



**AMAN UNION**

The Association of Arab & Islamic Export Credit Insurance Agencies

# YEARBOOK 2025



**Fostering Cooperation Among  
AMAN Union Members in Support of  
Trade and Investment**

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# 01

## INTRODUCTION



# EDITORIAL

## AMAN Union Yearbook 2025

We are proud to present this edition of the AMAN Union Yearbook. It is the result of a journey that started in 2009 with a shared goal: to create a dedicated professional forum for credit and political risk insurers, reinsurers, and export credit agencies from the Arab and Islamic world to come together. 15 years later, the AMAN Union has grown into a strong, cooperative network that keeps pushing for excellence, new ideas, agility and innovation in our industry.

Since its inception in 2009, the Union has been a one-of-a-kind place for people to talk and work together, connecting markets and institutions in a region that is becoming more and more important for global trade and investment. The Union has reached important goals over the years that show how committed and ambitious we all are.

In the future, AMAN Union will keep being an important place for support, learning, and activism. As the world economy changes, our shared goal and commitment stays the same: to make trade credit and investment insurance more important in helping our member countries and others grow their economies in a way that is good for the long term.

This Yearbook is a natural extension of that noble mission of the Union, and it brings together the voices, experiences, and insights of all our members in a way that ensures our story is documented and preserved for future generations. It is not just a record of our achievements, but also a mirror of our unity and our shared vision for the future. Therefore, what makes this inaugural edition truly special is that it represents the collective ownership of the Union. Most of the members have contributed to shaping its content, providing data, sharing perspectives, and highlighting national achievements. In this way, the Yearbook becomes a symbol of the cooperative spirit that defines AMAN Union and sets it apart as a unique model of regional and international collaboration.

The Team of the AMAN Union General Secretariat, which is in charge of putting together the content of the Yearbook, would like to thank all of the members of the Union, as well as partners and stakeholders, who helped make the release of the book possible. They also look forward to more contributions to the 2nd Edition, which is set to come out in 2026.

**The AMAN Union Editorial Team**

# MESSAGE FROM THE CHAIRMAN OF THE 15<sup>TH</sup> AMAN UNION GENERAL ASSEMBLY



Dear Esteemed Members of the AMAN Union

Dear Esteemed Readers of the AMAN Union  
Yearbook 2025

I am pleased to introduce to you the first edition of the AMAN Union Yearbook 2025, which coincides with the celebration of the 15th Anniversary of our Union. This publication reflects our shared journey and a new chapter in the history of AMAN Union. It stands as a testament to our common values, cooperation, and achievements. It embodies the tale of our journey as a Union, and of our efforts to develop and support trade and investment not only in our region but beyond.

Since its establishment in 2009, the AMAN Union has been more than a place where insurers and reinsurers of commercial and political risks are meeting but going beyond that to be a community of trust, collaboration, and resilience. Over the years, the Union has provided an invaluable platform for exchange among members, enabling us to respond collectively to regional and global challenges, and this Yearbook is a natural extension of that mission.

What makes this inaugural edition truly special is that it represents the collective ownership of the Union, and most of the members have had a hand in shaping its contents, supplying data, sharing insights, and featuring national success

stories. Thus, the Yearbook is seen to reflect the cooperative ethos which distinguishes AMAN Union and makes it a unique regional as well as international model.

As I preside over the 15th General Assembly, I am gratified to witness this vision manifested into a publication chronicling our odyssey – inspiring leaders and professionals in the future, such as us. I thank all member institutions for the support provided and the Secretariat team at large for their zeal in making this Yearbook a reality.

I would like to take this opportunity to extend my sincere appreciation to the Secretary General, the Secretariat team, and all members whose contributions made this Yearbook possible. May this publication inspire us to build on our past, embrace the challenges of tomorrow, and continue to reinforce the bonds that unite us.

With warm regards,

## **Dr. Khalid Khalafalla**

The Chief Executive Officer, the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC),  
Chairman of the 15<sup>th</sup> AMAN Union General Assembly

# MESSAGE FROM THE SECRETARY GENERAL OF THE AMAN UNION



Esteemed Members of the AMAN Union  
Esteemed Readers of the AMAN Union Yearbook  
2025

Welcome to the first issue of the AMAN Union Yearbook, a publication that marks our 15<sup>th</sup> Anniversary, which we are all proud of and reflects the theme of this year Annual meetings **“Strengthening Partnership for Sustainable Growth”**.

As the Yearbook was launched, it reflects our Union’s continuing commitment to promote exchanges in knowledge, transparency, good governance, and cooperation among our Members and Partners. Over the past 15 years, AMAN Union has grown into a unique platform for export credit and investment insurance institutions of the Arab and Islamic world, and sometimes even further afield. It brings together an unequalled opportunity to share experience, collaborate, and build partnerships with operators from different countries witnessing the congruency of values and aspirations that unites the members.

My sincere thanks go to all member institutions for their support and contributions to supporting the mandate of the Union. Special thanks to the team of the General Secretariat and the authors contributing to producing this first even publication

of the Yearbook for their tireless efforts and dedication.

The AMAN Union independent General Secretariat established in 2025 has been able thanks to the support of all the members to pave the way to sustainable growth of the Union through developing tailored strategy in terms of Governance, communication, partnerships and capacity Building. The Production of this issue is just the beginning of a new Journey of Excellence setting higher standards for our Union. May it stand as a testament to our solidarity and guide us on the path forward.

With my best regards and sincere thanks,

**Mr. Mourad MIZOURI**

Secretary General of AMAN Union

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# AMAN UNION ANNIVERSARY: 15 YEARS OF GROWTH & COLLABORATION



# NEW CHAPTER FOR AMAN UNION



## **Mr. Rashed Ahmed Al-Haroun**

Director-General of the Arab Investment and Export Credit Guarantee Corporation (Dhamaan),

Chairman of the AMAN Union Executive Council

As part of the AMAN Union members' commitment to promoting its activities, events, and output, the first edition of the Union's book, published in 2025, marks a significant initiative. The aim is to document accomplishments and produce future visions and blueprints, thus boosting opportunities for constructive cooperation among its members.

AMAN Union was established 16 years ago - on October 28, 2009 - as the first Islamic and Arab platform that would bring together Export Credit Agencies (ECAs) and reinsurers from across the Arab and Islamic world against commercial and political risks. The Union was co-founded by the Arab Investment and Export Credit Guarantee Corporation (Dhamaan) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). Today, the Union includes 17 national, international, and multilateral agencies as full members.

The Union, utilizing its General Assembly, Executive Council, General Secretariat, specialized committees, meetings, training courses, and various activities, has ever since played a significant role in developing this sector. It achieves this by backing the development of its institutions, bolstering relations among them, building capacities in insurance and reinsurance, and sharing knowledge, information, expertise, research, and

consultations in line with international best practices. To illustrate, the Union launched a credit information database in 2013, which includes around 23,000 companies in the fields of trade, investment, and finance worldwide.

