 64% of the legal protections and rights that men do—far fewer than the previous estimate of 77%. No country provides equal opportunity for women, -not even the wealthiest economies."

The Report reveals a disconcerting implementation gap. Although laws suggest women enjoy roughly two-thirds of the rights men do, countries have established less than 40% of the systems needed for full implementation. For example, 98 economies enacted legislation mandating equal pay for women for work of equal value. Yet only 35 economies - fewer than one out of every five - have adopted pay-transparency measures or enforcement mechanisms to address the pay gap. The gender and implementation gaps highlight how much hard work lies ahead towards achieving parity.

New Trade and Gender Initiatives for MSMEs

In the field of trade, members of the World Trade Organisation (WTO) are increasingly discussing how to make trade more inclusive by fostering the greater participation of women and Micro-and-Small-and-Medium-Sized Enterprises (MSMEs) in trade. The recognition of the specific constraints of MSMEs and businesses owned by women in integrating global trade and leveraging trade for economic empowerment has resulted in the establishment of the WTO Informal Working Groups on MSMEs and on Trade and Gender.

According to the WTO, the Informal Working Group on MSMEs provides a forum to exchange information and experiences on ways in which WTO members could better support the participation of MSMEs in global trade. The Informal Working Group on Trade and Gender aims to enhance women's participation in international trade by sharing best practices and exploring how women can benefit from the Aid for Trade initiative, among others. Discussions on inclusive trade have also gained significant importance in other WTO committees and working groups.

In this respect, the International Finance Corporation (IFC), the private sector funding arm of the World Bank Group, recently launched a new MSME Finance Platform initiative to aid financial service providers in delivering funds to small businesses in emerging markets, with a particular focus on those owned by women and those in the agriculture and climate sectors.

The Platform will include a financing package of up to USD4 billion from IFC's own account to banks, non-bank financial institutions, microfinance institutions, and innovative digital lenders that focus on MSMEs. It will also utilize various forms of credit enhancement to mobilize private capital, including an innovative Catalytic First Loss Guarantee, which together aim to crowd in an additional USD4 billion in financing from eligible financial service providers to expand lending to these businesses.

"Micro, small, and medium enterprises." explained Makhtar Diop, Managing Director of IFC, "form the backbone of most developing economies, yet they face significant financial barriers that hinder their potential. Our new financing platform addresses these challenges head-on, empowering financial service providers to extend critical support to these businesses, particularly those that are women-led or environmentally focused." MSMEs, according to the IFC, make up over 90% of all firms and account, on average, for 60-70% of total employment and 50% of GDP worldwide. Still, according to the SME Finance Forum, there is currently a roughly USD5.7 trillion financing gap for MSMEs.

In emerging markets, MSMEs and the informal sector are essential to economic growth, job creation, and poverty alleviation. Recent crises have weakened financial service providers financially, constraining their ability to meet increasingly stringent lending requirements. As a result, businesses are seeing a credit contraction in emerging markets and developing economies due to tighter credit conditions, rising interest rates, and a limited appetite for risk.

The IFC will leverage its risk capital to extend first loss protection to eligible financial service providers, which often have ample local currency liquidity but have limited exposure to MSMEs due to the segment's perceived high risk. Through this mobilization approach, the MSME Platform aims to create a financing solution through capital optimization structures and potentially redirect significant amounts of local currency financing to businesses.

The Platform will be supported by the International Development Association's Private Sector Window (IDA PSW) to help de-risk the credit and foreign currency exposures in projects in low-income countries. Up to USD100 million will come from the IDA PSW Blended Finance Facility (BFF). In addition, resources from the Global SME Finance Facility (GSMEF) and the Women Entrepreneurs Opportunity Facility (WEOF) will be allocated to support and incentivize lending to businesses in the agriculture sector and women-owned MSMEs.

Looking ahead, as IMF Managing Director, Kristalina Georgieva and her co-authors Nadia Calvino and Odile Renaud-Basso stressed in a recent article titled 'The Economic Power of Gender Equality,' "women's talent is a driving force behind economic progress and an essential part of the solution to climate change. Women already lead some of the world's most influential financial bodies and play a growing role in the political arena. Now women must lead the shift to a more inclusive and sustainable growth model. We have a unique opportunity to advance inclusion, to inspire similar commitments from others, and to shape the future for the better."

A Bright Future Built on Resilience, Embracing Digitalisation and AI, and Empowering the Next Generation of Credit Insurers

The Berne Union is the industry body of the International Union of Credit and Investment Insurers, of which ICIEC is a member. Despite the geopolitical tensions, the sluggish global economic recovery, and supply chain disruptions, 2023 was a "huge" year for export credit. BU members provided over USD3 trillion new support for international trade in 2023, expanded across business lines. All this happened under the stewardship of ***Ms. Maëlia Dufour, President of the Berne Union, and seasoned credit insurer in her other role as Chief International Officer, BPIfrance Assurance Export.*** *With her two-year term ending on 31 October, Ms. Dufour discusses with Mushtak Parker in an exclusive interview in her capacity as President of the Berne Union, the state of the credit and investment insurance industry, the challenges of digitalization and AI, the economic power of gender balance, the priorities going forward, but at the same time looking back at the achievements of the last two years*

In the context of an increasingly fragile risk environment, a subdued and fragmented economic recovery, and increased geopolitical tensions and uncertainties, what is your outlook for the credit and investment insurance industry for the rest of 2024 into 2025?

The year 2024 has thus far been a very encouraging one, with record volumes of credit and investment insurance business. There is a big demand for incentives in trade finance and underwriting green and transition projects. We have also seen a big increase in demand for domestic products relating to supply chain requirements for critical raw materials and foodstuffs. We are proud of our achievements given the global uncertainties and geopolitical tensions. The world is not really turning around.

One observation of our members is that contract timeline is longer and therefore contract close takes longer. The contract pipeline is dominated by big ticket transactions in defence, aviation and cruise ships, and other sectors too. But the two top priorities in demand according to our members is a big increase in demand to underwrite SME business and all aspects of climate related projects involving green and transition projects. Another priority that often comes up is digitalisation and AI with the aim of simplifying and speeding up the process for clients to give answers quicker, communicating and matchmaking between exporters and buyers.

