



THE ISLAMIC CORPORATION FOR  
THE INSURANCE OF INVESTMENT  
AND EXPORT CREDIT  
Member of the Islamic Development Bank Group



مجموعة البنك الإسلامي للتنمية  
Islamic Development Bank Group



## Three Decades of Transformative Impact



2023 ANNUAL  
DEVELOPMENT  
EFFECTIVENESS REPORT



## Three Decades of Transformative Impact

Boosting Food Security,  
Mitigating Climate Change,  
Fueling Economic Growth  
Through Innovative Trade and  
Project Finance Insurance

سَمَاءُ  
الْحَمْدِ  
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# Acronyms and Abbreviations

<b>AAGF</b>	Arab Africa Guarantee Fund
<b>ADER</b>	Annual Development Effectiveness Report
<b>AfDB</b>	African Development Bank
<b>BMP</b>	Bank Master Policy
<b>BOD</b>	Board of Directors
<b>BOG</b>	Board of Governors
<b>COP28</b>	The 28th United Nations Climate Change Conference
<b>DCIP</b>	Documentary Credit Insurance Policy
<b>ECA</b>	Export Credit Agency
<b>ESG</b>	Environmental, Social, and Governance
<b>FDI</b>	Foreign Direct Investment
<b>FSRP</b>	Food Security Response Program
<b>ICD</b>	Islamic Corporation for the Development of the Private Sector
<b>ICIEC</b>	The Islamic Corporation for the Insurance of Investment and Export Credit
<b>ID</b>	Islamic Dinar
<b>IIRA</b>	Islamic International Rating Agency
<b>IsDB</b>	Islamic Development Bank
<b>IsDBI</b>	Islamic Development Bank Institute
<b>IsDB “Group”</b>	Islamic Development Bank Group
<b>ISFD</b>	Islamic Solidarity Fund for Development
<b>ITFC</b>	International Islamic Trade Finance Corporation
<b>LC</b>	Letter of Credit
<b>LIC</b>	Lower Income Country
<b>LDC</b>	Least Developed Country
<b>LDMS</b>	Least Developed Member States
<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>NHSFO</b>	Non-Honouring of Sovereign Financial Obligations
<b>OIC</b>	Organisation of Islamic Cooperation
<b>SDG</b>	Sustainable Development Goals
<b>SME</b>	Small and Medium Sized Enterprise
<b>UN</b>	United Nations

# Message from The Management

On the occasion of ICIEC's 30th anniversary, I have the pleasure to present to you our 7th edition of the Annual Development Effectiveness Report. This report provides an insight into how ICIEC's insurance services are strategically designed to achieve targeted impacts in the key developmental sectors, contributing to the Sustainable Development Goals (SDGs), whilst also aligning to national development plans of the Member States.

In this report, we take the opportunity to evaluate our developmental impacts over the past year. We have introduced some new features in this edition such as an overview of global geo-economic and sustainability trends in trade and investments, the introduction of measurable direct impacts and stories of remarkable human-centric impacts.



At ICIEC, we firmly believe that effective risk mitigation through insurance and guarantees plays a pivotal role in boosting investor confidence and fostering economic growth. By providing comprehensive shariah compliant coverage against political and commercial risks, we have enabled businesses in our Member States to engage in cross-border trade and investment with greater assurance, thus promoting economic stability and sustainable development results.

Over our 30-year history, we have helped expand opportunities for trade and investment linked to our Member States, supporting thousands of exporters to venture into new markets. In 2023, we crossed a momentous milestone with cumulative business insured since inception surpassing USD 100 billion with more than half of this business conducted in the last five years alone. To further underscore our significant growth and impact in recent years, our intra-OIC business surpassed USD 50 billion in trade and investment in 2023.

We have continued to shift more to facilitating corporate investments as well as large-scale infrastructure projects which have a larger transformational developmental impact aligned with the Sustainable Development Goals (SDGs), particularly in the areas of food security and clean energy projects.

During 2023, ICIEC faced significant global challenges marked by the economic aftermath of the pandemic, the conflict in Ukraine leading to a severe energy crisis, and supply chain disruptions in critical food commodities. We responded to these serious challenges by forging critical partnerships to support Member States' food security programs and operationalized the Arab Africa Guarantee Fund (AAGF), which incorporates a food security component. We accelerated our contribution to addressing global food security challenges, surpassing our initial pledge of USD 500 million by approving USD 788 million by the end of 2023 as part of the IsDB Group's USD 10.5 billion Food Security Response Program (FSRP).

We remain committed to expanding our impact and integrating climate action and food security for the benefit of our Member States. We will continue to engage with stakeholders to identify challenges and devise bespoke insurance solutions. During COP28 in Dubai, ICIEC launched its Climate Change Policy and ESG Framework, reaffirming ICIEC's policy thrust in promoting sustainable development and resilience in the face of climate challenges. Additionally, IsDB and ICIEC joined the Energy Transition Accelerator Financing Platform (ETAF), managed by The International Renewable Energy Agency (IRENA), positioning ourselves as a key player in climate action initiatives.

Going forward, we remain committed to advancing our mission and expanding our impact in the years to come. We will continue to work closely with our Member States, partners, and stakeholders to identify emerging challenges and develop tailored insurance solutions that address their unique needs. Through collaboration and innovation, we will strive to create an environment conducive to sustainable economic growth, trade facilitation, and the attraction of FDIs.

As we celebrate the significant milestones achieved and look forward to the opportunities that lie ahead, I would like to use this opportunity to express my appreciation to the hardworking ICIEC team, whose efforts have been the bedrock of the Corporation's ongoing success. My gratitude is extended to the Honorable Members of the Board of Governors, H.E. the Chairman of the ICIEC Board of Directors, and the Honorable Board of Directors.

In closing, we would like to express our utmost gratitude to ICIEC's outgoing CEO, Mr. Oussama Kaissi, for the remarkable growth of ICIEC's business insured and developmental impacts whilst maintaining continuous corporate profitability during his tenure.

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

# Report Highlights

## Developmental Impacts



### Clean Energy

**USD 5.4 billion**

Allocated for Clean Energy Projects in 2023



### Food Security

**USD 788 million**

Insurance Support in Agriculture Under FSRP in 2023



### Inclusive Growth

**USD 2.4 billion**

Allocated for Least Developed Member States (LDMS) in 2023



### Inward Investments

**USD 2.9 billion**

Support for Foreign Direct Investments in Member States in 2023



### South-South Development

**USD 6.2 billion**

Allocated for Intra-OIC Trade and Investment in 2023



### Better Health

**USD 287 million**

Support for Health-Related Projects in 2023





## Specific Project Impacts



### Farming Jobs Created in Palestine

**800+ jobs**

To Benefit from Modernized Date Palm Agriculture in Jericho, West Bank



### Wastewater Rehabilitation in Senegal

**150,000+ children**

To Benefit from Reduced Exposure to Malaria and Diarrheal Diseases



### Disability Services in Cameroon

**2 million+ people**

To Benefit from Modernized Rehabilitation Services



### Improving Access to Electricity in Egypt

**750 MW**

Increase in Energy Capacity for Millions of Egyptians



Three Decades Of Transformative Impact



# Vision, Mission and Mandate

## About ICIEC

- Established in 1994 in Jeddah, Kingdom of Saudi Arabia as a multilateral institution and member of the Islamic Development Bank Group.
- Owned by AAA-rated Islamic Development Bank and 49 Member States of the Organisation of Islamic Cooperation (OIC).
- Authorized Capital Islamic Dinar ID 1 billion (equivalent to USD 1.34 billion)
- Rated Aa3 by Moody's with a stable outlook for the 16th consecutive year.
- Pioneer of Shariah-compliant export credit and investment insurance and reinsurance solutions.
- A Co-founder of the Aman Union, representing Islamic and Arab Export Credit Agencies (ECAs).



### Vision

*"To be recognized as the preferred enabler of trade and investment for sustainable economic development in Member States."*



### Mission

*"To facilitate trade and investment between Member States and the world through Shariah-compliant risk mitigation tools."*

### Mandate



*ICIEC's mandate is to promote cross-border trade and foreign direct investment (FDI) in its Member States.*



*ICIEC serves its mandate by providing risk mitigation and credit enhancement solutions to Member States exporters selling to buyers across the world, and to investors from across the world investing in Member States.*



*ICIEC also supports international exporters selling to Member States if the transactions are for capital goods or strategic commodities.*



# What is ADER?

The Annual Development Effectiveness Report (ADER) serves as a crucial tool for transparency and accountability, offering stakeholders detailed insights into ICIEC's developmental outcomes against the Sustainable Developmental Goals (SDGs). It evaluates and illustrates the success and impact of the organisation's development initiatives.

## Key Purpose of the ADER

- 1. Accountability and Transparency:** The ADER holds ICIEC accountable to its stakeholders, including donors, partners, and beneficiaries, by transparently reporting on resource utilisation and achievements.
- 2. Performance Measurement:** The report presents the outcomes of initiatives, highlighting the extent to which ICIEC's activities deliver results mapped against the Sustainable Developmental Goals (SDGs) and ICIEC's Developmental Effectiveness Framework.
- 3. Stakeholder Engagement:** By communicating achievements and challenges, the ADER fosters stakeholder engagement and support, building trust and demonstrating the impact of ICIEC's work.