AMAN Union has also established a diverse and strategic network of associate and observer members, including leading international insurers and reinsurers. This is an effort to strengthen its members' technical and insurance capacities, align its practices with international standards and reinforce its role as a unique bridge between the Arab-Islamic export insurance community and the broader international market.

In particular, I would like to highlight the excellent work carried out under the leadership of the Union's Executive Council and General Secretariat in 2023 and 2024. The 26th Executive Council meeting, held in Riyadh and hosted by Saudi EXIM Bank, was a major milestone. Members reviewed technical progress, discussed the future of the Secretariat, and underscored the importance of stronger institutional governance and continuity. The professionalism demonstrated by all participants and the support of host institutions speaks volumes about our shared commitment to the Union's future.



The Union's members have provided insurance services valued at roughly \$50 billion annually. The insurance operations for Arab commodity imports by regional and international agencies have grown to more than \$120 billion annually. Such achievements have boosted confidence in most Arab and Islamic countries' economies, made them more attractive safe destinations for investment, trade, and business, and increased their chances of obtaining long-term financing on favorable terms, thus facilitating the implementation of infrastructure projects and basic services.

In return, our insurance services have provided investors, exporters, contractors, and financial institutions with protection from political and commercial risks. This enabled them to enter diverse countries and sectors and promoted opportunities of partnership with governments and other institutions in various business sectors.

It is in this context that we now look forward to the next important phase in Aman Union's institutional development: the relocation of the Secretariat General to Saudi EXIM Bank. This transition marks a significant turning point. We at Dhaman believe that this move will be a value-added step for all members. Saudi EXIM has demonstrated an unwavering commitment to supporting regional cooperation and has the institutional capacity to elevate the Secretariat to new levels of performance, visibility, and service delivery.

The permanent hosting of the Secretariat by Saudi EXIM will enhance continuity, provide stronger logistical and administrative resources, and align the Union's strategic direction with the broader development ambitions of the

region. It also reflects a growing maturity within Aman Union an evolution from a loose network to a more structured and strategically driven organization.

As we turn this page, I would like to extend my deep gratitude to all AMAN Union members past and present for their enduring commitment to collaboration, transparency, and excellence. Every institution has contributed to the Union's progress through data-sharing, underwriting expertise, joint training, and open dialogue. We have built a platform that is now looked upon as a model of multilateral cooperation within the export and credit insurance landscape.

Looking ahead, our collective mission remains clear. We must continue to deepen our cooperation, invest in technology and innovation, support smaller or emerging ECAs, and proactively respond to the new risks and opportunities shaping global trade. By expanding membership, integrating new tools, and reinforcing our knowledge infrastructure, AMAN Union will remain not only relevant but essential to the region's financial ecosystem.

To our colleagues at Saudi EXIM, we offer our full support as they take on the responsibility of hosting the Secretariat. And to all fellow members, I encourage us to take full advantage of this new chapter engaging actively, sharing expertise, and working together to build an even stronger Union for the future.

Let us remain guided by the spirit in which AMAN Union was founded: cooperation, solidarity, and a shared commitment to excellence.

# AMAN UNION COMMITTEES



**Ms. Lujainah Baghdadi**

Specialist, Board & Corporate Affairs, ICIEC and Coordinator of AMAN Union General Secretariat

As per Article 13 (3)(d) of Aman Union Charter, the Executive Council of the Union was assigned, among other duties, the responsibility of recommending to the General Assembly the establishment of the three following Standing Committees:

1. The Short-Term Export Credit Insurance Committee (STECIC)
2. The Structured Finance Insurance Committee (SFI)
3. The Data Committee

This is in addition to establishing guidelines and procedures, nominating chairs and setting terms of reference for each Committee, in line with the recommendation of Executive Council to the General Assembly for approval.

## 1. The Short-Term Export Credit Insurance Committee (STECIC):

The following tasks were assigned to STECIC as being the purpose for creating the Committee:

- Provide guidance in advancing partnership and co-operation among members and, where necessary, with other relevant national or international institutions.
- Serve as a forum where discussions can be started to search for innovative solutions to the underwriting or credit insurance related problems that members are facing.

- Analyse the short-term credit insurance business activities of the Union members.
- Track and analyse, where beneficial, the trends or new technological developments regarding export credit insurance which would further ease and improve the members' activities.
- Create an atmosphere of close co-operation and information sharing in the sphere of short-term credit insurance business by AMAN Union members who engage in short term credit insurance.
- Facilitate the spreading of know-how and raise awareness among members as to the technical issues requiring peer collaboration while respecting the confidentiality of information.

The membership of the Committee is open to any of the Full Members, including DHAMAN, ICIEC, national and international commercial and non-commercial risk insurers and reinsurers, and general insurance companies having active operations in short term export credit insurance business shall be eligible for Membership of the STECIC, while the membership of this Committee is, in principle, limited to one Member per country with the exception of multilateral agencies. In special circumstances, exceptions may be made to the requirements above in the interests of the work of the Union.

The STECIC's specific responsibilities shall include the formulation and periodically review the strategies and guidelines of the STECIC in relation to short-term export

credit insurance business consistent with the mandate of the Union. This is in addition to **providing Members with information and learning resources relating to structured finance investments, and provision of recommendations to Executive Council on matters relating to structured finance insurance industry vis-à-vis the Union.**

**The STECIC meets every 6 (six) months and, when deemed necessary, meet at the request of the Chairperson.**

## 2. The Structured Finance Insurance Committee

The purpose of the SFI Committee is to work for the international acceptance of sound principles of commercial and non-commercial risk insurance and reinsurance among Members of the Union and the establishment and maintenance of discipline in the terms of (re)insurance of international trade and investments.

The membership of the SFI is open to any Full Member of AMAN Union, including DHAMAN, ICIEC, national and international commercial and non-commercial risk insurers and reinsurers, and general insurance companies having commercial and non-commercial risk insurance windows shall be eligible for Membership of the SFI Committee, while the membership to this Committee is, in principle, limited to one Member per country.

The SFI Committee's specific roles and responsibilities include the formulation and periodically review of the strategies and guidelines of the SFI Committee in relation to medium-term and long-term trade and investment (re)insurance in line with the mandate of the Union. This is in addition to the provision of recommendations to the Executive Council on matters relating to structured finance insurance industry vis-à-vis the Union.

To conduct its business, the SFI Committee shall meet every 6 (six) months and, when deemed necessary, at the request of the Chairperson.

## 3. The Data Committee

The Data Committee is assigned the following tasks being the purpose of creating the Committee:

- Enhance information sharing and credit information services among Member Countries through



The Data Committee

data gathering and statistics regarding trade and investment.

- Share reliable and qualified information reports between Database Center Members while adhering to sound principles and better industry practices of credit information reporting.
- Ensure maximum utilization of online and offline sources and from reputable credit information providers in the discharge of its responsibilities.
- Facilitate the spreading of know-how and raise awareness among members as to the technical issues regarding global data protection and privacy matters while respecting the confidentiality of information.