We are seeing many potential disruptions in supply chain such as the trade route disruptions in the Red Sea (due to the conflict in the Middle East) and the Panama Canal (due to severe drought), and of course the conflict in Ukraine, the subdued global economic recovery and GDP growth. To what extent have these factors affected the industry and the business of your members?

Our members have been around for many years. They have been faced with several crisis before including the financial crisis of 2008, the Middle East Crisis, the COVID-19 crisis, the Supply Chain Crisis because of the Ukraine conflict. What we have realised is that we have always been very resilient, and always been there for our clients. During crisis we always ask clients about their needs. If the need changes, then we brainstorm and create new products. As such we have come up with new products depending on the various tensions.

If we look ahead, we have had a record number of general and presidential elections in 2024 in various parts of the world. We are all looking ahead to the US elections in November 2024. This is the one that counts. In other markets such as in Africa, we have the sovereign debt issue. As a result, it is true more exporters are asking for support and guarantees on African contracts. There is a lot of risk involved, but being an insurance provider, you must take risks.

Ukraine is very important. Many ECAs have signed MoUs with Ukraine to tell them we are ready to help in the reconstruction of the country. I know some governments have provided big loans for Ukraine, but the biggest problem we have heard is that there are some short-term contracts, but we don't have any demand for medium-and-long-term contracts. The reason is that onsite visits especially for projects such as hospitals and roads are important. You need to have people on the ground. But because of the conflict, the security of the people is at risk. In France, for instance we look at this security issue very tightly compared to some other countries. The security of staff on the ground is a major concern for members of the Berne Union. Another problem is that they would find it difficult to get financing from the bank, unless the bank is 100% covered. BU members however have expressed their will to help in the reconstruction of Ukraine.

Developing countries consistently stress the high cost of credit and investment insurance which deters market entry and penetration. They talk about exaggerated risk perceptions of the international credit rating agencies about their markets which they say is unfair. This has led to the payment of extra premiums and higher cost of finance. Do you think that developing countries are getting a fair deal on credit and investment insurance and is there a two-tier system in pricing risk between developed and developing markets?

It is true that the cost of premium is a major issue. As you know we follow the OECD rating scale of Categories 0 to 7. If the country is rated 5, 6 or 7, the premium would be higher. It is a decision taken by economists inside the OECD. We cannot tell them why you rated a country 6 and not 5. Not surprisingly, it is the country that says we deserve a 5 and not a 6 rating.

You are right this is an issue for the developing countries, but we must take it as it is. Talking about a premium, Ukraine was saying that their premium was too high. They are at war, so they are in Category 7. They would like to be in Category 6, but we must comply with the OECD rating.

You have flagged climate action and finance as a key priority for Berne Union members. Especially as the world approaches COP29 in Baku. What about other areas such as food insecurity, post-pandemic health systems and clean energy transition?

We deal a lot with clean energy transition projects and green projects. Regarding climate action and finance, we look at three things: i) Decarbonisation of our portfolio, ii) Creating financial incentives to better insure green and transition projects, iii) Government policies and strategies and considering the statements of the various COPs.

Food security is very important. Some members do short term underwriting of agriculture business and for healthcare projects, both of which we support. There have been discussions with the OECD to give some financial incentives in support for healthcare contracts.

The phasing out of fossil fuels will take some time. The credit insurance industry is no longer interested in underwriting the coal, oil and gas industries. There are some countries that have been very clear in that that they will not support investments in fossil fuels. There are new emerging sectors such as critical minerals – nickel, manganese, lithium, cobalt etc. We see greater movement in this direction, and it is now becoming a priority sector for our members.

How important is adopting digitalization in across-the-board applications for the de-risking industry to embrace the defining challenges in the world – trade, investment, food security, climate action, clean energy transition, mitigating catastrophic climate events and natural disasters? Generative and/or extractive AI, Blockchain and Tokenisation are the great disruptors currently albeit they are all at their nascent stages of evolution. Digital trade has grown rapidly reaching USD4.25 trillion in 2023. The passing of the UK Electronic Trade Documentation Act 2023 is fast gaining traction as a global model. What are the implications for trade, trade finance and trade insurance ecosystem?

I can tell you no one ignores the challenge and opportunities of digitalisation. Nevertheless, the biggest markets such as the UK, France, Germany and so on can invest in digitalisation infrastructure and the cost is always very high especially for IT budgets. Some of the smaller nations such as Poland are very much advanced in digitalisation despite their size. Everybody wants to digitalise. We also have the rapid emergence of generative and extractive AI, Blockchain and Tokenisation. The Chinese are more advanced in this. They know that it is a pain for the client to have to write down the information on an application form. If everything is digitalised, then it goes quicker for them. Digitalization is vital for our clients and of course for the teams working inside the insurance institutions. There is a correlation between the increase in digital trade and uptake of digitalisation in insurance institutions.

Of course, we must look at AI and its applications for the credit insurance industry. We must use it in an appropriate manner. It is too early to say how it will impact the industry because we are still at the early stage. Everything is moving so fast. We must catch up otherwise we might be left behind. For AI, I can see an adoption timeline within the next year. There is also the issue of cybersecurity, online fraud and the various emerging risks. A lot of Berne Union members are looking at this. It is a very important issue for our members.

What is the current state of women in credit and investment insurance including among BU members? What measures are the BU and its members adopting to enhance the role of women in the industry across the spectrum?

I am very happy about the status and role of women inside the Berne Union. We have had three women serving as President consecutively for the last three terms. My term expires at the end of October 2024. The next President I believe following the annual meeting will be a man. In the industry, there are almost as many women as men. There is a balance between men and women. It is true when it comes to executive members, it is dominated by men. Nevertheless, if I look at some of major ECAs then there are several women who are Presidents. In our industry there is not really a problem of gender balance.

The latest OMFIF Gender Balance Index 2023 relating to central banking and financial services concluded that although progress has been made, the gap between men and women especially in senior positions in finance is still huge.

I can tell you only what I see inside the Berne Union - the dignity and institutional culture we have with almost 300 people working at the organisation. We create a working group if we have a problem. When there is no problem why create a working group?

One thing I am very passionate about is our Young Professional Group of credit insurance cohorts because they are the future, the next generation, and about how to retain new talent. I have supported a positive engagement with our young professionals, establishing and encouraging them to speak at panel discussions, sometimes including with senior professionals. The young professional working group is about 100 strong. They learn from managers who attend the panel discussions on a range of topics – from products, processes to even human and wellbeing issues. I told them I don't want it to be only top down but also bottom up. From their feedback, the defining areas of interest are digitalisation and the onset of AI.