# ICIEC's Contribution to SDGs in Numbers

ICIEC undertook 155 projects contributing to specific SDGs in 2018-2023



**USD 382 million**  
in trade and investment  
in the agricultural sector



**USD 1.9 billion**  
in trade and investment  
in the health sector;  
**10 healthcare**  
projects supported



**USD 31.2 billion**  
in trade and investment  
related to the energy  
sector



**USD 11 billion**  
in imports, exports,  
outward and inward  
investment in LDMSs;  
**USD 2.4 billion** in  
labor-intensive industries





**USD 3.5 billion** in trade and investment related to infrastructure;  
**USD 92 million** support for high-tech businesses;  
**3,600 kilometers** of roads and railways constructed or rehabilitated



**USD 4.6 billion** in trade and investment related to green projects;  
**7 clean energy** projects producing  
**365 megawatts** of renewable energy



**USD 28.8 billion** trade insurance mobilized from partners;  
**USD 62.9 billion** Intra-OIC trade supported  
**138** strategic partnerships with national ECAs, reinsurers, banks, and other multilateral institutions



# Development Effectiveness Framework

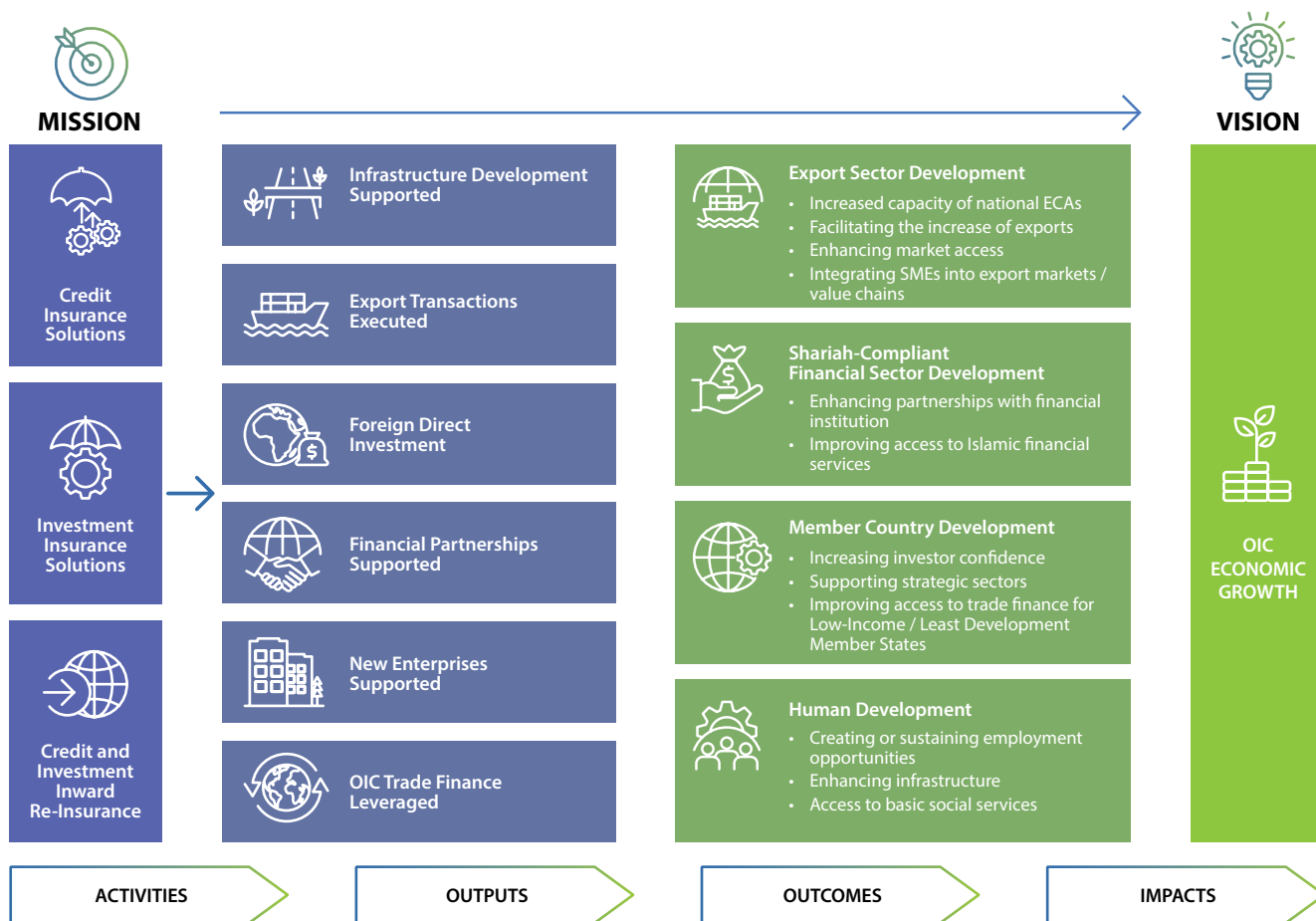


1.

## Theory of Change

- ICIEC has developed a “Theory of Change” to connect its corporate vision and mission with its offerings, outlining a strategic impact approach. This conceptual roadmap describes the logical links between ICIEC’s activities, the reasons behind them, and their contributions to development outcomes. The Development Effectiveness Framework, based on the “Theory of Change,” aligns services with intended outcomes in trade, investment, and finance sectors. It is designed to integrate ICIEC’s goals with the SDGs and the Islamic Development Bank Group’s 10-Year Strategy. ICIEC’s efforts are supported by a robust monitoring and evaluation system to validate the impacts of its activities and contributions to Member States’ development.
- As evident from the Theory of Change diagram, ICIEC maps its products and solutions to the desired outcomes that the Corporation aims to achieve for its stakeholders and the Member States.

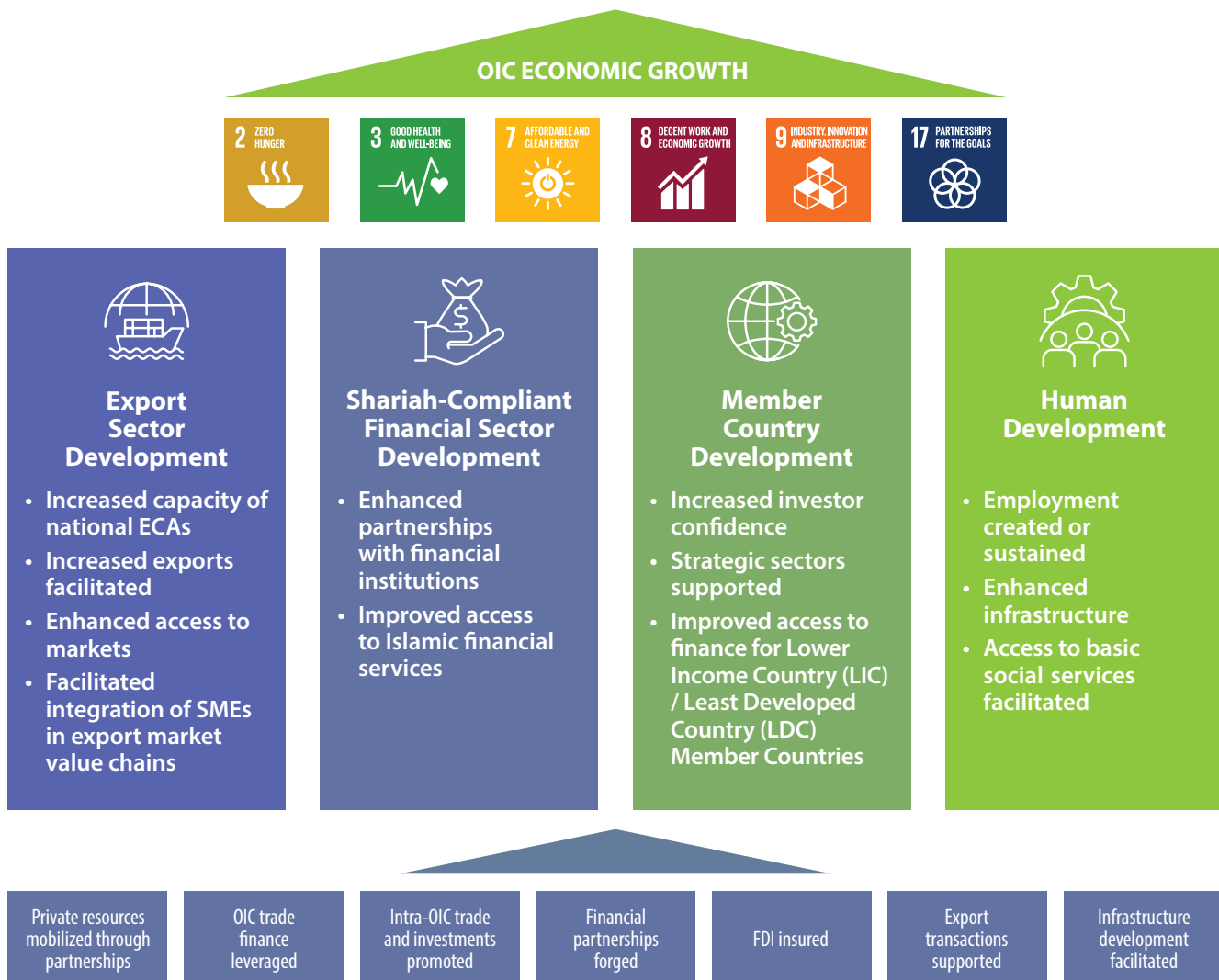
**Figure 1: ICIEC’s Theory of Change**



## Development Impact Framework

- ICIEC’s Development Effectiveness Framework outlines a structured approach for achieving the organisation’s intended impacts across four key developmental categories, ensuring alignment with the United Nations’ Sustainable Development Goals (SDGs). This framework is in close accordance with the IsDB Group’s 10-year Strategy and its commitment to the SDGs. Built on the foundation of ICIEC’s “Theory of Change”, the framework connects the Corporation’s services to the desired outcomes in the export, investment, and financial sectors. It is supported by a robust Monitoring and Evaluation system that recognises ICIEC’s role as a multilateral insurer.

**Figure 2: Development Impact Framework**







## ICIEC's Solutions for Development

### ICIEC's Solutions Suite Enhancing Development Initiatives

ICIEC stands as the sole global multilateral export credit and investment corporation offering Shariah-compliant insurance and reinsurance solutions. These services are crafted to bolster the growth of its Member States. This overview delineates the key offerings from ICIEC that advance its change agenda, augment its risk mitigation efforts, reinforce its Development Effectiveness Framework, and ensure alignment with the UN SDGs.

### Facilitating Intra-OIC Trade

#### *Documentary Credit Insurance Policy (DCIP)*

ICIEC's Documentary Credit Insurance Policy enables the bolstering of international banking networks, supporting the correspondent banking needs of importers and exporters within its Member States. This insurance solution enables banks to engage with correspondent financial institutions lacking international networks, thereby facilitating varied payment methods and addressing the financial needs of importers. By mitigating both commercial and political risks in these transactions, ICIEC's solution is vital in encouraging banks to expand their trade finance operations, which, in turn, benefits local import and export industries.

## Expanding Market and Financial Access

### *Credit Insurance Products*

ICIEC's suite of credit insurance products play a pivotal role in mitigating the commercial and political risks associated with open account transactions between importers and exporters. By safeguarding against non-payment, these insurance solutions maintain business continuity for exporters and instil confidence in pursuing larger deals and venturing into new markets. Additionally, ICIEC's credit insurance enhances exporters' access to working capital finance, serving as an appealing collateral option for banking institutions and facilitating significant capital investments and local production enhancements.

### **Enhancing Access to Islamic Financial Services**

#### *Bank Master Policy (BMP)*

Through its Bank Master Policy, ICIEC facilitates Shariah-compliant working capital financing for exporters based

on purchase contracts. This policy not only mitigates underlying commercial and political risks for banks but also supports the structuring of Islamic financial solutions. The availability of working capital is particularly crucial for SMEs, enabling them to undertake substantial contracts and maintain essential supply chains amidst capital and financing constraints. This initiative is instrumental in supporting the economic backbone represented by SMEs in Member States.