Facilitate the spreading of know-how and raise awareness among members as to the technical issues regarding global data protection and privacy matters while respecting the confidentiality of information.

# AMAN UNION: AMBITIOUS INITIATIVES AND PROGRAMMES



**Mr. Al-Tayeb Fadlallah**

Senior Specialist, Strategic Planning & Communications, ICIEC, Deputy Head of the AMAN Union General Secretariat

## Training and Capacity Building Programmes

Training and development are essential for every business sector, especially in the credit insurance sector, where they empower professionals to sharpen their skills and deepen their knowledge for effective credit risk assessment and management. Ongoing education leads to improved decision-making, effective risk management, and enhanced customer service essential elements for maintaining industry stability and fostering growth.

Since its inception in 2009, AMAN Union has addressed these challenges by offering targeted training programs and specifically designed workshops for the complexities of credit insurance. The initiatives were targeted to promote professional excellence while ensuring members stay informed about the latest industry trends and best practices. Accordingly, the AMAN Union has taken some initiatives that played a pivotal role in enhancing the skills of staff in its member institutions, and this Section is intended to brief about the initiatives made by the Union in the area of training and capacity building.

### a. Technical Training Courses and Professional Workshops:

As part of the efforts exerted by the General Secretariat to organize technical training sessions and workshops for the staff of member institutions, several sessions were organized in the years 2012, 2013, 2014, 2015, 2016, and 2018.

The Sessions were hosted by member ECAs in their respective countries, while trainers were either internal from member institutions or external from training providers and consulting firms. Topics covered during the sessions included claims and recovery, understanding export credit insurance underwriting, portfolio management; risk, and compliance, with the objective of enhancing the knowledge and technical skills of professional staff, and helping networking among member ECAs.



AMAN Union training in Sudan (2017)

## b. Collaboration with Offenburg University of Applied Sciences: Advancing Excellence in Trade Credit Insurance Education

A formal partnership between the AMAN Union and Offenburg University was launched at the 9th Annual Meeting of the Aman Union, held in Cairo in December 2018, where the Institute for Trade and Innovation (IfTI) at Offenburg University of Applied Sciences (Hochschule Offenburg), which stands as a remarkable milestone in the field of professional education for credit and investment insurance practitioners across the Middle East, Africa, and Asia, will provide a structured and internationally recognized framework for capacity building, equipping professionals with the knowledge, tools, and strategic skills required to thrive in the rapidly evolving landscape of export credit, investment insurance, and trade finance.

The partnership with Offenburg University, renowned for its expertise in innovation, trade policy, and export finance, ensures that participants receive a balanced blend of theoretical foundations and hands-on professional insights.

As per the arrangements made, Offenburg University delivers two internationally accredited programmes:

- The AMAN Union Certificate in Trade Credit Insurance, and
- The AMAN Union Advanced Certificate in Trade Credit Insurance.

Each programme awards 15 ECTS credits and offers a flexible distance-learning format that accommodates professionals working across different countries and time zones. The learning journey combines live online sessions, self-paced modules, and practical case studies

led by Offenburg's academic experts and renowned industry practitioners.

The **AMAN Union Certificate in Trade Credit Insurance** introduces participants to the foundations of the export credit and insurance industry. Over two semesters, students cover four core modules:



ECA Foundations and Principles



Insurance Markets and Regulations



Underwriting and Portfolio Management



Claims and Recovery

The **AMAN Union Advanced Certificate in Trade Credit Insurance** builds on this foundation, focusing on management and strategic competencies required for leadership roles in the sector. The five modules include:



Strategic Management



Innovation and Design Thinking



Risk Management and Compliance



Digitalisation: Fintech and Insuretech



Structuring Transactions

Together, these programs provide a holistic learning pathway for graduates, junior professionals, and senior managers aspiring to excel in finance, risk management, export credit, and insurance. Participants not only gain technical skills but also develop critical thinking and leadership capabilities, preparing them to contribute effectively to their organizations and the wider trade ecosystem.

In addition to the rich content of the courses, several distinguished guest lecturers from leading institutions contributed to delivering the courses, ensuring that participants benefit from a global perspective and exposure to cutting-edge practices in trade and credit insurance.



As of the end of 2020, a considerable number of staff from the AMAN Union member institutions have graduated from the course, completing either the first level of the qualification or both levels.



As part of AMAN Union's commitment to professional development and technical excellence, I had the privilege to complete both the **AMAN Union Certificate** and **Advanced Certificate in Trade Credit Insurance**, offered in collaboration with the **Institute for Trade and Innovation (IFTI), Hochschule Offenburg, Germany**. These structured programs profoundly enhanced my technical expertise and strategic understanding of the trade credit and political risk insurance industry.

The foundational course provided a comprehensive grasp of underwriting, regulatory frameworks, and claims management, while the advanced program deepened my knowledge in strategic management, innovation, compliance, and digital transformation. Together, they strengthened my analytical skills and broadened my professional outlook, enabling me to contribute more effectively to AMAN Union's technical and capacity-building initiatives.

These certifications reflect AMAN Union's dedication to delivering academically rigorous and practically relevant training that empowers professionals to drive innovation and excellence within their institutions. I am proud to have been part of this impactful learning journey and to continue supporting the Union's mission of fostering knowledge and growth across its member ECAs."

### Ms. Lujainah Baghdadi

Specialist, Board & Corporate Affairs, Office of the CEO, ICIEC, and Coordinator of the AMAN Union General Secretariat



### c. Corporate Training Services Agreement with RISC Institute DMCC, United Arab Emirates: A Professional Training and Recognized Qualifications

A Corporate Training Services Agreement was signed on 14 October 2024, between AMAN Union and RISC Institute DMCC, a renowned training institution specializing in talent development for the insurance, risk management, and personal finance sectors, based in the United Arab Emirates and operating regionally, with the objective of deliver professional training to the staff of AMAN Union members, and aimed at advancing their capabilities in the insurance sector.

This training initiative includes comprehensive courses for insurance professionals, with a particular focus on preparing candidates to achieve the globally recognized Certificate in Insurance (Cert. CII), awarded by the Chartered Insurance Institute (CII) of the United Kingdom. This core qualification equips insurance professionals with essential knowledge across all sectors of the insurance industry, enhancing their expertise and confidence in critical disciplines. The Cert. CII serves as a foundation for further specialized studies, allowing professionals to tailor their learning according to their career ambitions and the needs of their respective organizations.

In addition to the Cert. CII program, the collaboration offers high-level workshops designed for senior professionals, focusing on key areas such as Governance, Risk, and Compliance. These workshops aim to enhance leadership skills and strategic understanding, helping senior professionals navigate complex challenges within the insurance industry. Following the signing of the Agreement, the 1<sup>st</sup> batch of trainees derived from member institutions of the Union were enrolled in the course, and as of now, some of them have completed the requirements for obtaining the full CII qualification, while the rest of the group of are at different stages in their studies, but are working actively towards the completion of the course subjects.