The Berne Union is celebrating its 90th anniversary and ICIEC its 30th anniversary. ICIEC is a multilateral insurer with 50 member countries which uniquely operates under alternative Islamic insurance principles. Do the two institutions have something to learn from each and further their cooperation?

I am very happy ICIEC is a member of the Berne Union. We have members from all areas of the world, so we can learn more about their countries and institutions. It is very important to have member ECAs from all over the world. At the next annual meeting, our Chief Economist will give us an industry update from all parts of the world. There will be a member from the Middle East who will give an update on the region.

There is one thing that is very important inside the Berne Union in that before the annual meeting we send surveys to all members for them to tell us how they are organising, developing new products, what are the figures in ST and MLT business, for investment and so on. We get to learn a lot from these surveys. If there is something ICIEC has written as a new product, for example, another member might ask for more information. We have a lot of exchanges and networking at the annual meeting. We ask the members to give us some feedback on what they would like to talk about to create breakout sessions. I encourage ICIEC to write down what is relevant for them in the survey, so that we can take it into account.

Often the perception is that credit insurance is too expensive, so we won't bother with it. The culture of credit and investment insurance and market penetration is still underdeveloped especially in the developing markets. What is the Berne Union doing in general in spreading the message of credit and investment insurance?

I agree about the perception that credit insurance is too expensive. It is difficult to ride seven horses at the same time. We do what we can. I think we have done it well. But there is always room for improvement. We do interact with peer international institutions such as the IMF, World Bank, OECD, WTO through speaking at conferences on these issues.

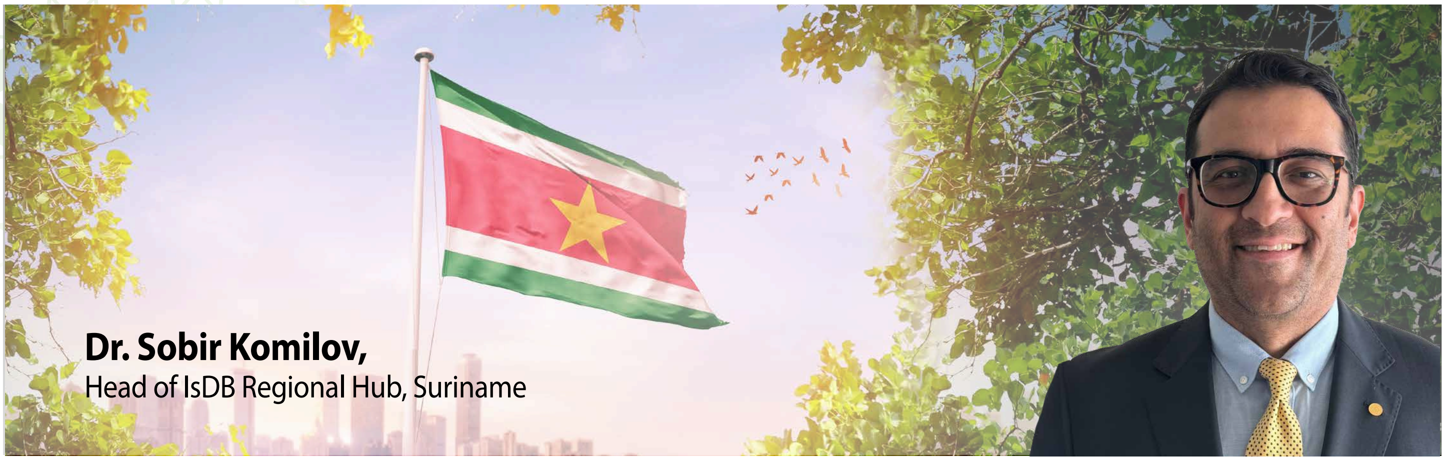
I think we must improve on our communication and engagement with member ECAs. During my presidency I have been asked to speak at many conferences which I have done. This contributes to spreading our message and what we can do for export trade and insurance. Another of my objectives is to leverage the huge data resource we have at the Berne Union and communicate much more what we are doing and how we can help.

As you come to the end of your two-year term in office as President of the Berne Union at the end of October 2024, what will be the legacy of Maëlia Dufour? What are the achievements you are most proud of?

I am very proud of what we have done on climate action, especially in facilitating green projects and transition, and giving financial incentives for such projects. I am also proud of the Young Professional Group I introduced at the Berne Union to ensure continuity and the next generation of credit and investment insurers, and to ensure knowledge transfer to them.

I am proud of the extensive data resource we have developed at the Berne Union. Every member must report its data. I am also proud of creating a much more interactive AGM where we can engage on a whole range of issues. I call them my export family. I am confident that the Berne Union will continue to excel as the voice of the industry, articulating its successes, achievements, and concerns whether in technical matters, product innovations and emerging risks.

Last year, our members underwrote USD3 trillion of trade and investment business. I expect this to increase over the next three years. I have been in this industry for decades and have come across many crises. The fact that we are still in business, reflects our resilience. I am sure we will come across other crises. If I look at the figures for the last two years, business insured in fact has increased despite the impact of the pandemic or Ukraine. The defining impacts which have affected our business are geopolitical tensions and climate change. Before the Ukraine conflict, our members did a lot of business with both Russia and Ukraine. The war has stopped all that.



Economic Outcomes are Steadily Improving due to an Impressive Range of Reforms and Commitment to Sound Public Finances and Inclusivity

Suriname is a resource-rich small member state of ICIEC in Latin America with significant biodiversity. In the context of COP29, Suriname is one of the few countries in the world having negative carbon emissions primarily thanks to its extensive forest cover, while Guyana is both the custodian of some of the most pristine rainforests in the world and has recently started exploiting oil reserves off its coast. They are both also recent accession member states of the Islamic Development Bank (IsDB) Group. In its Sixth Review under the Extended Fund Facility Arrangement (EFFA), the IMF Executive Board in July2024 approved an immediate purchase equivalent to SDR46.7 million (USD61.5million) of funds. The Board observed that the Suriname authorities' strong policy and efforts to stabilize the economy are yielding positive results: the economy is growing, inflation is on a steady downward trend, and investor confidence is returning. Building on the progress made thus far under the program, added the Board, continued efforts are needed to entrench fiscal discipline, while protecting the poor and vulnerable, and further strengthen institutions and address governance weaknesses. ***Dr. Sobir Komilov, Head of IsDB Regional Hub in Suriname,*** *profiles the country's economic agenda, its climate and sustainable development strategy and challenges, and its growing cooperation with the IsDB/ICIEC*

Strategic Demography and Natural Resource Strength

Suriname, located on the northeastern coast of South America, is characterized by its ethno-culturally diverse population of approximately 600,000 people. The capital city, Paramaribo, serves as the political, economic, and cultural center of the country. The nation boasts a rich mix of ethnic groups, primarily Indo-Surinamese, Afro-Surinamese, Maroons, Javanese, and Amerindians, fostering a unique cultural tapestry that influences its social dynamics.