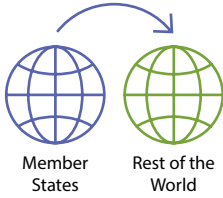
### **Promoting Investments within and among OIC States**

#### *Investment Insurance Products*

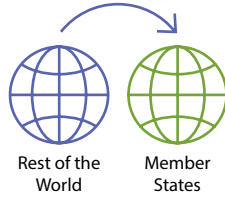
ICIEC's investment insurance offerings are designed to mitigate the political risks associated with investments in its Member States. These products are crucial in promoting the flow of investments into regions perceived as high risk, thereby attracting additional project capital and enhancing the overall risk perception of these markets and countries.



### Credit Insurance

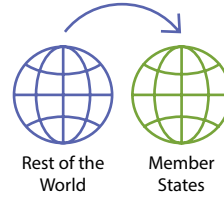


*Facilitates Member States' exports to the rest of the world*



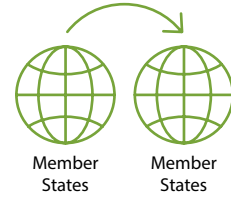
*Facilitates import of strategic and capital goods by Member States from non-Member States*

### Investment Insurance



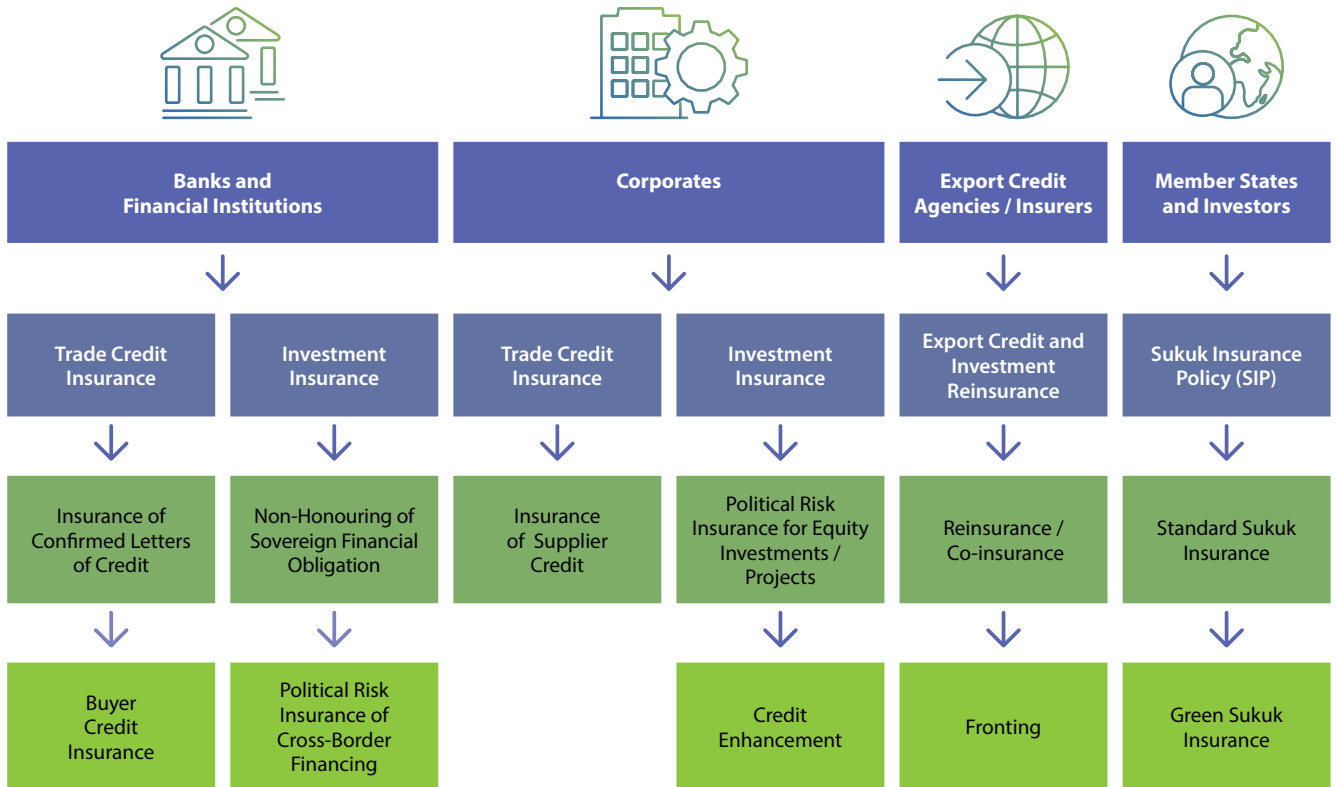
*Facilitates the flow of foreign direct investment into Member States*

### Intra-OIC Cooperation



*Facilitate trade, investment, and information sharing between OIC Member States*

## Trade and Investment Insurance Offerings



# Trade and Investment Global Trends



2.

## Geo-economic Trends



### Global Economic Growth

2022	3.5%
2023	3.3%
2024(f)	3.2%



### Global Economic Growth

Amidst the turbulence of conflict-affected energy and food sectors, alongside monetary measures to address inflation at its peak in decades, economic performance has decelerated yet persists. Nonetheless, the pace of expansion continues to be modest and inconsistent, leading to increasing disparities.



### Global Trade Growth

2022	5.6%
2023	0.8%
2024(f)	3.1%



### Global Investments Growth

The global investment growth outlook for 2024 is anticipated to be influenced by ongoing economic recoveries, technological advancements, and geopolitical dynamics, with a potential uptick in sectors resilient to global challenges.



### Global Headline Inflation

2022	8.7%
2023	6.7%
2024(f)	5.9%



### Global Risks Impacting Economies

In 2024, worldwide economies are expected to grapple with risks arising from shifting geopolitical landscapes, technological advancements, environmental changes, and changing socio-economic factors.

### Trend 1: Optimising Supply Chain Finance in a High-Interest Rate Environment

Persistent inflation, elevated interest rates, and diminishing consumer demand are expected to continue constraining economic growth.

Inflation in developed markets will average 2.3% in 2025 and 2.2% over the forecast period, up from 1.5% in the 2010s. In many economies, inflation will struggle to fall back to target. A major geopolitical confrontation would cause renewed price increases similar to those in 2022, with a disproportionate impact on lower-income economies.

In this challenging environment, businesses must pivot from reliance on external financing to robust balance sheet management and accessible liquidity. Supply Chain Finance (SCF) will continue to be essential, offering a cost-effective and efficient liquidity solution for both buyers and suppliers.



This shift has significant implications for trade and investment credit and insurance, as companies will seek secure and flexible financial instruments to mitigate risks associated with high borrowing costs and maintain liquidity.

## Trend 2: The Economic Impact of Geopolitical Tensions

The global economy to continue growing at 3.2% during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3% in 2023 to 4.2% in both 2024 and 2025.

Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the



Israeli invasion of Palestine, could, along with persistent core inflation where labour markets are still tight, raise interest rate expectations and reduce asset prices. Amid high government debt in many economies, a disruptive turn to tax hikes and spending cuts could weaken activity, erode confidence, and sap support for reform and spending to reduce risks from climate change. Geoeconomic fragmentation could intensify, with higher barriers to the flow of goods, capital, and people implying a supply-side slowdown.

On the upside, looser fiscal policy than necessary and assumed in projections could raise economic activity in the short term, although risking more costly policy adjustment later. Inflation could fall faster than expected amid further gains in labour force participation, allowing central banks to bring easing plans forward. Artificial intelligence and stronger structural reforms than anticipated could spur productivity.

## Trend 3: Addressing the SME Lending Gap

The expanding lending gap presents significant challenges for SMEs.

As of 2023, this gap is estimated at USD 2.6 trillion, up from USD 1.5 trillion in 2020. Without access to capital, SMEs face cash flow constraints that limit their ability to meet demand and fulfil orders, threatening their viability. The current macroeconomic environment exacerbates this gap due to several factors:

- **Risk appetite and capital constraints:** Many SMEs do not meet required thresholds due to limited credit histories or irregular sales cycles, favouring larger corporations with established credit histories.
- **Cost of borrowing:** Higher risk levels and the current rate environment led to increased borrowing costs, making financing prohibitive for SMEs.
- **Accurate and reliable data:** Insufficient historical data makes it challenging to assess the creditworthiness of SMEs.

This widening gap has significant implications for trade and investment credit and insurance. There will be increased demand for innovative financial products that can bridge this gap, providing SMEs with the necessary capital to sustain operations and growth.

### Trend 4: The Digital Transformation of Trade

Global trade, one of the oldest economic activities, is undergoing a significant transformation.

While payment methods have evolved from traditional cash transactions to advanced digital processes, trade has remained largely dependent on paper documentation and manual procedures. However, this is rapidly changing. Legal and regulatory reforms facilitating the exchange of digital trade documents and data are accelerating the industry's digital transformation.

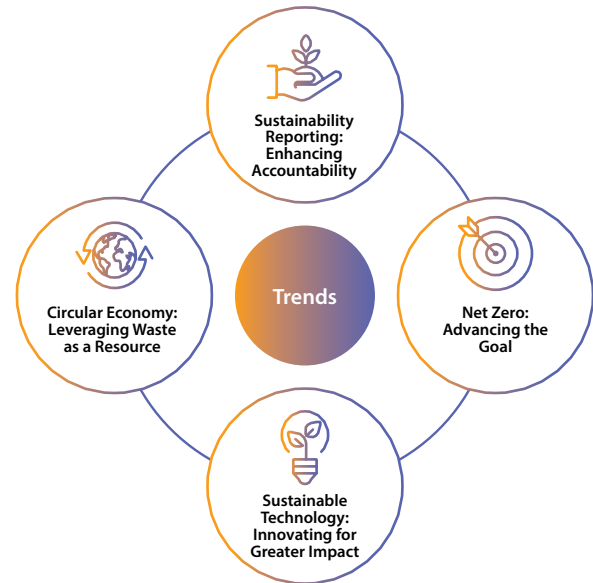
The shift towards digital trade processes, standardisation, and secure data sharing is poised to revolutionise trade by:

- Enhancing efficiency and interoperability
- Reducing risk
- Opening new global market opportunities

For trade and investment credit and insurance, this digital transformation implies a need for updated policies and products that support and leverage digital trade platforms, ensuring secure and efficient transactions while mitigating risks associated with traditional paper-based processes. This will enable businesses to operate more effectively in the evolving global trade landscape.



## Sustainability Trends



### Trend 1: Sustainability Reporting: Enhancing Accountability

2024 is poised to be a landmark year for sustainability reporting. The European Union's Corporate Sustainability Reporting Directive (CSRD), which mandates annual reports on the environmental and social impact of business activities, took effect in January. Additionally, California is introducing new reporting rules in 2024, while other countries are on the brink of implementing similar non-financial disclosure requirements.

Investors, regulators, and stakeholders increasingly demand that companies disclose their exposure to climate-related risks, such as dependence on fossil fuels or vulnerability to extreme weather events. Through mandatory and voluntary disclosures, companies can manage these risks and provide valuable information to stakeholders, ensuring greater transparency.