"Partnership is another milestone in our mission to provide the learning opportunities and professional development for people working in the insurance, risk management, and personal finance sectors. These sectors are among the most dynamic and rapidly growing industries globally. We are grateful to AMAN Union for choosing us as their partner for training and human resources development, and we are committed to providing the excellent quality training that our institute is renowned for, and to providing the best opportunity for success to the trainees who choose to follow the programmes." Mr. Silvan A. Said, Managing Director of RISC Institute DMCC

## The AMAN Union Database: The First of its Kind

AMAN Union launched its Database Center during the 4th Annual Meeting of the Union, held in Qatar from 9 – 11 December 2013. The Database is the first of its kind in the Arab and Islamic region.

The AMAN Union Database Center, which is the first of its kind in the Arab and Islamic region, was established as a report pool that enables its Subscribers to share their reports, as well as experiences, and the number of claims paid, as well as the list of black-listed buyers. Additionally, the Database Center enables subscribers to download credit reports from the report pool free of charge and order new credit reports directly from the Credit Information Providers to the Database.

### Advantages of the Database

- Reports purchased by a Subscriber can be accessed for FREE for other Subscribers,
- Minimizing the cost of credit information reports by collectively addressing the credit information providers,
- Giving Subscribers the option to search the AMAN Union pool and download any available report. If the desired report is not available, the Subscriber can order a fresh investigation,
- Assisting smaller Subscriber ECAs to obtain fresh investigations at reasonable costs,
- Minimizing the risks, through sharing adverse information, consists of data on approved credit limits and black-listed buyers,
- Strengthening the cooperation between Subscribers through exchange of experience, technical know-how,
- Abolishing the difficulty of providing credit intelligence reports, especially in the Middle East and Africa regions.



Since its inception in 2013, the AMAN Union Database Center has been instrumental to its members by providing timely, reliable, cost-effective, and comprehensive credit information reports that enhanced their ability to assess risks and make informed underwriting decisions.

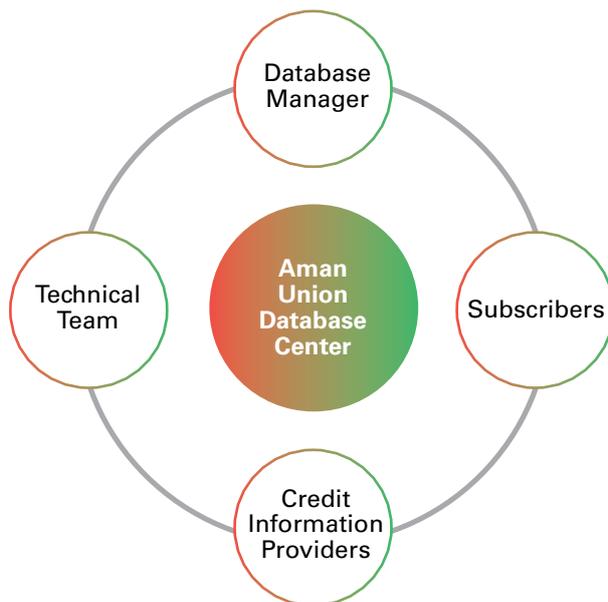
#### Ms. Georgina Christofi

Group Operations Manager  
 RIME Business Information  
 Bureau (AMAN Union  
 Database Manager)



Dr. Abdel Rahman El-Tayeb Taha, the former Secretary General of the AMAN Union and Mr. Abdulaziz Bin Nasser Al-Khalifa, Chief Executive Officer of Qatar Development Bank during the Launching of the AMAN Union Database in 2013.

### Organization of the Database



The AMAN Union Database which has 34,783 buyer files as at the end of September 2025, is currently managed by a Technical Team composed of professionals from the AMAN Union members subscribing to the Database Center, while the day-to-day operations are managed by a specialized Manager (RIME Business Information).

In order to keep the Database system running with the latest technologies, the system will soon witness an important upgrade for which an agreement was signed between the General Secretariat of the Union and an IT Consulting firm to implement the upgrade, and add new functionalities and enhancements to the current system.



The AMAN Union Database is the first of its kind and is established for the benefit of national export credit insurance agencies in the Arab and Islamic countries. We are confident that the establishment of this Database Center will help in solving issues on reliability and cost of credit information in our Region; "This will enable members of the Union to share and exchange their underwriting knowledge and experience on."

**Dr. Abdel Rahman Taha**

Former CEO of ICIEC,  
and the Former Secretary  
General of the AMAN  
Union



## The AMAN Union Annual Awards: Celebrating Excellence and Innovations

The initiative to create an annual award by AMAN Union aims at celebrating excellence and innovations within the commercial and non-commercial risks insurance sector. The Award celebrates institutional and individual excellence as the industry's mission is pursued throughout the member countries of the Union.

The AMAN Union Annual Awards are categorized into two main categories that best exemplify excellence in the profession:

### 1. Exceptional Performance by AMAN Union Members

This category is designed for Full Members of the Union to honor innovative leadership and a substantial footprint on operations. Qualifying institutions must demonstrate more than just ordinary insurance activities complex insurance or reinsurance transactions (e.g., whether the technology assists in smoothing reinsurance), implementation of advanced technology, and development of new products. Candidates are also rated by their involvement in developing business and revenues, and the consolidation of social and economic development among AMAN Union member countries. Proof of how Member vetting has promoted a

collaborative environment, as well as what the nomination can offer, such as joint marketing and communication activities, and client/business partner endorsements.

### 2. Best Research Paper/Thesis of the Year

This award recognizes recipients who are from member institutions of AMAN Union or from the wider global community of insurance and finance, and who have presented innovative and effective academic work in contributions to industry knowledge. The research or thesis recognized will be original, relevant, and will prove to have a measurable impact in helping insurers, regulators, or policymakers improve practices and outcomes in the industry. Submissions are based on originality, impact in the sector, and thought leadership, with endorsements from industry professionals also given weight.

The Awards are held on a fair basis. Nominations must pertain to accomplishments between two AMAN Union Annual Meetings. Candidates can apply to both categories of the Award, but need to submit two separate applications, and the submissions received are to be checked by the AMAN Union Secretariat. If necessary, the Committee may request extra information and documentation, but then an objective determination is made. All decisions of the committee are final, and winners agree that their achievement and image can be used for promotional purposes in the AMAN Union media.

The first AMAN Union annual awards honored the pioneering achievements of its members in 2020, and the first Award to be presented by AMAN Union went to the Export Guarantee Fund of Iran (EGFI), which was named the "Winner of the Exceptional Performance by an AMAN Union Member" for its remarkable role in the Thermal and Renewable Energy Project in Iraq. This award demonstrated that EGFI could handle a large and complex insurance transaction outside the day-to-day. The project was a showcase of new and sustainable technology use for both social and economic impact through the application of novel technologies and product solutions that contributed to the long-term sustainable development of the host country.