Natural resources are a cornerstone of Suriname's economy, with significant deposits of bauxite (aluminum ore), gold, oil, and timber. The country is one of the largest producers of bauxite globally, and gold mining has become pivotal over recent years, contributing substantially to GDP. The abundance of tropical rainforests harbors a wealth of biodiversity, serving as both a natural asset and a potential challenge regarding conservation efforts and sustainable resource management. Water resources from the Amazon basin also highlight Suriname's strategic geographical importance.

Government's Economic Reform Agenda

President H.E. Mr. Chandrikapersad Santokhi's administration is spearheading an ambitious economic reform agenda designed to restore fiscal and debt sustainability. The government's plan emphasizes fiscal consolidation and debt restructuring aimed at reducing the national deficit while ensuring that vulnerable populations are protected through expanded social protection programs. The urgency for these reforms stems from the underlying economic challenges, exacerbated by the COVID-19 pandemic and declining commodity prices.

Key to these reforms is the establishment of a transparent fiscal framework that allows for better budget management and efficiency. The government has implemented measures to enhance governance and accountability in public finance management, ensuring that fiscal policy effectively supports sustainable growth. These reforms will be crucial in creating a stable economic environment that encourages domestic and foreign investment.

Suriname's Debt Strategy and IMF Support

In alignment with its economic reform agenda, Suriname has initiated a comprehensive debt strategy to manage its burgeoning financial obligations. The international community, particularly the International Monetary Fund (IMF), has responded positively to Suriname's requests for assistance.

In December 2021, the IMF approved the Extended Fund Facility (EFF) arrangement for Suriname, in an amount of equivalent to SDR472.8 million, aimed at providing financial support during this challenging economic transition.

With the currently disbursed amount of SDR337.1 million, the EFF program significantly contributed to enhanced fiscal policies leading to stabilizing the economy while simultaneously addressing social needs. One critical aspect of this strategy involved prioritizing strategic investments while managing deficits to restore confidence among stakeholders.

By engaging in these reforms supported by international financial institutions, such as the Islamic Development Bank (IsDB), Inter-American Development Bank, World Bank and others, the government is successfully navigating the challenging waters of public debt while laying a robust foundation for economic recovery.

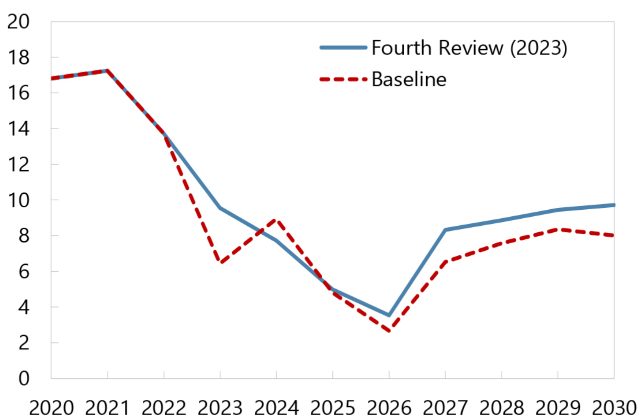
SURINAME Key Economic and Institutional Indicators

Country Name	Republic of Suriname
Population	0.647 million
Real GDP Growth (% Change)	2024 - 3.0% (projection), 2023 -2.1% (estimate)
Inflation (Consumer Prices (% Change) (2023 estimated at 51.6%)	2024 – 20.7% (projection), 2023 – 51.6% (estimate)
Unemployment Rate	2023 – 10.6% (estimate), 2024 – 10.3% (projection)
Exports Goods and Services (f.o.b.)	2023 - USD2,534 million (estimate), 2024 - USD2,742 million (projection)
Imports of Goods and Services (f.o.b.)	2023 - USD2,218 million (estimate), 2024 - USD2,339 million (projection)
Central Government Debt (% of GDP)	2023 – 92.9% (estimate), 2024 – 87.9% (projection)
Special Drawing Rights (SDR)	105.68 million
Quota (SDR): 128.9 million	128.9 million
Outstanding Purchases and Loans (SDR)	290.4 million (June 30, 2024)
Number of Arrangements since Membership	2
Date of IMF Membership	27 April 1978
Date of IsDB Membership	December 1997 (as 52nd member states)
Subscribed Capital in IsDB	ID9.23 million (0.02% of total IsDB Capital)
Number of IsDB Group Funded Projects Allocated	36, of which 27 completed and 9 are active
Total volume of IsDB Group Funding to date	USD264 million
Date of ICIEC Membership – the first Member State to join ICIEC from South America and 5th member state of ICIEC	21 January 2019
Number of Islamic Banks	1 – Trust Amanah Bank (2018)

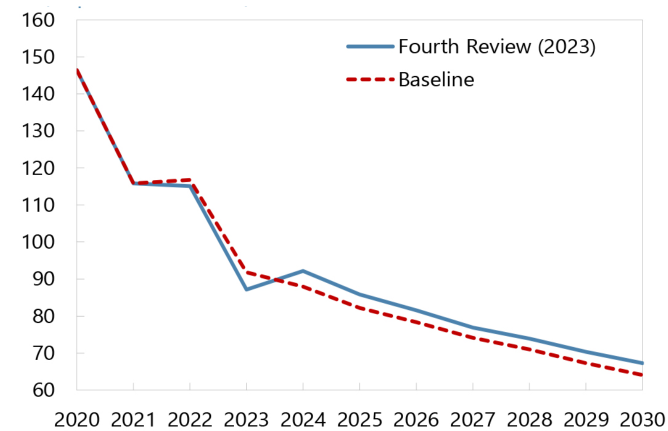
Source: *Compiled by Mushtak Parker from IMF, IsDB and ICIEC data and disclosures*
Date: *September 2024*

Suriname: Gross Financing Needs and Public Debt

Gross Financing Needs
(In percent of GDP)



Public Debt
(In percent of GDP)



Sources: *CBvS, Ministry of Finance, and IMF staff estimates.*
Note: *Gross financina needs do not include instruments used for the recapitalization of the CBvS.*

Economic Agenda in the Context of Climate and Sustainable Development

Suriname is one of few countries in the world having negative carbon emissions primarily thanks to its extensive forest cover. Over 90 percent of Suriname's land is covered by tropical rainforests of the Amazon Basin, which absorb CO2 from the atmosphere.