Sustainability reporting is also integral to corporate social responsibility initiatives. As companies set broad environmental, social, and governance (ESG) goals, tracking and documenting progress accurately is crucial. Transparent

reporting helps avoid greenwashing and allows stakeholders to make informed decisions based on reliable information.

However, compliance with diverse global reporting requirements can be challenging. A survey found that 81% of companies are creating new roles to meet disclosure requirements, and 99% are likely to invest in technologies for ESG reporting. For instance, software solutions can streamline the capture, management, and reporting of ESG data.

## Trend 2: Net Zero: Advancing the Goal

The global commitment to achieving net-zero emissions, where human-caused greenhouse gas emissions are balanced by an equivalent amount removed from the atmosphere, has gained significant traction. Many nations aim to reach net zero by 2050, in line with the Paris Agreement's objective to limit global warming to well below 2 degrees Celsius. Companies across various industries are setting ambitious sustainability targets, investing in renewable energy, and developing innovative solutions to reduce their carbon footprint. These efforts are driven by stakeholder expectations, regulatory mandates, and the understanding that sustainable practices can enhance profitability. Research indicates that the market for carbon-neutral goods and services could contribute USD 10.3 trillion to the global economy by 2050.

In pursuit of net zero, organisations will focus on two primary areas in 2024:

- **Clean Energy:** Transitioning from fossil fuels to renewable energy sources is central to sustainability strategies and net zero goals, as highlighted at the United Nations' COP28 climate summit. Countries are increasing their reliance on clean energy sources such as solar, wind, and geothermal to reduce their carbon footprint. Companies are investing in renewable energy projects and adopting energy-efficient technologies and practices, which align with broader corporate sustainability initiatives and can lead to cost savings and improved environmental performance.
- **Sustainable Supply Chains:** Driven by growing consumer demand for sustainable products and increased awareness of the environmental impact of production and shipping, businesses are making their supply chains more sustainable. This includes using eco-friendly packaging and materials, reducing waste, and ensuring fair labour practices and safe working conditions. Companies are also addressing Scope 3 carbon emissions—those emitted by other operators in their value chain—through organisational changes and new partnerships.







### Trend 3: Sustainable Technology: Innovating for Greater Impact

The rapid advancement of technologies such as artificial intelligence (AI), machine learning (ML), and other innovations positions 2024 as a pivotal year for tech-driven sustainability. Companies can leverage these tools to achieve key sustainability goals:

- **Artificial Intelligence:** AI can optimise energy consumption, reduce emissions, and support sustainability strategies. Organisations use AI for accurate climate predictions, optimising energy use in buildings, and identifying waste and inefficiencies in supply chains.
- **Industry 4.0:** Manufacturers are integrating technologies like the Internet of Things (IoT), cloud computing, and AI into their operations. These smart factories enhance automation, predictive maintenance, and process optimisation, reducing emissions and costs.
- **Software Solutions:** ESG reporting software, such as the IBM Envizi ESG Suite, helps companies efficiently

collect, analyse, and report data, facilitating compliance with reporting requirements. Environment, health, and safety (EHS) software streamlines data collection and risk management, while environmental intelligence software monitors weather for potential disruptions.

### Trend 4: Circular Economy: Leveraging Waste as a Resource

The circular economy, which aims to minimise waste and maximise resource utilisation, is gaining traction. This model encourages the reuse and recycling of products rather than viewing them as disposable. Transitioning to a circular economy could generate USD 4.5 trillion in economic benefits by 2030.

Businesses play a pivotal role in promoting the circular economy by redesigning products to be more durable, reusable, or recyclable, reducing resource consumption, and minimising waste throughout the product lifecycle. Retailers, especially in the fashion industry, are adopting circular business models, such as rental and resale programmes and repair services, to offer alternatives to landfill disposal.

# ICIEC's Development Impacts 2023



3.

## 2023 Export Sector Development

Exports supported in Member States:



**USD 9,007 million**

Total export insured from Least-Developed Member States (LDMSs):



**USD 28 million**

SDGs supported



Member States benefitted:



Türkiye, UAE, Kazakhstan, Egypt, Algeria, Saudi Arabia, Bangladesh, Cote d'Ivoire, Jordan, Kuwait, Nigeria, Bahrain, Uzbekistan, Pakistan, Morocco, Indonesia, Tunisia, Malaysia, Lebanon, Albania

Sectors supported



**Energy**  
**USD 5,317 million**



**Manufacturing**  
**USD 2,868 million**



**Services**  
**USD 291 million**



**Retail Trade**  
**USD 254 million**



**Others**  
**USD 277 million**



Supporting exports of spare parts for power plant in Turkmenistan supplying 7% of country's installed electricity capacity

## 2023 Member States Development

Inward investment supported in Member States

 **USD 2,931 Million**

Total intra-OIC trade and investment supported

 **USD 6,197 Million**

SDGs supported



 Investment supported in LDMSs:  
**USD 1,144 Million**

Member States benefited:

 **Bangladesh**  
**USD 185 million**

 **Senegal**  
**USD 835 million**

 **Uganda**  
**USD 68 million**

 **Mali**  
**USD 19 million**

 **Niger**  
**USD 10 million**

 **Mozambique**  
**USD 17 million**

 **Comoros**  
**USD 5 million**

 **Djibouti**  
**USD 2 million**

Sectors supported

 **Services**  
**USD 1,795 million**

 **Energy**  
**USD 391 million**

 **Infrastructure**  
**USD 326 million**

 **Health**  
**USD 287 million**

 **Others**  
**USD 132 million**



Supporting Saudi vision 2030 growth strategy for a leading paper manufacturer to advance national industrial capacity



Landmark collaboration with AfDB Group through risk sharing engagement for ESG Projects in Cote d'Ivoire

## 2023 Shariah Compliant Financial Sector Development

Business insured in Member States via BMP product



**USD 533 million**

Business insured via DCIP product



**USD 1,828 million**

Business insured via joint business with ITFC



**USD 297 million**

SDGs supported



Sectors supported



**Energy  
USD 1,355 million**



**Manufacturing  
USD 571 million**



**Agriculture  
USD 29 million**



**Services  
USD 8 million**



**Others  
USD 398 million**

## 2023 Human Development



Total business insured in labour-intensive sectors

**USD 628 million**



Agricultural support in Member States

**USD 53 million**



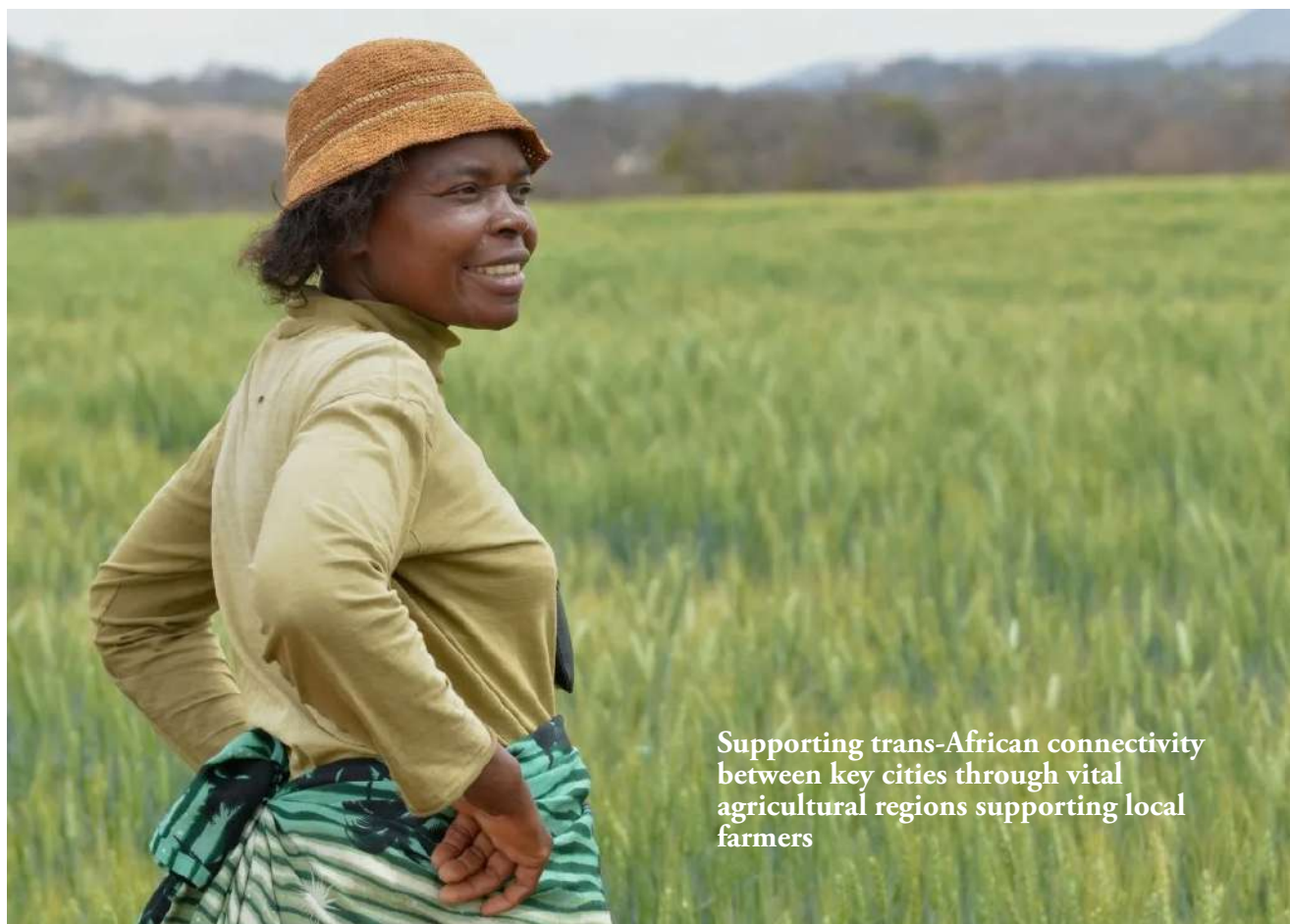
Health sector support

**USD 289 million**



Infrastructure support

**USD 426 million**



Supporting trans-African connectivity between key cities through vital agricultural regions supporting local farmers



# Impact Stories



4.



## Stories of Change

# Food Security – Transforming Date Palm Agriculture

## ICIEC's Impact in Palestine's Agricultural Sector



### Project Features

Nakheel Palestine is transforming date palm agriculture in Jericho, West Bank, through strategic investments, sustainability efforts, and community upliftment. Established in 2010, the project aims to provide high-quality dates for local demand as well as for exports to international markets, while addressing environmental, social, and economic challenges in Palestine.



### Objective

To cultivate, produce, and sell premium dates while enhancing agricultural productivity in the region. With a focus on integrating sustainable farming practices, Nakheel aims to contribute to the local economy, reduce poverty, and empower Palestinian communities, particularly women and low-income families.