The AMAN Union Annual Awards demonstrate the Union's goal to encourage cooperation, inspiration, and achievement among its members. In honoring excellence and intellectual achievements, AMAN Union strives to drive professionals and institutions to aspire and raise the bar in terms of service, innovation, and ethics within the insurance and export credit structure. The 15<sup>th</sup> Annual Meeting to be held in Jeddah, Saudi Arabia, during the period (4-6 November 2025) will witness the announcement of the Winners of the 4<sup>th</sup> AMAN Union Annual Awards.

# CREATING VISIBILITY: AMAN UNION'S STRATEGIC COMMUNICATIONS- ELEVATING VISIBILITY, AND STRENGTHENING CONNECTIONS



**Ms. Rania Binhimd**

Communication Specialist,  
ICIEC and Head of AMAN  
Union Communications  
Sub-Committee

Export credit and investment insurance institutions view effective communication as a key strategic asset. Not only does it give credibility to the organization, but it also establishes trust among the stakeholders through transparency and knowledge. By leveraging the best practices of the successful export credit agencies, AMAN Union will be able to make its messages heard and its rank perceived in member countries and the global market.

The article below will draw attention to the role of effective communication in facilitating the mission of the Union, reflect on the historical successes, outline the Media and Communication Strategy 2025-2026 and discuss opportunities ahead.

## **The Evolution of Communication within the AMAN Union**

To effectively reach out to its members, stakeholders, and the community at large, historically, AMAN Union has been engaging various platforms. These involve hosting effective events, interactive webinars, informative brochures, and user-friendly websites. The strategic partnerships with the founding members such as ICIEC, Dhaman, ECI, and CAGEX have helped to increase the communication outreach of the Union. Through ICIEC, co-founder of the AMAN Union, the overall activities of the Union were widely disseminated through different platforms like social media, newsletters, reports, videos, and corporate websites, which resulted in the amplification of the Union.

Important highlights mark the increasing maturity of communication at AMAN Union. Particularly, the press conference organized in Algeria in 2024, hosted by CAGEX, was a great chance to convey the Union's strategic messaging to the influential media representatives with a clear emphasis on increased visibility. What is more, such strategic measures as releasing special databases and establishing alliances with organizations like the RISC Institute highlighted the transformational role of proactive and coordinated communication. Such initiatives further cemented AMAN Union as a known thought leader in export credit as well as political risk insurance.

## **Strategic Importance of Communication and Media**

International entities that seek increased stakeholder involvement and exposure require effective communication. Communication is the lining that holds member organizations together with consistent and integrated messaging. In the case of AMAN Union, strategic communication has enabled greater association with stakeholders, as it helps to enhance capacity to address trade and investment challenges within member states.

AMAN Union has managed to take advantage of diverse communication channels, especially social media, websites, and press conferences. Social media, in particular, has proven to be a very powerful approach, with wide instant coverage, the ability to interact in

real time, and the ability to disseminate information. The active presence of the members through content sharing exponentially increases the Union's digital footprint, allowing it to reach a much wider audience. Moreover, the strong analytics available through social media platforms reveal precisely what content engages the audience and when, providing the data, the Union needs to constantly improve its communication approaches.

The communications approach implemented by the AMAN Union has been successful several times with quantifiable outcomes. The Lebanese Credit Insurer (LCI) hosted the 7th Annual General Meeting (AGM) in 2016, where a targeted media-outreach effort attracted a record number of members, as well as wide regional media attention. As more online action was taken at the time that Etihad Credit Insurance (ECI) organized the 13th AGM, the online presence of the Union was enhanced to a great degree, as was online engagement, which attracted numerous new institutional partners. The 14th AGM, which was organized by the General Secretariat in coordination with CAGEX – Algeria - in 2024, involved the use of press briefings with timely online updates, and this strategy led to an augmentation in media coverage and a great number of valuable stakeholder relationships. In both cases, accurate and consistent communication, carefully coordinated with stakeholders' interests, remarkably increased the Union's credibility, visibility, and strategic alliances.

### Media and Communication Strategy 2025-2026

The Union's Media and Communication Plan 2025-2026 sets high goals aimed at a substantial increase in the visibility of AMAN Union, its relations with stakeholders, and its positioning as thought leaders. Through the use of an extensive and multi-channel methodology, the strategy will combine the use of digital platforms, proactive media coverage, and creative communication tools like podcasts, webinars, and thematic white papers.

The measurable goals of the strategy are evident and ambitious: doubling the amount of traffic on the website, tripling the number of interactions with media and social media by the middle of 2026, acquiring expert interviews and placing op-eds in the most popular financial media, organizing powerful webinars, and ensuring that the mailing list of the Union grows significantly.

Among these targeted campaigns, particular attention is paid to upgrading the social media exposure, as it is broad-based and dynamically promising. High-



quality content tailored to the audience's interests stimulates interaction and builds member community. Also, as an alternative way of storytelling, podcasts will be employed. This will help the Union to focus on discussing industry stories with the help of expert insights and to engage members with podcasts and conversational styles.

Moreover, increased media activities would expand the reach of AMAN Union, establishing its leadership as informed authorities on matters pertaining to trade, investment, and political risk insurance. The new approaches are inspired by the positive experiences achieved by ICIEC, which clearly demonstrate that they can be replicated in the AMAN Union.

### Cooperation Among Members

Teamwork is one of the pillars of the communication strategy of AMAN Union. Member agencies of the Union are rich in knowledge and experience, e.g. ECAs, EXIM banks, and multilateral insurers. The communication strategy will motivate collaborative projects between the members, including webinars, joint press releases, and shared campaigns focusing on shared accomplishments.

Members can have a much greater impact by speaking with a unified voice on critical issues. This method reflects the manner in which international networks of ECAs can be functioning; the Berne Union and the Prague Club have traditionally been information and knowledge-sharing forums used by the members of the export credit and investment insurance and are a good example of such an approach.

At the practical level, the founding members of AMAN Union already cooperate at communication levels (production of joint reports, organization of cross-

promotional events), serving as an example to others. In practice, ICIEC has highly active reinsurance treaties and Memorandums of Understanding with counterpart ECAs elsewhere in the world (e.g., CAGEX, NEXI in Japan, NEXIM, MEXIM in Russia, and Sinasure in China) to cover mutual risks and experience in markets. Similarly, Dhaman recently signed new agreements with multiple export credit agencies, and this underlines the importance of cross-border partnerships in increasing capacity and outreach. The AMAN Union can adopt such best practices to foster the culture of cooperation among its member institutions, with mutual benefits in promoting trade and investment assurances, sharing knowledge, and leading an independent voice to respond collectively to global issues. Having concerted, unified communications work between members not only expands the collective presence of the members but also boosts the credibility of the individual institutions due to their association with a larger, more cohesive network.