Suriname's economic agenda is increasingly influenced by global priorities around climate change and sustainable development. In addition, Suriname has a relatively small population and limited sources of carbon emissions from transportation, energy production and manufacturing. Nevertheless, the government recognizes that the economy's future lies in balancing growth with environmental sustainability.

Suriname's wealth of natural resources can be harnessed to contribute to sustainable practices, especially with its significant forest cover that plays a vital role in carbon sequestration.

Significant efforts are underway to integrate climate considerations into national planning. The government is focusing on sustainable agriculture, eco-tourism, and renewable energy sources while committing to enhance the resilience of its infrastructure against climate-related risks.

Strategic partnerships with international organizations aim to facilitate knowledge transfer and investment in sustainable technologies, ensuring that the economic agenda aligns with the UN Sustainable Development Goals (SDGs).

However, challenges persist. Suriname faces immediate threats from deforestation, mining activities, and the ongoing impacts of climate change, such as rising sea levels, floods and extreme weather events. Balancing economic activities with environmental protection requires careful management and active engagement with local communities.

Cooperation with IsDB Group

Suriname has demonstrated a proactive approach in fostering cooperation with the IsDB Group. The Group launched the new Country Engagement Framework (CEF) for the Republic of Suriname (2024-2026) on 1st May 2024 in Riyadh on the sidelines of the 2024 IsDB Group's Annual Meetings and the Bank's 50th Anniversary Golden Jubilee.

Going forward, the IsDB Group will focus on two main pillars of engagement during 2024-2026: (i) Igniting Growth and Diversification will support three sectors: energy, agro-industry, and water and sanitation, and (ii) Building Human Capital for the Future will support complementary human development by focusing on health, education, and affordable housing.

Cross-cutting CEF pillars will include Islamic finance sector development and small and medium-sized enterprise (SME) support, climate change, women and youth empowerment, and capacity development.

Suriname Minister of Finance and Planning, H.E. Mr. Stanley Raghoebarsing and IsDB President H.E. Dr Muhammed Al Jasser launch the Country Engagement Framework (CEF) for Suriname at the 2024 IsDB Group annual Meetings in Riyadh in May

As part of implementation of the Suriname CEF, and as a significant recent development in this partnership IsDB approved a financing for the "Expansion of Transmission and Distribution Systems" project, amounting to more than USD105.7 million, of which IsDB contributed USD47.7 million, with the participation and co-financing by the Saudi Fund for Development (SFD) and OPEC Fund for International Development (OFID).

This project is essential not only for improving energy infrastructure but also for supporting economic recovery by providing reliable electricity to both urban and rural areas. Improved energy access is critical for local businesses and overall economic activity.

Potential for Future Cooperation with IsDB Group/ ICIEC

Suriname is a member of all other IsDB Group Entities, including ICIEC joining in January 2019. The future potential for cooperation between Suriname and ICIEC holds promise, particularly in promoting investment to and international commerce with Suriname. Recent improvements in the economy reflected in steady recovery and stabilization of macroeconomic fundamentals, there is a growing interest from investors' community in mining, agrobusiness, tourism and oil sector.

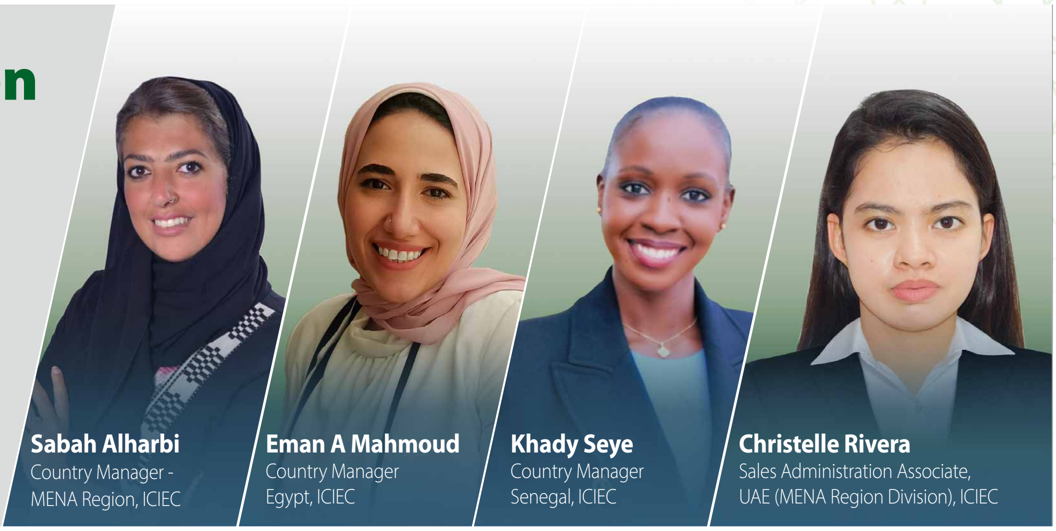
ICIEC's risk mitigation products and services could provide Suriname with ample opportunities to attract FDI flows, boost trade and further enhance growth related sectors in the years to come.

The IsDB Group facilitated the establishment of the first and only Islamic bank in the region, Trust Amanah in 2018, while also extending Technical Assistance to the Central Bank to create an enabling environment for further expansion of the Islamic Banking and Finance industry in Suriname.

ICIEC's risk mitigation products and services could provide Suriname with ample opportunities to attract FDI flows, boost trade and further enhance growth related sectors in the years to come.