### Stakeholders

ICIEC was the reinsurer under a 50% risk-sharing arrangement with MIGA to support the project investors. MIGA was an original guarantor providing political risk insurance against the risks of Expropriation and War & Civil Disturbance. The key financial stakeholders were PADICO and Siraj Fund I.



### Investors' Risks Mitigation

Nakheel Investors are concerned by the constant risks of expropriation, war, and civil disturbances. ICIEC's reinsurance support to MIGA provides a safety net, ensuring continued operations and investor confidence.



### Impact: Job Creation, Exports Providing Foreign Exchange

Nakheel Palestine directly contributes to the local economy by creating over 800 jobs, including 74 permanent positions and 741 seasonal roles, with approximately 30% of the workforce consisting of women. The project offers critical employment opportunities in an area where economic activity is often constrained by geopolitical challenges.

The production and export of dates provide a much-needed source of foreign exchange for the Palestinian economy, with 60% of the crop being exported annually to several international markets. As a result, the project not only boosts local employment but also fosters Palestine's presence in global agricultural markets.

The project actively engages local farmers and communities by providing training programs that enhance agricultural skills and knowledge. This empowerment leads to job creation and income generation, which are essential for improving living standards in the region.



### Environmental and Operational Sustainability

Nakheel Palestine is committed to environmentally responsible agriculture. By installing a 0.5MW solar power facility, the project now meets 20% of its energy needs through renewable sources, reducing greenhouse gas emissions by 121 metric tons annually.

Additionally, Nakheel employs water-efficient drip irrigation systems, critical in a region where water scarcity is a constant challenge. Nakheel also adheres to Global G.A.P standards, ensuring sustainable farming practices that maintain product quality while minimizing environmental impacts.



#### Developmental Impact Figures



**USD 7.6 million**

ICIEC Cover of total investment



**60%**

of production exported:  
Türkiye, Italy, Indonesia, Qatar, and others



**800+**

jobs created with 30% being for women



**0.5MW**

Solar energy generated



**2,800**

metric tons of Medjool and Barhi dates annually



**No.1**

Leader in agricultural sustainability in Palestine.

## Improving Connectivity – Modern High-Speed Rail

### ICIEC's Impact in Türkiye's Transportation Sector



#### Project Features

The Yerköy-Kayseri High-Speed Railway Project is a transformative infrastructure initiative in Central Türkiye aimed at enhancing connectivity, reducing travel time, and fostering regional economic development. The project, which involves constructing a high-speed rail line between Yerköy and Kayseri, is integral to Türkiye's broader transport modernisation strategy.



#### Objective

The primary goal of the Yerköy-Kayseri High-Speed Railway Project is to significantly reduce travel time between Yerköy and Kayseri, enhancing economic activity in the Yozgat, Nevşehir, and Kayseri regions. The project aims to improve the efficiency of Türkiye's transport network by providing a fast, safe, and sustainable rail option, thereby reducing road congestion, promoting regional development, and supporting Türkiye's environmental goals.



#### Stakeholders

ICIEC provided political risk insurance and reinsurance coverage, supporting the security and success of the investment. The executing agency was AYGM (General Directorate of Infrastructure Investments) and MUFG Securities EMEA plc was the lead arranger and agent for project financing. The EPC contractors were Doğuş-Çelikler-Özkar JV, and the post-construction operator was TCDD (Turkish State Railways).



### Investors' Risks Mitigation

The project faces several challenges, including land expropriation issues, potential cost overruns, and the need for compliance with environmental and social standards. The project's location in a seismically active region also poses construction risks, which have been mitigated through stringent engineering standards and compliance with international environmental and social guidelines.



### Impact: Improved Connectivity for Millions of People

The Yerköy-Kayseri High-Speed Railway Project is expected to create approximately 3,208 jobs during its construction phase, boosting local employment. Upon completion, the railway will facilitate faster movement of goods and people, stimulate regional economic development, and enhance Türkiye's competitiveness in the global market. The project is also expected to significantly reduce greenhouse gas emissions by shifting a portion of travel from road to rail, contributing to Türkiye's climate goals.



### Environmental and Operational Sustainability

The project aligns with Türkiye's national goals for sustainable development, emphasizing the use of renewable energy and reducing carbon emissions. A key feature of the project is its compliance with the Equator Principles and IFC Performance Standards, ensuring that environmental and social impacts are managed responsibly. The construction includes energy-efficient electric powered locomotives that are expected to result in emissions reductions of 21,000 metric tonnes of CO<sub>2</sub> annually.



**A key feature of the project is its compliance with the Equator Principles and IFC Performance Standards, ensuring that environmental and social impacts are managed responsibly**



#### Developmental Impact Figures



**EUR 142 million**

ICIEC Cover 50% of total investment



**140 km**

length of double track lines being built



**13 million**

estimated passengers to be served annually



**5 hours**

Reduction in time from 7 hours to 2 hours



**3,208**

Jobs creation during construction



**75%**

Reduction in CO<sub>2</sub> emission

## Clean and Safe Water – Saving Lives Through Disease Reduction



### ICIEC's impact in Senegal's wastewater infrastructure



#### Project Features

The Senegal Wastewater Rehabilitation Project is a critical infrastructure initiative aimed at modernizing and improving the wastewater management system in Dakar, Senegal. This project addresses both environmental and public health concerns by rehabilitating the ageing Hann-Fann wastewater collector, which is vital for the city's sanitation and flood prevention efforts. The project is designed to enhance the quality of life for Dakar's residents by reducing health risks and supporting sustainable urban development.



#### Objective

The primary goal of the project is to rehabilitate the Hann-Fann wastewater collector, ensuring a sustainable and safe wastewater management system for Dakar. The project will significantly reduce health risks associated with poor sanitation, such as malaria, diarrhea, and respiratory diseases, and will contribute to the city's resilience against flooding.



#### Stakeholders

ICIEC was an insurer providing NHSFO cover for 40% of the financing facility. The main financier was Société Générale Paris (SG).

The EPC contractors, Synergies Afrique & Henan Chine Senegal, were responsible for the construction and rehabilitation works and the project operator was ONAS (National Office for Water Sanitation), responsible for the implementation and maintenance.





### Investors' Risks Mitigation

The project faces several risks, including construction delays, currency exchange fluctuations, and the ongoing impacts of the COVID-19 pandemic. The rehabilitation of the wastewater collector was complicated by its deteriorated state and the urban density of Dakar, which increases the risk of accidents during construction. Additionally, the project is exposed to the risk Non-Honouring of Sovereign Financial Obligations by the Senegalese government, which is mitigated by ICIEC's NHSFO cover.



### Impact: Clean Water, Disease Reduction

This project will directly benefit over 500,000 residents of Dakar by reducing their exposure to hazardous wastewater conditions. It will also have a substantial economic impact by creating 6,151 jobs during the construction phase and improving the long-term sustainability of the city's sanitation infrastructure.

By ensuring the proper functioning of Dakar's wastewater management system, the project will prevent future public health crises and contribute to the city's economic development by enhancing its attractiveness as a place to live and do business.

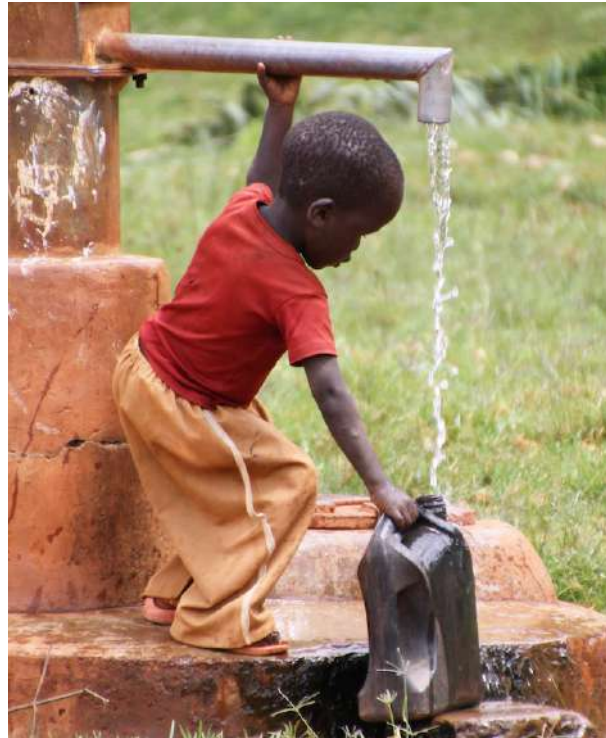


### Environmental and Operational Sustainability

The project includes the replacement of the main wastewater collector and associated conduits with modern, durable materials designed to last for at least 40 years. Additionally, the project will provide ONAS with the necessary training and equipment to maintain the new infrastructure, ensuring its long-term sustainability.



**This project will directly benefit over 500,000 residents of Dakar by reducing their exposure to hazardous wastewater conditions**



#### Developmental Impact Figures



**EUR 50 million**

ICIEC Cover -40% of the total facility



**6,000+**

direct jobs created



**150,000+ children**

benefited from reduced exposure to malaria and diarrheal diseases



**108 km**

Length of wastewater collector: 8 km main, 100 km secondary and tertiary conduits

## Disabled Persons Rehabilitation – Empowering lives



### ICIEC's impact for Disabled Persons in Cameroon



#### Project Features

The modernisation of the National Center for the Rehabilitation of Disabled Persons (CNRPH) in Yaoundé, Cameroon, is a crucial infrastructure project aimed at improving healthcare services for disabled individuals. The project, financed by BMCE Bank of Africa and supported by ICIEC, will enhance the existing facilities and construct new ones to provide comprehensive care and vocational training for people with disabilities.



#### Objective

The primary goal of the CNRPH modernisation project is to provide state-of-the-art rehabilitation services to people with disabilities in Cameroon. The project includes the rehabilitation of existing facilities and the construction of new buildings, such as medical units, a medical technical building, administrative offices, residences, and educational facilities. This initiative aims to improve the quality of life for disabled individuals, promote their integration into society, and offer them opportunities for vocational training.



#### Stakeholders

ICIEC provided insurance cover against the non-honouring of sovereign financial obligations to BMCE Bank of Africa, the financier of the project. Ministry of Social Affairs (MINEPAT) oversaw the project's implementation on behalf of the Cameroonian government with the selected EPC contractor being Dispresso who led the construction efforts in collaboration with SGTm.



### Investors' Risks Mitigation

The project faces several challenges, including construction risks due to the involvement of a relatively inexperienced contractor, security risks related to political instability in Cameroon, and risks associated with the COVID-19 pandemic. Mitigation strategies include collaboration with experienced subcontractors, adherence to strict safety protocols, and continuous monitoring by BMCE and the Cameroonian government to ensure the successful completion of the project.