### Seizing the Opportunities Ahead

Looking into the horizon, we at AMAN Union see an exceptional time to grow our impact and create substantial cooperation. To realize these opportunities, we have employed a team of committed social media specialists and introduced a fully integrated media and communications plan. This project is designed to enhance access to the community, expand our presence in the commercial credit insurance market, and improve our reputation as the preferred think tank in the industry. Enabling stakeholders, members, and potential partners in OIC countries and the Arab region to participate, we have the potential to see a speedy and orderly delivery of information and data sources that will drive the overall growth and impact in the next phase.

There are a lot of opportunities with the incorporation of emerging communication technologies. The implementation of artificial intelligence (AI) tools would result in a substantial observed change in favor of streamlining the interaction, responsiveness, and engagement levels among the members, and AMAN Union would be at the forefront of digital innovation and change.

### Measuring Communication Success

The performance of communication strategies is significant to continuous improvement and adjustment. Besides classical measurements, like the statistics of a web resource and the level of interaction in the social network, AMAN Union pays attention to the role of qualitative measurements. Formal member surveys are the key to gaining firsthand feedback, which can be used to design future strategies.

In 2025, a comprehensive survey conducted by the Union to assess the best channels, types of content, and preferred methods for promoting its presence provided valuable information. Members expressed a strong interest in engaging online, particularly through social media platforms such as LinkedIn, and using communities, workshops, and networking. Videos and webinars featuring educational content, news updates, member testimonials, and informative articles were also highly appreciated. Such insights were used to draw up certain recommendations to improve the existing communication strategies.

### A Vision for Enhanced Visibility and Stronger Connections

Looking forward, the AMAN Union is well-positioned to seize the opportunities presented by advanced communication strategies and modern digital tools, in addition to traditional practices. With a strong focus on strategic significance, a solid 2025-2026 plan, member collaboration, thought leadership, and the enhancement of stakeholder engagement, the Union is well-placed to lead in the export credit and investment insurance arena. These practices, and their successful implementation, will make the Union's message heard with a greater impact. A linked and active communications strategy will reflect the Union's core values and goals, empowering member institutions to move through the upheavals together, celebrating victories together. It will also ensure that there is sustainable growth in trade and investments in the OIC and beyond.



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# MAJOR PERFORMANCE INDICATORS OF AMAN UNION MEMBERS: EVALUATION IN THE LAST DECADE



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Over the past decade, international trade has undergone a period of remarkable turbulence and transformation. Global commerce has faced numerous headwinds ranging from the aftermath of the global financial crisis to the profound disruptions caused by the COVID-19 pandemic. Shifts in supply chains, rapid digitalization, growing protectionist policies, and heightened geopolitical risks have all influenced how countries engage in trade. In this complex environment, the role of export credit insurance has undoubtedly become more critical than ever, as it serves as a safeguard against commercial and political risks that can endanger cross-border trade. By enabling exporters to protect themselves against non-payment, it strengthens confidence in international transactions, encourages expansion into new markets, and stabilizes foreign exchange earnings. Especially during times of uncertainty, this form of insurance has acted as a vital buffer for exporters and economies alike.

It was precisely with the vision of raising the technical performance, knowledge, and capacities of its members to the most advanced levels of commercial and non-commercial insurance practices worldwide, thereby contributing to the economic development of Member Countries that AMAN Union was established. Guided by this vision of mutual support and enhanced cooperation, the Union has, over the last 10 years, facilitated measurable growth, fostered risk-sharing, and enabled its members to navigate complex global realities. The following evaluation of key performance indicators provides a picture of how this vision has been translated into tangible results.

This study focuses on the common ground of export credit insurance, which represents a core area of activity among AMAN Union members. However, it is important to note that members also offer a variety of other products and services tailored to the specific needs of their respective markets.

## Expansion of Customer Base

One of the clearest reflections of the Union's collective success lies in the steady expansion of policyholders under export credit insurance. In 2015, Union members reported approximately five thousand policyholders in this category. By the end of 2024, this figure had risen to around ten thousand, more than doubling within the decade. This represents an average annual growth rate of around 9%, with growth continuing at a healthy pace in the most recent year.

Such a steady trajectory is a strong indicator that ECAs under the AMAN Union umbrella are not only maintaining but also expanding their relevance for exporters. The rising customer base illustrates increasing awareness of export credit solutions and a deepening trust in the services offered by members. In the context of volatile global trade, exporters are clearly relying more on insurance tools to mitigate risks and seize new opportunities.

## Growth in Buyers

Parallel to this growth, the number of buyers insured has also increased, despite significant challenges along the way. In 2015, insured buyers stood at approximately



ICIEC - Turk Eximbank meeting in the sidelines of the 14th AMAN Union annual meeting in Algiers (2024)

one hundred thousand, while by 2024 the number had risen to around one hundred and ten thousand. The data reflect a dip during the pandemic years, when global trade contracted sharply, followed by a strong recovery as markets reopened. The post-pandemic rebound confirms that export credit insurance has helped exporters regain footing and rebuild confidence in cross-border transactions.

### Rising Insured Amounts and Revenues

Perhaps the most striking performance indicator is the total insured amount. In 2015, insured business amounted to about 25 billion USD. By 2024, the figure had more than doubled to over 54 billion USD, representing the highest level ever recorded by AMAN Union members. Over the last decade, this metric has grown at an average annual pace of close to 10%, underscoring the resilience and expanding reach of members' activities.

This impressive growth has naturally translated into higher revenues. In 2024, revenues reached around 340 million USD, marking a significant increase and confirming the positive correlation between insured volumes and financial sustainability of the member ECAs.

### Insurance by Line of Business

The breakdown of insured shipments by product line in this ten-year period further highlights trends and strategic orientations.



Short-term export credit insurance remains dominant, accounting for an average of 70% of total insured business.



Domestic insurance represents close to 20%, serving local markets and underpinning resilience at home.



Medium and long-term insurance accounts for 3%, reflecting its more cyclical and project-driven nature.



Investment insurance holds a share of 7%, serving as an important yet volatile segment, often affected by political risk and sectoral developments.

The data show that short-term and domestic insurance have enjoyed a steady upward trend, reflecting strong demand for trade facilitation and working capital protection. By contrast, MLT and investment insurance remain inherently more volatile, responding to cycles in infrastructure projects, commodity prices, and foreign direct investment flows.

## Claims and Recoveries

When considering performance, it is essential to balance growth with risk exposure. Claims over the last decade have averaged around USD 60 million annually, displaying a relatively stable pattern despite external shocks. Recoveries, meanwhile, have averaged about USD 30 million annually, with a mild upward trajectory.

A particularly encouraging indicator is the loss ratio, which has declined significantly. In 2015, it stood at over 50%, whereas by 2024 it had fallen to around 10%. This improvement reflects both prudent underwriting practices and stronger recoveries. Notably, the increase in revenues has been a decisive factor in driving down the loss ratio over this period. Importantly, claims remain concentrated in short-term business, accounting for roughly 60% of total claims, underscoring the central role of this segment in members' portfolios.