ICIEC's Women in Credit and Investment Insurance

A Trajectory for Gender Responsiveness and Balance in the Workplace



Of the current cohort of ICIEC's 85 staff 15 are women. They vary from Country Managers, four of whom are featured in this article, to finance, underwriting, credit risk, corporate affairs, training, communications and marketing, human capital and resources, and public relations professionals. Their commitment, aspirations, knowledge, experience, expectations, and career pathways are universal, irrespective of the various metrics of identity, be it ethnicity, gender and creed.

As a signatory to the Principles of Sustainable Insurance (PSI), first introduced in 2012, and being the unique sole Shariah-compliant multilateral insurer in the world, and a member of the Islamic Development Bank (IsDB) Group, and of industry bodies such as the Berne Union, the AMAN Union and the International Credit Insurance and Surety Association (ICISA), gender responsiveness and balance are embedded in ICIEC's playbook, at least in strategy terms, although in reality it is also a work in progress, as in almost all multilaterals and corporates around the world irrespective of demography and socio-economic status.

ICIEC of course does underwrite gender-responsive policies for transactions it supports in its 50 member states in line with their respective development agendas, especially in promoting women-owned-and-run Micro-and-Small-and-Medium-Sized-Enterprises (MSMEs) and women entrepreneurs. Gender responsiveness is increasingly becoming a core component of the gamut of the MDB and corporate architecture globally including the PSI.

The experiences and career paths of Sabah Alharbi, Eman A Mahmoud, Khady Seye, and Christelle Rivera in support of women in credit and investment insurance, sustainable finance and impact investment in developing markets, speak for themselves.

Ms. Sabah Alharbi, Country Manager, MENA Region, ICIEC

"I have over 18 years of extensive business experience in the Credit and Political Risk Insurance (PRI) business. This includes diversified experience in Policy Administration, Customer Relations to Country Manager and sales roles with key ICIEC accounts in MENA countries.

My Professional Experience at ICIEC spans as a Sales Assistant, then as a Policy Administration Officer, between 2008 to 2012, before moving on to become a Customer Relations Specialist till end of 2016, and then promoted to a pivotal role as Country Manager for the MENA region in 2017, a position I continue to hold.

My journey in the business world began in policy administration not to forget when our IMS had developed a portal online, I was among the top pioneers who trained clients on the system. With this massive development we were able to ease the process of workflow. Through my dedication, hard work and speed of learning, I was transferred to professional level, being a key staff member within the Customer Relations Department, where I managed relationships with existing clients and helped to resolve process obstacles and customer issues and feedback. This path ultimately led me to my current role as a Country Manager, where I oversee and support sales across specified countries in the Middle East and North Africa.

My personal interaction with clients helped me to increase our business not only in the MENA region, but also in the ASIA and SSAE regions, in close interaction with our sister organisation in the IsDB Group, The International Islamic Trade Finance Corporation (ITFC). Within this synergy, we will impact in positive way for the business portfolio not only in my division but as well to other divisions in ASIA and SSAE.

My motivation is also to continue improving my skills set through professional development and further qualifications and certifications. These include participating in ICIEC's "Woman Leadership Programme in 2023," courses on "Climate Change Fundamentals,""Role of Credit Information Sharing & Business Intelligence in Supporting Trade & Investment Decisions (OBIC),""Sukuk Structuring and Risk," and "Buyer and Banking Underwriting."

The fact that I am also a Certified International Credit Professional and a Certified Islamic Banker has helped me in my work for a dedicated Shariah-compliant multilateral insurer. In my current role, I am responsible for driving business growth by attracting new customers and enhancing relationships with existing clients. By implementing region-specific sales strategies, I had significantly contributed to increasing business insured and premium income, aligning with the corporation's overall goals.

My forte is in generating business, ensuring the quality of insured business, and assisting customers in understanding new policies. With a strong ability to develop market intelligence, I provided valuable input for the continuous improvement of existing products. I am known for being highly motivated and self-directed, which has impacted in consistently delivering positive results that have led to increasing responsibilities and notable recognition throughout my career."

Ms. Eman Mahmoud, Country Manager Egypt, ICIEC

"I have a strong foundation in finance and credit analysis, having completed a BCom from Cairo University and a MA in Business from The Ohio State University. I am also a certified Credit Analyst and a Certified Financial Modelling and Valuation Analyst.

My professional journey has been marked by a focus on credit and investment analysis, with experience spanning both commercial banks and a multilateral development finance institution. My current role as Country Manager for ICIEC has further honed my skills in these areas.

In my capacity as Country Manager at ICIEC, I have been instrumental in driving business development as part of the MENA region team. My responsibilities encompass establishing and maintaining relationships with strategic partners, origination, new project screening, appraisal, due diligence, and presenting new transactions for technical committee approval. This role has provided me with invaluable experience in credit and political risk assessment, project evaluation, and transaction structuring.

My expertise extends to several key areas such as Credit and Origination, Sustainable Finance and Development, Impact Investment, and Credit Risk Management. Recently, I presented a Paper titled 'Insuring a Sustainable Future: An ICIEC Perspective' at the BDC International Banking conference in Cairo, Egypt.

While the field of credit and investment insurance offers numerous opportunities, barriers include the need for specialized knowledge and experience, as well as a strong understanding of the regulatory, political and economic landscape. Additionally, building relationships with strategic partners and developing a strong network within the industry can be challenging.

Given my strong track record and expertise in credit and investment insurance, sustainable finance, and impact investment, I believe there is significant potential for career advancement within ICIEC. I am glad to have participated in the "Women Leadership Programme" at the Corporation to support women assume leadership roles.

I am excited about the future and the opportunities that lie ahead. I aspire to continue to contribute to the growth of ICIEC, while leveraging my expertise to drive sustainable development and promote inclusive economic growth. I am also keen to explore opportunities for leadership and management roles within the organization.

Ms. Khady Seye, Country Manager Senegal, ICIEC

"As far back as I can remember, I've always wanted to work in the financial sector, thus all my academic choices were made in this direction. In 2010, I obtained my MBA in Finance from Laval University in Quebec, Canada. Even then, I was one of the few women in our graduating class to take up this challenge. Nevertheless, obtaining a degree from a faculty with 2 international accreditations that place it among the top 1% of business schools worldwide was a daily motivation.

In 2010, with an MBA and CFA (Chartered Financial Analyst) Level 1 designation in my pocket, I began my career in Quebec at Desjardins as an account manager whose main mission was to offer financing solutions to companies in a variety of sectors. Always looking for new challenges, I joined Export Development Canada, one of the largest Export Credit Agencies (ECAs) in terms of assets which task is to support and develop Canada's export trade by helping Canadian companies.