### Impact: Empowering Disabled Individuals

This project created around 100 local jobs during the construction phase and provide long-term employment opportunities within the rehabilitation center. By improving healthcare services and offering vocational training, the project will empower disabled individuals, enhance their quality of life, and contribute to Cameroon's socio-economic development.



### Environmental and Operational Sustainability

The project includes measures to minimize its environmental impact, such as the restoration of vegetation cover and the installation of waste management systems. The rehabilitation center will be equipped with modern facilities that adhere to high environmental standards, ensuring sustainability in its operations.



**The project includes measures to minimize its environmental impact, such as the restoration of vegetation cover and the installation of waste management systems**



#### Developmental Impact Figures



**EUR 20 million**

ICIEC Cover - 95% coverage



**2 million**

disabled individuals benefited



**100+**

local jobs created during construction



**Empowering**

disabled individuals to contribute to social and economic life



## Cleaner and More Affordable Electricity

### ICIEC's impact in Egypt's Electricity Supply Sector



#### Project Features

The Power Plant Conversion Project in Egypt, supported by Export Development Canada (EDC) and reinsured by ICIEC, focuses on increasing the capacity of two critical power plants in Assiut and West Damietta. This project is part of Egypt's broader emergency power plan, aimed at stabilizing the national grid and supporting the country's growing energy needs. The conversion of these plants to combined cycle operation will significantly enhance Egypt's power generation capacity.



#### Objective

The primary goal of this project is to increase Egypt's power generation capacity by converting the Assiut and West Damietta power plants from simple cycle to combined cycle operations. This conversion will enhance the efficiency and output of the plants, contributing to the stability of Egypt's electricity grid and supporting the country's industrial and economic development.



#### Stakeholders

ICIEC reinsured Export Development Canada (EDC) coverage who provided financial support and insurance cover.

The Project sponsor and owner of the power plants was Egyptian Electricity Holding Company (EEHC) and the EPC contractors responsible for the conversion comprised of General Electric, Orascom Construction, and IMAGRO Construction.



### Investors' Risks Mitigation

The project faces several challenges, including construction risks due to the complex nature of converting existing power plants and financial risks associated with long-term project financing. Mitigation strategies include robust project management by experienced contractors and financial coverage provided by EDC and reinsured by ICIEC to ensure successful project execution.



### Impact: Sustainable and Affordable Electricity Supply

This project is expected to create significant employment opportunities during the construction phase and contribute to long-term economic growth by providing reliable electricity to support industrial development. The increased power capacity will also enhance Egypt's competitiveness, reduce energy costs, and improve the quality of life for millions of Egyptians.

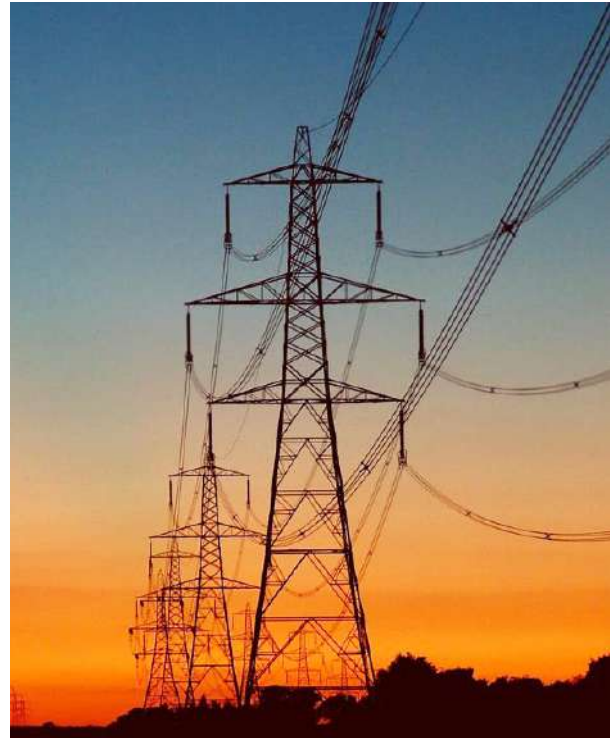


### Environmental and Operational Sustainability

The conversion of these power plants to combined cycle operation will improve their efficiency and reduce greenhouse gas emissions per unit of electricity generated. This aligns with Egypt's commitment to sustainable energy practices and environmental stewardship.



**This project is expected to create significant employment opportunities during the construction phase and contribute to long-term economic growth by providing reliable electricity to support industrial development**



#### Developmental Impact Figures



**USD 30 million**

ICIEC reinsurance cover 25% of the insured amount



**Less CO<sub>2</sub>**

by upgrading from single cycle to combined cycle operations



**Cheaper Energy**

for millions of Egyptians



**750 MW**

energy capacity Increase

## Building Climate Change Resilience

### ICIEC's Impact in Egypt's Green Financing Project



#### Project Features

The Green Financing Project in Egypt, backed by Sumitomo Mitsui Banking Corporation (SMBC) and supported by ICIEC, focuses on financing critical green infrastructure projects. This initiative aligns with Egypt's commitment to sustainable development and climate adaptation, particularly in the water, sanitation, seawater desalination, and renewable energy sectors. The project is part of a broader strategy to enhance the country's resilience to climate change and improve the quality of life for millions of Egyptians.



#### Objective

The primary goal of the Green Financing Project is to support Egypt's sustainable development by financing infrastructure projects that are essential for climate adaptation and environmental sustainability. These projects include the rehabilitation and lining of canals, construction of water treatment plants, development of seawater desalination facilities, and the expansion of sewage treatment infrastructure.

These initiatives aim to enhance the quality of drinkable and farming water available to citizens, improving their livelihoods and well-being. Additionally, the projects contributed to create local employment opportunities, as they require substantial manpower for execution. The financed projects directly contribute to achieving SDG 6, which focuses on clean water and sanitation.



### Stakeholders

ICIEC provided cover for Non-Honouring of Sovereign Financial Obligations (NHSFO) for Sumitomo Mitsui Banking Corporation (SMBC) who were financing partners with a significant share in the syndicated loan.

The key sponsor of the Green Financing Project was Ministry of Finance, Egypt.

Emirates NBD Capital Limited and First Abu Dhabi Bank PJSC were lead arrangers and global coordinators of the loan syndication for the project.



### Investors' Risks Mitigation

The project faces several challenges, including the risk of non-repayment by the Egyptian government, construction risks related to the large-scale infrastructure projects, and environmental risks due to Egypt's high vulnerability to climate change. Mitigation strategies include comprehensive insurance coverage by ICIEC, careful selection of contractors with proven track records, and adherence to international environmental standards to ensure the sustainability of the projects.



### Impact: Sustainable and Clean Water Supply

These green projects contributed in creating significant employment opportunities across Egypt, particularly in the construction and maintenance of water and sanitation infrastructure. The project enhance access to clean water and sanitation services, improve public health, and support Egypt's long-term economic growth by fostering a more resilient and sustainable environment.

Local suppliers and contractors benefited from procurement opportunities related to the projects, further bolstering economic growth at the community level.



### Environmental and Operational Sustainability

The projects under this financing initiative are designed with a strong focus on environmental sustainability. They include the use of energy-efficient technologies in seawater desalination, water recycling, and wastewater treatment. These initiatives help reducing water consumption, improve resource efficiency, and lower greenhouse gas emissions, contributing to Egypt's broader environmental goals.



#### Developmental Impact Figures



**10 million**

people benefited from wastewater management projects to date



**6,750 km**

of rehabilitated canal to date



**27%**

Improvement in efficiency of water delivery



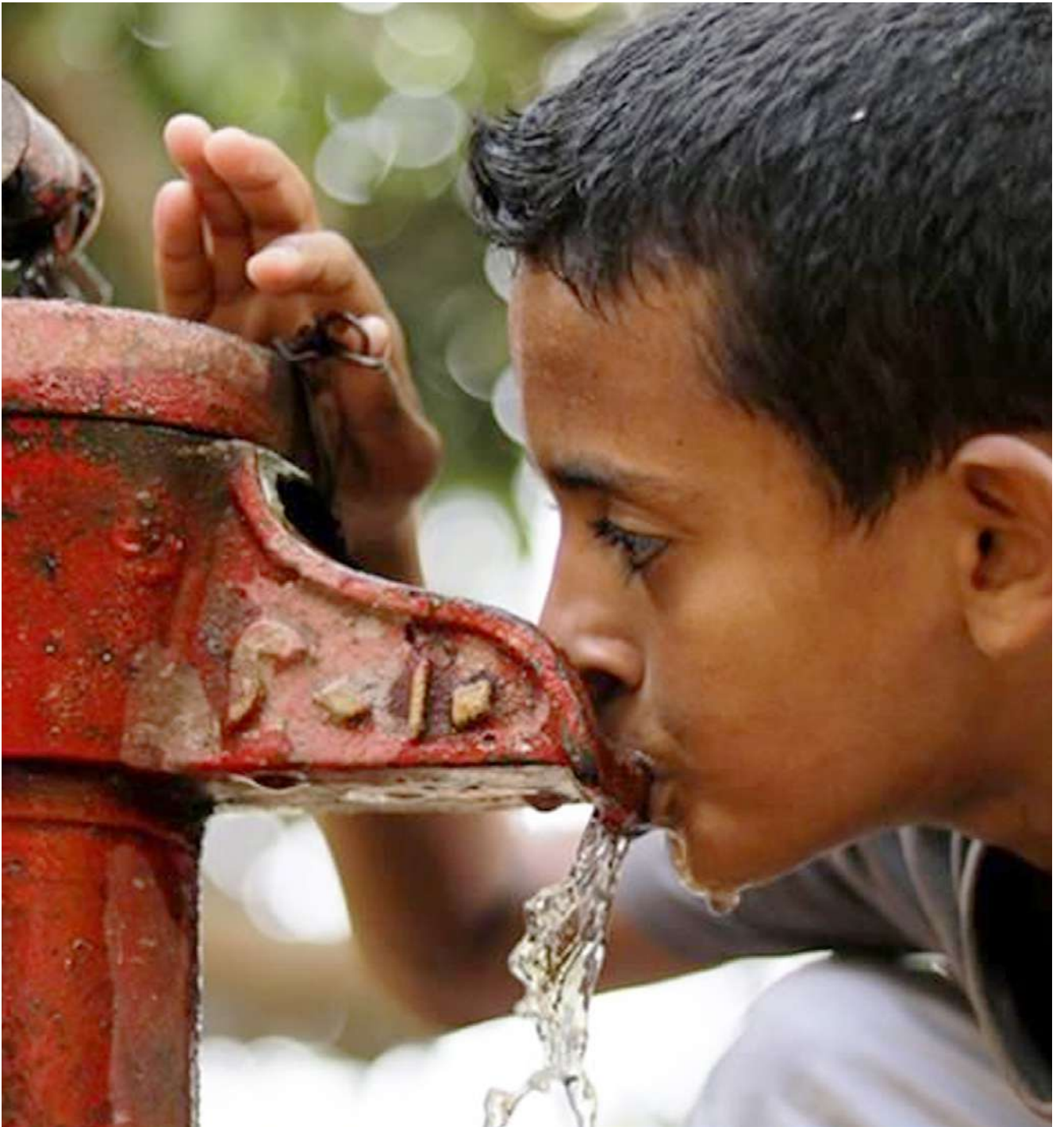
**137,097**

m<sup>3</sup>/day of water supply produced via freshwater production or treated used water



**14%**

of water recycled



# Organisational Effectiveness



5.