## Challenges Faced by Members

While AMAN Union members have made significant progress in expanding their activities, they have also encountered a number of challenges over the past decade. One of the most persistent difficulties has been obtaining accurate and timely information reports, which is essential for effective risk assessment and underwriting. In addition, limited awareness among exporters regarding the benefits of export credit and credit insurance solutions has constrained the potential for broader market penetration.

The period of pandemic brought its own set of obstacles, as stricter underwriting and risk management guidelines became necessary to safeguard institutional stability. At the same time, members faced the combined pressures of political and economic instability in certain regions, international sanctions, wars, and the designation of some countries as "off-cover," restricting the scope of insurance activities.

Another critical challenge was the limited reinsurance capacity during the pandemic years, which required members to adopt a more cautious approach, particularly toward high-risk sectors. More broadly, sector-specific vulnerabilities, whether tied to volatile commodity markets, shifting demand patterns, or structural weaknesses have also required careful management. Despite these obstacles, the Union's members have shown resilience by adapting policies, enhancing

cooperation, and learning from each other's experiences. The network itself has acted as a platform for collective problem-solving and a source of stability.

## Past Decade and Looking Ahead

The last ten years have been a period of significant progress for AMAN Union members. Against a backdrop of global volatility, they have succeeded in expanding their policyholder base, increasing insured buyers, doubling insured amounts, and improving financial outcomes. Most importantly, they have achieved these results while reducing loss ratios and strengthening operational resilience.

The data clearly demonstrates that AMAN Union is more than the sum of its parts. By pooling resources, exchanging expertise, and supporting each other, members have not only weathered challenges but also positioned themselves for future growth. As the Union enters its 15th year, it stands as a testament to the power of cooperation. Looking ahead, strengthening collaboration and broadening awareness will be key to ensuring that export credit insurance continues to drive sustainable trade and economic development across member countries and beyond.



**By 2024, the figure had more than doubled to over 54 billion USD, representing the highest level ever recorded by AMAN Union members. Over the last decade, this metric has grown at an average annual pace of close to 10%, underscoring the resilience and expanding reach of members' activities.**



### Footnote

Methodology of Analysis: This article was prepared based on responses to surveys on business performance figures circulated by the Secretariat General of AMAN Union to full members ahead of annual meetings. Data provided directly by members were used, and where unavailable, figures from the previous year were occasionally substituted to maintain consistency. Accordingly, all reporting is subject to potential errors, and the analysis should be understood as an overview of general trends rather than as precise point estimates.

# 03

## AMAN UNION: KNOWLEDGE-SHARING & EXPERT INSIGHTS



# THE ROLE AND IMPACT OF THE AMAN UNION SHORT-TERM EXPORT CREDIT INSURANCE COMMITTEE (STECIC): ENHANCING COOPERATION THROUGH SPECIALIZED COMMITTEES



**Mr. Hakan Uzun**

Deputy CEO, Turk Eximbank

In a world where cross-border trade is becoming increasingly evolving and challenging, the importance of structured cooperation and knowledge sharing among export credit agencies cannot be overstated. It became more vital than ever for institutions responsible for facilitating trade, managing risks, and promoting economic resilience.

Within this context, the AMAN Union has emerged as a dynamic and inclusive forum, uniting export credit agencies and investment insurers from across the Arab and Islamic world. It has played a key role in strengthening regional capacity, fostering mutual understanding, and supporting the development of sustainable trade finance ecosystems.

One of the Union's most valuable features is its structure of specialized technical committees, which enable members to engage meaningfully in knowledge exchange and collaborative solutions. By investing in collective capacity, these committees contribute to the broader mission of the Aman Union: strengthening regional trade, promoting financial resilience, and fostering innovation through cooperation.

Among these, the Short-Term Export Credit Insurance Committee (STECIC), chaired by Türk Eximbank, has become a pivotal platform dedicated to advancing short-term credit insurance capabilities among members. It facilitates focused dialogue and the exchange of best practices in areas such as policy formulation,

underwriting, credit risk management, product innovation, and institutional development.

STECIC was formally established in 2018 during the 9th General Assembly of the Aman Union, in recognition of the central role that short-term business plays in the operations of most member institutions. While long-term project finance and political risk insurance are crucial components of the export credit landscape, it is short-term credit insurance that forms the core of daily trade flows. The Committee was created to bring together institutions engaged in such business, including domestic credit insurance, and to foster an environment of cooperation and mutual learning. Its first meeting took place in Muscat, Oman, in September 2019 during the Union's 10th Annual General Meeting, marking the beginning of a series of focused exchanges that would eventually shape the Committee into one of the assets of the Aman Union.

In 2023, the total volume of support extended by AMAN Union members reached approximately USD 50 billion, with more than 70 % attributable to short-term export credit insurance. This figure alone highlights the strategic importance of this business line and the growing role of STECIC within the Union's overall framework.

The Committee serves as a platform for members to engage in meaningful dialogue on both the operational and strategic dimensions of short-term export credit insurance. By fostering a culture of continuous learning and mutual support it contributes significantly to the



institutional development of all members. Its value lies not only in addressing immediate challenges such as buyer risk assessment, country exposure limits, claims handling, and recovery mechanisms but also in shaping long-term strategies through open and timely discussions on market developments. This spirit of cooperation builds trust and strengthens institutional ties, reinforcing the Committee's role as an indispensable forum for collective advancement.

Türk Eximbank has proudly chaired the Committee, since its establishment, ensuring that STECIC continues to deliver on its foundational objectives. With its high volume of short-term transactions, Türk Eximbank brings a strong practical perspective that enriches the Committee's discussions and contributes to the guidance provided to members. Throughout its regular meetings, the Committee has addressed a wide range of pressing issues. One key area of focus has been the rising incidence of fraudulent activities in international trade, along with the various risk mitigation measures adopted by members in response. Members have also reviewed their business performance and shared year-end expectations, offering valuable insights into operational developments. Additional recurring topics include the development of new short-term insurance products, progress in digitalization strategies, and updates to institutional structures. Members have also exchanged views on shifts in geographical exposure,

evolving product focus areas, and the influence of macroeconomic and geopolitical dynamics on risk appetite and strategic planning.

The Committee currently comprises a diverse group of export credit agencies, including Cotunace, Credit Oman, Dhamaan, EGFI, ICIEC, JLGC, and KazakhExport, alongside Türk Eximbank. This diversity is a source of strength, as it brings a wide range of perspectives, operating models, and regional contexts to the table. For newer or smaller institutions, the Committee represents an opportunity to rapidly build capacity by learning from more experienced peers. At the same time, all members benefit from understanding alternative approaches and innovations from different markets.