It was in August 2023 that I joined the ICIEC team in Senegal. As I was already familiar with credit insurance from my previous experiences, my integration was straightforward. Our sector is still very male-dominated, so I see my role as a mission: to pave the way for other women to reach positions of responsibility and be more represented in the management team.

Ms. Christelle Rivera, Sales Administration Associate, UAE, ICIEC

"My journey began during my undergraduate years at University of Saint Anthony in the Philippines, where I pursued a degree in Accounting and Finance. I was fascinated by the mechanisms of financial markets and the impact of strategic financial decisions on business success. This initial spark of interest led me to seek out roles in the financial sector, where I could gain hands-on experience.

I started my career as a Policy Administration Associate at ICIEC, where I was introduced to the intricacies of trade credit and investment insurance. This position allows me to develop a robust understanding of the sector including the different risk mitigation tools and impact of Investment and Credit Risk Management in global economic markets.

My role at ICIEC plays a crucial part in managing and maintaining the various insurance policies including the account management and direct collaboration with the Reinsurance Partners. My expertise extends to Financial and Management Reporting, Account Reconciliations, Reinsurance Portfolio Management, and Trade Credit and Investment Insurance.

As I continued to advance in my career, I took a Certified Management Accountant (CMA) certification course which is highly regarded in the fields of management accounting and demonstrates expertise in financial and strategic planning. By leveraging the expertise gained through the CMA certification, I believe I can contribute to overall operational efficiency and support ICIEC's success and continuous growth.

The Trade Credit and Investment Insurance industry plays a vital role in facilitating international trade and investment in global markets, however, given the high importance of the business, it requires specialized knowledge in the sector such as compliance, regulatory changes, technological aspects and fostering a strong understanding of market dynamics.

I am looking forward to continuously advancing my career in this strategic institution that supports the economic development of its member states and enhances global economic relations and cooperation."

ICIEC Provides USD 182 Million Insurance Cover for Syndicated Murabaha Facility in Egypt's Energy Sector

ICIEC has provided insurance coverage amounting to USD 182 million for a significant transaction aimed at bolstering Egypt's energy security. This transaction, a Syndicated Murabaha Facility, has been arranged by the International Islamic Trade Finance Corporation (ITFC), an IsDB Group member, in support of the Egyptian General Petroleum Corporation (EGPC).

The facility is designed to finance the purchase of crude oil, petroleum products, and liquefied natural gas (LNG), which are essential for sustaining Egypt's growing energy needs. The total value of the syndicated facility stands at USD 200 million and involves a consortium of international banks, with applicants hailing from Kuwait, the United Arab Emirates, France, and Bahrain.

The Syndicated Murabaha Facility is backed by a sovereign guarantee from the Ministry of Finance of Egypt. ICIEC's policy covers the Non-Honoring of Sovereign Financial Obligations (NHSFO) of the Government of Egypt, providing vital risk mitigation for the participating banks. This ensures that in the event the government is unable to honor its financial obligations under the facility, ICIEC will provide compensation to the insured banks, up to the insured amount.

This transaction is of critical importance for Egypt as it will facilitate the import of essential energy supplies, such as crude oil and LNG, which are vital for both economic stability and the welfare of the Egyptian population. In addition, it supports Egypt's ongoing efforts to ensure energy security amidst a volatile global market, while strengthening the country's trade ties with key international partners.

Furthermore, the transaction aligns with the United Nations' Sustainable Development Goal (SDG) number 17, which focuses on fostering global partnerships for sustainable development. By facilitating the import of oil and gas, the transaction promotes greater international cooperation and strengthens trade relationships between Egypt and its supplier nations. Such partnerships contribute to the country's long-term development by ensuring a steady supply of energy resources, critical for economic growth and the well-being of its citizens.

Through this initiative, ICIEC continues to demonstrate its commitment to supporting projects that advance the economic development of its member countries while mitigating risks for financial institutions involved in complex cross-border transactions. This transaction not only strengthens Egypt's energy security but also highlights ICIEC's role in enabling vital trade and investment flows within the Organization of Islamic Cooperation (OIC) member states.

ICIEC's participation in this Syndicated Murabaha Facility, with a coverage of USD 182 million, exemplifies its dedication to fostering international trade, enhancing financial security, and promoting sustainable development in line with its mandate and the goals of the United Nations.

ICIEC Supports USD 50 Million Murabaha Syndicated Facility to Strengthen Tunisia's Agricultural Sector

KIB
BANK FOR LIFE

ICIEC has extended crucial support to a USD 70 million Murabaha Syndicated Facility arranged by the International Islamic Trade Finance Corporation (ITFC) for the benefit of Groupe Chimique Tunisien in Tunisia. This strategic transaction, with Kuwait International Bank (KIB) participating with USD 20 million, is aimed at financing the purchase of fertilizers—a key input for Tunisia's agricultural sector. ICIEC's Bank Master Policy (BMP) covers USD 50 million of the total facility, providing a high coverage rate of 95% for non-payment risks associated with the Ministry of Economy and Planning of Tunisia, which has issued an irrevocable and unconditional guarantee for the facility.

The syndicated facility will play a vital role in strengthening Tunisia's fertilizer production capabilities, a sector central to the country's economic development. Fertilizers are pivotal for increasing agricultural yields, generating foreign currency through agricultural exports, and supporting employment within production and industrialization zones. By boosting agricultural productivity, this facility will help enhance the sector's competitiveness in the global market.

Tunisia's agricultural sector faces significant challenges due to global economic instabilities. Rising agricultural commodity prices, compounded by the lasting impacts of the COVID-19 pandemic and the war in Ukraine, have underscored the fragility of Tunisia's food security and the precarious position of its farming community. These events have amplified the importance of local agricultural inputs like fertilizers to safeguard against recurring food shortages and ensure the survival of farmers who contribute to the country's economic stability.

This Murabaha Syndicated Facility is expected to provide not only financial support but also a sustainable solution to Tunisia's agricultural needs. It aligns with ICIEC's mandate to contribute to the economic development of member countries by facilitating trade and investment. By securing this facility, ICIEC is helping Tunisia's agriculture sector navigate external shocks and reinforcing its food security and export capabilities.