## Operational Efficiency

The total business insured in 2023 increased to USD 13.3 billion, indicating a significant growth of 14.4% from the previous year. New insurance commitments amounted to USD 4.2 billion which was a 4.6% increase from the previous year. This is a continuation of the strong growth experienced in recent years as evidenced by the fact that half of the cumulative business insured having been transacted in the last 5 years alone.

At the same time, ICIEC has been broadening and deepening its client base and market reach, yet it has maintained and improved its technical underwriting performance as reflected by its 7<sup>th</sup> consecutive year of technical surplus after having 23 years of technical deficits. This is extraordinary considering that ICIEC has more than doubled its business insured over the same period.



Over three decades, ICIEC has insured USD 108.3 billion in trade and investment across the globe for its 49 Member States, including USD 86.2 billion in export credit and USD 22.1 billion in investment insurance. ICIEC has continued to be a champion of intra-OIC business, supporting USD 51 billion in trade and investment within OIC countries.

A notable shift in 2023 for new commitments is from Short-Term insurance to investment insurance as Foreign Investment Insurance’s share increased from 27% to 43%, while Medium-Term business declined from 13% to 8%, and Short-Term Business decreased from 60% to 49%. The significant growth in the combined Medium-Term and Foreign Investment Insurance business indicates a strategic focus on more diversified and long-term investment. These trends reflect ICIEC’s strategic realignment towards longer-term, sustainable business lines leading to its current average tenor of 268 days.

ICIEC’s net exposure, after a 72% reinsurance cession, was USD 1.4 billion, representing a stable and unchanged year-on-year performance, with Investment Insurance remaining the primary contributor.

Despite the challenging market conditions, ICIEC succeeded in expanding and growing its business insurance by increasing its capacity to attract external reinsurance partners. The volume of ceded insurance in 2023 amounted to 72% of gross exposure, underscoring ICIEC’s ability to leverage its partnerships to amplify its impact. Remarkably, ICIEC’s ceded outward insurance reached a record USD 8.2 billion in 2023 evidencing an unprecedented ability to stretch its risk capital capacity to meet the surging insurance needs of Member States.

For every dollar directly insured by ICIEC, it has leveraged an additional 2.5 dollars externally for its clientele.

In 2023, ICIEC strengthened its position in the Islamic insurance industry as a global leader by spearheading initiatives in line with global developmental agenda for climate change and food security. During the year, ICIEC launched at COP28, its Climate Change Policy and ESG Framework, forged a new partnership with Global Green Growth Initiative (GGGI), and introduced a new Green Sukuk Insurance Policy.

Also, in regard to food security, ICIEC has exceeded its initial pledge of USD 500 million by 58% to-date, with approvals of



USD 788 million for the IsDB Group Food Security Response Program (FSRP). The Corporation has also worked to establish external funds such as Arab Africa Guarantee Fund (AAGF).

## 2023



### Award

**Global Brands Magazine: “Leading Digital Economic Transformation Initiative” for OIC Business Intelligence Centre (OBIC)”**

## 2023

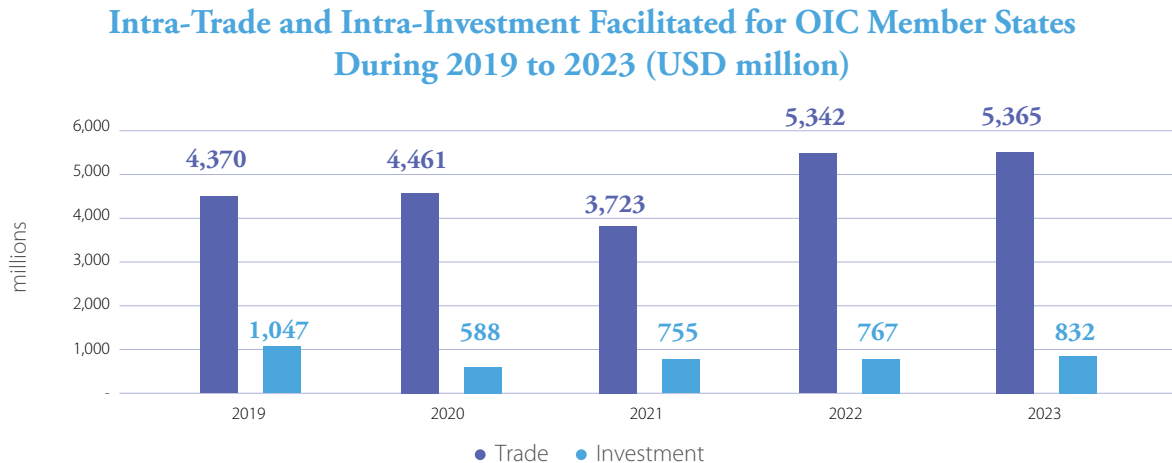


### Award

**Global Trade Review (GTR): Leaders in Trade Award for Islamic Finance in Trade**



## ICIEC has been a Champion in Facilitating Intra-OIC Trade and Investment



ICIEC facilitated significant recovery in trade and steady growth in investment among OIC Member States from 2019 to 2023. Trade rebounded to USD 832 million in 2023 after COVID-19 impact, while investment climbed to a peak of USD 5,365 million, demonstrating ICIEC's key role in economic stabilization and growth. ICIEC's intra-OIC trade and investment contribution over the past 30 years of about USD 51 billion span across its 49 Member States.

ICIEC has embarked on several institutional and infrastructural initiatives to further drive its delivery effectiveness and efficiency:

### ICIEC Takaful System

The new ICIEC Takaful System is set to overcome the current limitations of the ICIEC Insurance Management Solution, enhancing process coverage and integration capabilities.

The system is designed to enhance operational efficiency, client engagement, and overall service quality through automation and advanced technological integration.

With rigorous testing and integration, particularly of the Credit Insurance and Reinsurance modules, the system is designed to be robust and adaptable to future industry.

### Environmental, Social, and Governance (ESG) Credit Impact

Moody's has, for the first time, assigned ICIEC an ESG Credit Impact Score of CIS-2, reflecting a neutral-to-low impact of environmental and social factors on its credit rating. This score highlights ICIEC's effective governance and its strategic focus on trade credit and investment insurance, which minimizes its exposure to environmental risks.

### Capacity Building

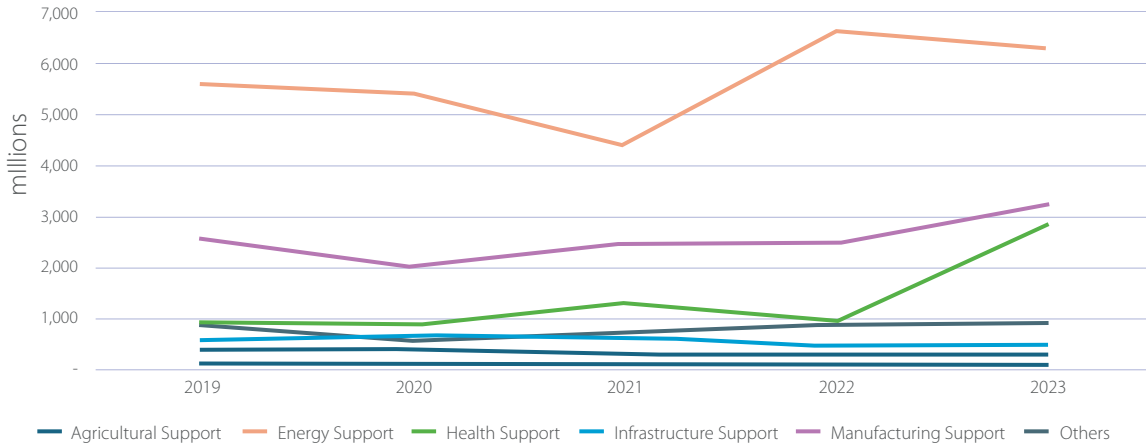
ICIEC conducted two capacity-building programs, attended by 80 participants from 22 Member States, focused on the use of the OIC Business Intelligence Centre (OBIC), aiming to enhance understanding and utilization of business intelligence in trade and investment decisions.



**ICIEC's intra-OIC trade and investment contribution over the past 30 years of about USD 51 billion span across its 49 Member States.**

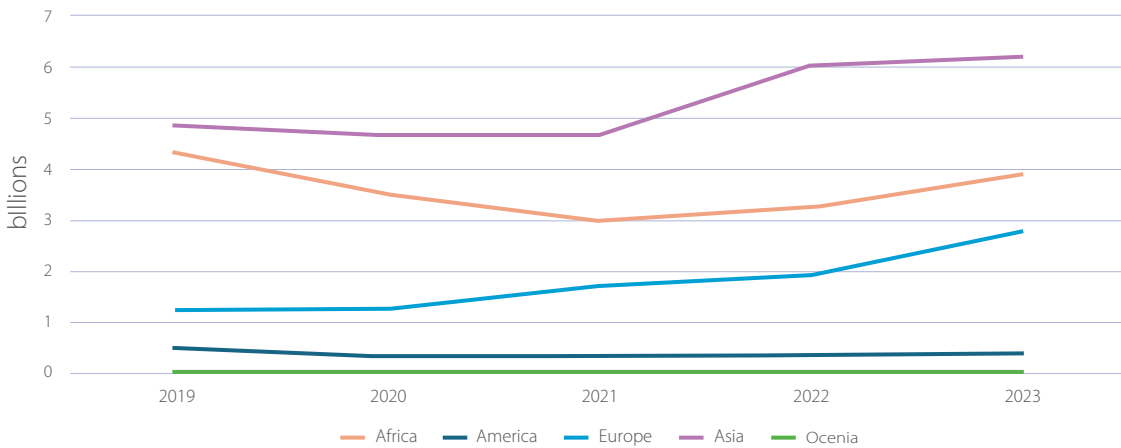
# Organisational Performance

## Business Insured by Sector



The above chart illustrates the trends in ICIEC’s insured business across various sectors from 2019 to 2023. The Energy sector consistently leads in insured value, despite a decline between 2019 and 2021, followed by a significant recovery in 2022. The health sector saw a dramatic increase in 2023 after several years of relatively low levels, while the manufacturing sector remained stable with minor fluctuations. Agricultural and Infrastructure sectors experienced low and steady levels of insurance coverage, with “Others” consistently the lowest, reflecting a diversified yet strategic insurance portfolio across these key developmental sectors.