This transaction demonstrates ICIEC's commitment to supporting trade finance solutions that enhance economic resilience and sustainability in its member countries.

ICIEC and JBIC Forge Strategic Alliance to Boost Trade and Investment

Jeddah, Saudi Arabia – ICIEC and the Japan Bank for International Cooperation (JBIC) signed a landmark Memorandum of Understanding (MoU) to enhance cooperation and support the development of trade and investment flows between ICIEC's member states and Japan.

This strategic MoU aims to establish a solid collaboration between ICIEC and JBIC by leveraging ICIEC's insurance services and JBIC's financial facilities. The partnership will facilitate transactions involving Japanese companies as exporters, EPC contractors, or investors in projects that promote the development of ICIEC's member states, with a particular focus on Central Asia.

The collaboration is set to significantly boost trade and investment between ICIEC member states and Japan, including initiatives focused on climate action projects such as renewable energy generation.

Dr. Khalid Khalafalla, Officer-in-Charge of ICIEC commented at the signing ceremony: "An MoU exists between the IsDB Group and JBIC since 2016. However, the one ICIEC signed with JBIC is linked to the existing Group-level one. This MoU formalizes and strengthens the longstanding partnership between ICIEC and JBIC and aligns with our shared vision of promoting sustainable economic development in ICIEC member states. By leveraging our respective expertise and resources, we can enhance trade and investment opportunities for the mutual benefit of our stakeholders".

This agreement marks a significant milestone in ICIEC's ongoing efforts to foster economic growth and development in its member countries through strategic international partnerships.

ICIEC and KIND Sign MoU to Foster Public-Private Partnerships in Critical Infrastructure and Clean Energy in ICIEC Member States

Seoul, Republic of Korea — ICIEC signed a landmark Memorandum of Understanding (MoU) with the Korea Overseas Infrastructure and Urban Development Corporation (KIND) in September 2024.

This significant agreement, signed in the South Korean capital Seoul by Eng. Yasser Alaki, Director, Business Development Department at ICIEC, and by Mr. Byung Chul Won, Executive Vice President at KIND, aims to enhance collaboration on Public-Private Partnership (PPP) projects in ICIEC Member States and the Republic of Korea.

The MoU outlines the commitment of both parties to work together on various PPP projects, focusing on critical infrastructure, clean energy technologies, and the generation of renewable energy, as well as urban development initiatives within ICIEC Member States.

Eng. Yasser Alaki stated, "This partnership marks a pivotal step in strengthening the ties between our institutions and leveraging our collective expertise to address the pressing infrastructure and development needs of our Member States. By collaborating with KIND, we are committed to driving sustainable growth and innovation through public-private partnerships that can transform communities and economies."

The collaboration under this MoU reflects ICIEC's commitment to facilitating investment and promoting sustainable development in its Member States. Both organizations look forward to realizing impactful projects that align with their shared objectives.

ICIEC Signs MoU with the Central Bank of the Republic of Azerbaijan to Enhance Islamic Credit and Investment Insurance Services in the Country

Jeddah, Saudi Arabia — ICIEC signed a Memorandum of Understanding (MoU) with the Central Bank of the Republic of Azerbaijan (CBAR).

The MoU was signed by Dr. Khalid Khalafalla, Officer-in-Charge of ICIEC, and Mr. Taleh Kazimov, Governor of the Central Bank of the Republic of Azerbaijan at ICIEC headquarters in Jeddah. The agreement aims to provide a general framework to facilitate cooperation between the two parties to enhance and deepen Islamic insurance services in the Republic of Azerbaijan.

Under the MoU, both institutions are committed to exchanging expertise on Islamic insurance to foster mutual understanding and development. They will organize trainings and workshops to build capacity and share knowledge, as well as conduct mutual visits to strengthen the partnership and explore further areas of collaboration.

This cooperation is expected to contribute to the broader use of new financial tools in Azerbaijan, thereby accelerating investment inflows and fuelling sustainable economic growth.

ICIEC Welcomes Comoros Minister of Finance H.E. Ibrahim Mohamed Abdourazak for Trade and Investment Cooperation Talks at its HQ

Jeddah, Saudi Arabia – ICIEC had the honour of welcoming H.E. Ibrahim Mohamed Abdourazak, Minister of Finance, Budget, and Banking Sector of Union of Comoros and IsDB/ICIEC Governor, to its headquarters in September 2024.

Minister Abdourazak was accompanied by a delegation from the Ministry's officials. The discussions focused on exploring opportunities for ICIEC to support investments in Comoros.

Dr. Khalid Khalafalla, Officer-in-Charge of ICIEC, highlighted the Corporation's main activities in the underwriting of credit and investment insurance and its ability to facilitate investment inflows into member states through investment insurance, and identified potential areas for cooperation to bolster economic growth and development.

The two sides look forward to a fruitful partnership that will contribute to the prosperity of Union of Comoros.

The Togolese Republic Accedes to Become 50th Member State of ICIEC

Jeddah, Saudi Arabia – The Togolese Republic has acceded to become the 50th member state of ICIEC. The Togolese Republic officially joined ICIEC on 2 September 2024.

This milestone not only reflects the growing trust and collaboration within the Organization of Islamic Cooperation (OIC) but also reinforces ICIEC's commitment to providing tailored insurance solutions that foster sustainable economic growth and investment opportunities across its member countries.

The accession of The Togolese Republic to ICIEC membership marks a significant expansion of its global reach and influence in promoting trade and investment in OIC member countries.

On The Togolese Republic joining the ICIEC family, Dr. Khalid Khalafalla, Officer-in-Charge of ICIEC, stated: "We are delighted to welcome the Togolese Republic as our 50th member state. This is a testament to the mutual confidence between ICIEC and the Togolese Republic, and we are committed to supporting their economic ambitions through our robust insurance and risk mitigation solutions. Together, we aim to drive sustainable development and economic resilience in the region."

As ICIEC continues to expand its membership and services, the organization remains dedicated to enhancing economic resilience and supporting its member states in attracting foreign direct investment (FDI) and fostering trade opportunities.

(+966) 12 636 1400 iciec-communication@isdb.org iciec.isdb.org

Editor-in-Chief
Dr. Khalid Khalafalla
Officer-in-Charge, ICIEC

Managing Editor
Rania Binhimd

Consultant Editor
Mushtak Parker

ICIEC