## Business Insured by Region



The above graph shows the distribution of ICIEC’s insured business across different regions from 2019 to 2023. Asia consistently holds the highest insured value, with a noticeable increase starting in 2021 and continuing through 2023. Africa, while initially higher in 2019, shows a decline followed by a gradual recovery from 2022 onwards. Europe exhibits steady growth over the last 5 years being the 3<sup>rd</sup> largest continent for ICIEC’s business insured. America and Oceania maintain relatively low and stable insured values throughout the period, indicating a more concentrated focus on Asia, Africa, and Europe in ICIEC’s portfolio.

## 2023 Organisational Performance



Business Insured

**USD 13.3 billion**



New Commitments

**USD 4.2 billion**



Reinsurance Cessation

**72%**



Foreign Investment Insurance,  
Share of Total

**43%**



Number of Member States  
Served

**41**



Intra-OIC Support,  
Volume

**USD 6,197 million**



Number of LDMSs Supported

**12**



Average Tenor

**268 days**



Number of New Clients

**44**



Renewable Energy, Share of  
Portfolio

**0.5%**



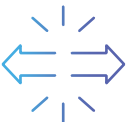
Intra-OIC Support, Share of  
Total Insured

**46.5%**



Renewable Energy,  
Portfolio

**USD 56.5 million**



Outward insurance/reinsurance share

**61%**

# Future Outlook



6.

The global trade and investment landscape in recent years has been characterized by a series of unprecedented challenges. While the world witnessed a semblance of recovery, it remains ensnared in a web of uncertainties. Two primary factors have been at the epicentre of these concerns: the persistent effect of the COVID-19 pandemic and the geopolitical tensions stemming from Middle Eastern and Eastern European conflicts. The volume of Intra-trade is expected to increase from 18% seen in 2021 to 25% by 2025

The Organisation of Islamic Cooperation (OIC) states, which represent a sizeable portion of the global economy, are not immune to these global headwinds. Economic growth within the OIC bloc is projected to follow a moderating trend, with estimates pointing to a growth rate of 5.6% in 2022, tapering to 3.9% in 2024<sup>1</sup>, and 4.1% in 2025. Growth prospects are significantly undermined by ongoing conflicts in the region, particularly by the Israeli war on Palestine.



1 SESRIC, OIC Economic Outlook 2023

## Considering Global and OIC Trends

Amidst the latest global and OIC trends, global economic recovery and growth will significantly impact ICIEC's strategies and operations. The IsDB Group's Strategic Realignment 2023-2025 underscores this, highlighting the importance of ICIEC's ability to adapt to these trends, offer innovative solutions, and align with global priorities. This alignment will be crucial in determining ICIEC's growth trajectory for 2024-25 and beyond.

## Evolving Product Landscape Aligned with Global Priorities

The global policy landscape is rapidly evolving, with a strong focus on sustainability and securing critical resources. Export Credit Agencies (ECAs) worldwide are responding with new product offerings and expanded coverage, particularly for "green" projects both domestically and internationally. For ICIEC, this aligns with a broader vision of sustainable development and economic resilience. By supporting such projects, ICIEC not only advances global policy objectives

but also ensures long-term economic viability for its Member States. The internal ICIEC system developments include the forthcoming ICIEC Takaful System (ITS) which will enhance ICIEC's ability to offer seamless solutions to its stakeholders.

## Capital Expenditure Resurgence Across Industries

The post-pandemic era has seen a surge in capital expenditure across various industries, signalling economic recovery and highlighting the pressure on traditional capital sources. For ICIEC, this presents both a challenge and an opportunity. The challenge lies in navigating these increased demands, while the opportunity is in positioning itself as the preferred entity for ECA-supported financing. As a key player within the IsDB Group, ICIEC is uniquely positioned to spearhead initiatives that enhance trade fluidity within the OIC and unlock economic potential, ensuring a prosperous future for its Member States. With the Board of Governors approving a share capital increase of ID 600 million (USD 805 million), ICIEC is better equipped to support its Member States during these transformative times.





## Geopolitical Dynamics and the Reshoring Imperative

Geopolitical uncertainties are driving significant shifts in global production strategies, leading to a renewed focus on reshoring. The trend towards reshoring—bringing production closer to home—is gaining momentum. Tailored ECA programs that directly support domestic exporters, especially for in-country imported goods and services, will be at the forefront of this shift. ICIEC, with its deep understanding of the geopolitical landscape, is well-positioned to guide its Member States through this transition. By doing so, ICIEC can bolster domestic economies while ensuring they remain competitive on the global stage.

## Diversification in Trade Credit and Investment

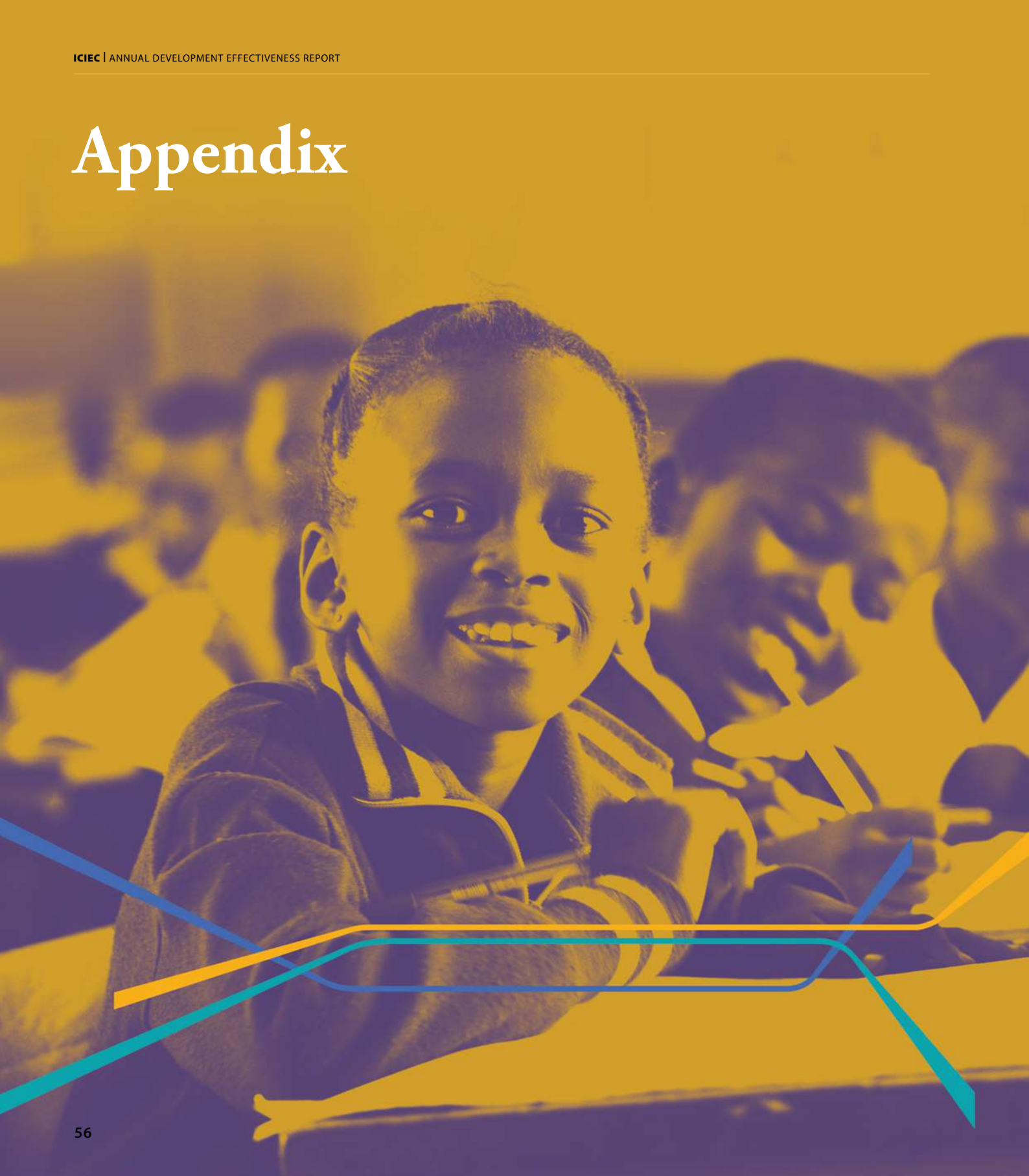
The year 2023 has seen a growing interest in diversifying sources of liquidity, with both investment-grade and sub-

investment-grade borrowers increasingly turning to ECA finance. This trend underscores the evolving trust in ECA-backed financial instruments. For ICIEC, this signifies an expanded clientele base and an opportunity to further its mission. By offering tailored financial solutions to this diversifying borrower landscape, ICIEC can solidify its reputation as a versatile and reliable financial partner for its Member States in the coming years.

## Navigating Capital Market Volatility

In an era marked by pronounced capital market volatility, ICIEC's role becomes even more crucial. The ability to enable Export Credit Agency (ECA) supported funding that remains both available and competitive, regardless of fluctuating market conditions, positions ICIEC as a cornerstone of stability for its stakeholders. As global markets contend with uncertainties—from geopolitical shifts to technological disruptions—ICIEC's resilience will be instrumental in ensuring consistent support for its Member States and reinforcing trust in ICIEC's capabilities, even amidst global financial turbulence.

# Appendix





## Brief on Islamic Development Bank Group

### Islamic Development Bank (IsDB)

The Islamic Development Bank (IsDB) is a multilateral Islamic financial institution established in 1975 to foster socio-economic development in Member States and Muslim communities in non-Member States. It Provides project financing for infrastructure, and social development, Equity participation in strategic corporate and financial institutions.



#### Vision:

The IsDB strives to become a world-class development bank, inspired by Islamic principles, that helps to significantly transform the landscape of comprehensive human development in the Muslim world and to restore its dignity.



#### Mission:

To promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance, and prospering the people.

### IsDB is rated AAA by:

FitchRatings

MOODY'S

S&P Global



#### Islamic Development Bank (IsDB)

Provides project financing for infrastructure, social development, and equity participation in strategic corporate and financial institutions.



#### Islamic Development Bank Institute (IsDBI)

Provides training, research, advisory, and capacity building for the development of the Islamic Financial Service Industry.



#### The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)

Provides political and commercial risk insurance and reinsurance solutions. ICIEC is rated Aa3 by Moody's.



#### Islamic Corporation for the Development of the Private Sector (ICD)

Provides project finance solutions to develop the private sector in Member States. ICD is Rated A2' by Moody's, 'A-' by S&P and, A+ by Fitch.



#### International Islamic Trade Finance Corporation (ITFC)

Provides financing and capacity building to encourage intra-trade across OIC Member States. ITFC is rated A1 by Moody's and AA-/A1 by IIRA.



#### The Islamic Solidarity Fund for Development (ISFD)

Provides financial support to enhance the productive capacity, and sustainable means of income for the poor.

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