This collective approach is especially valuable in times of geopolitical volatility, economic fragmentation, and supply chain disruptions. When institutions collaborate across borders, they are better equipped to understand emerging risks, identify collective responses, and maintain operational continuity. The ability to rely on peer institutions for benchmarking, support, or even joint initiatives gives every member of STECIC a competitive advantage in a complex trade environment.

Looking ahead, the Committee's role is poised to grow as members confront evolving challenges and opportunities such as digital transformation and the greening of export finance. Discussions are increasingly expanding to include emerging themes like cybersecurity, the use of artificial intelligence in underwriting, and the contribution of short-term credit insurance to climate-aligned export strategies. By monitoring global trends and technological advancements, the Committee helps enhance the competitiveness and resilience of its members. Through the exchange of case studies and structured thematic sessions, it continues to provide practical value. This evolving agenda underscores the Committee's ability to stay relevant and forward-looking in a rapidly changing global landscape.

Türk Eximbank views its role not only as a Chair but also as a partner to each member institution in their journey toward operational excellence. The Bank is committed to continuing its support for STECIC and to ensuring that the Committee remains inclusive, dynamic, and impactful in order to become more functional, coherent, and responsive to member needs. In a world where export risks are increasingly interconnected, we believe STECIC stands out as a model for how regional cooperation can translate into meaningful, measurable, and sustainable progress.

# ROLE OF ECAs IN SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND ECONOMIC GROWTH

## Credit Oman's Experience

As global development increasingly centers around sustainability and responsible growth, frameworks like the Sustainable Development Goals (SDGs) and Environmental, Social and Governance (ESG) standards have become guiding principles for both governments and the financial sector. In this regard, the Sultanate of Oman has set a clear national direction committing to achieving net-zero carbon emissions by 2050, as part of its broader transition toward a green and diversified economy under Oman Vision 2040. This strategy prioritizes investment in renewable energy, circular economy practices and private-sector innovation as key enablers of long-term national resilience and competitiveness.

In full alignment with this national vision, Credit Oman as the Sultanate's official Export Credit Agency is reinforcing its role in enabling sustainable trade and supporting climate-aligned economic activity. Since its inception, Credit Oman has insured over OMR 3.1 billion worth of sales, providing protection to Omani businesses across a wide range of sectors. The institution has supported trade with over 4,100 domestic buyers and more than 7,500 international buyers, helping Omani firms expand into new markets while managing credit and political risks.

Our mandate is evolving beyond traditional trade credit insurance to become a strategic tool that supports Oman's green transition, by facilitating access to finance for companies engaged in clean energy, sustainable manufacturing and climate-resilient sectors.

Through this alignment, Credit Oman strengthens the export ecosystem and also reinforces the



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country's position as a forward-looking economy, one that integrates risk protection with environmental sustainability, inclusive growth and global development standards.

### Economic Development through Supporting SMEs

Credit Oman plays a vital role in promoting inclusive and sustainable economic growth (aligned with SDG 8) by enabling the development of small and medium-sized enterprises (SMEs), which form the backbone of Oman's non-oil economy. As the official export credit agency of the Sultanate, Credit Oman provides credit insurance and trade guarantees that allow SMEs to trade with confidence both within the local market and abroad. By mitigating the risk of non-payment and offering



protection against commercial and political risks, Credit Oman gives businesses the security to extend credit to new customers and enter emerging or higher-risk markets. This access is especially crucial for SMEs that do not have sufficient cash flow or assets to absorb potential payment defaults. As a result, more businesses can grow their operations, expand their workforce and contribute to national GDP growth.

Recognizing the critical role of SMEs in expanding Oman's non-oil exports and driving regional development, Credit Oman recently partnered with Oman SME Development Authority to launch a targeted program that enhances financial support for SME exporters. Through this program, eligible SMEs receive export financing from the Authority, while Credit Oman provides credit insurance coverage to secure their trade transactions. This integrated solution helps small businesses mitigate payment risks, gain access to new markets and improve their cash flow, ultimately boosting their capacity to grow and compete internationally.

### **Credit Oman and Financial Institutions: Unlocking Finance for Sustainable Development**

Aligned with SDG 9 (Industry, Innovation and Infrastructure) and SDG 10 (Reduced Inequalities), Credit Oman plays a key role in expanding access to trade and working capital finance across Oman. These

goals emphasize fostering sustainable industrial growth, innovation and reducing financial exclusion. To support this, Credit Oman actively collaborates with local financial institutions, enabling financing for domestic and export transactions, especially for SMEs and corporates that face credit challenges due to risk concerns or insufficient collateral. By providing credit insurance and trade guarantees, Credit Oman reduces lenders' exposure, allowing financial institutions to extend credit more confidently.

A landmark achievement this year was the Central Bank of Oman (CBO) officially recognizing Credit Oman's insurance coverage as an eligible credit risk mitigant under the Basel framework. This permits banks to apply a preferential risk weight of 20% on exposures covered by Credit Oman and notably a 0% risk weight where coverage is backed by a sovereign guarantee. This milestone advances Oman's financial sector by aligning credit insurance with international prudential standards, enabling banks to benefit from capital relief when lending under Credit Oman coverage.

This regulatory breakthrough enhances Credit Oman's role as a credit enhancement tool and increases liquidity for SMEs and exporters seeking growth. It supports sustainable industrialization and innovation, widens financial inclusion, reduces barriers for underserved businesses and improves capital efficiency within the banking system.

## Supporting Companies in the Renewable Energy Sector

As the world transitions toward more sustainable forms of development, Credit Oman has begun to support the green economy by offering services tailored to businesses in the renewable energy and environmental technology sectors. These efforts align with both SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). By insuring trade and projects related to solar panel manufacturing, clean-tech equipment, energy-efficient products, and eco-friendly packaging, Credit Oman enables green-sector companies to scale their exports and attract investment. Moreover, as Oman moves toward its net-zero emissions target and expands its green hydrogen and solar energy initiatives, Credit Oman can play a greater role by facilitating financing and insuring supply chain participants across these growing industries.

## Partnerships with Multinational Organizations like AMAN Union and Berne Union

To strengthen its institutional capabilities and foster global collaboration, Credit Oman actively engages with leading international and regional organizations such as AMAN Union and Berne Union. These organizations bring together export credit agencies and insurers from around the world to exchange knowledge on key topics, including sustainability, renewable energy, and the implementation of the Sustainable Development Goals (SDGs). Within these forums, issues such as the role

As the world transitions toward more sustainable forms of development, Credit Oman has begun to support the green economy by offering services tailored to businesses in the renewable energy and environmental technology sectors.

of export credit in supporting clean energy projects and climate-resilient infrastructure are frequently discussed. Through this engagement, Credit Oman gains valuable insights into global best practices, benchmarks its risk management approaches and enhances its ability to assess and underwrite emerging-sector projects. This cooperation aligns with SDG 17 (Partnerships for the Goals) by promoting cross-border collaboration, technical assistance and the development of innovative solutions. Moreover, joint initiatives with peer ECAs and multilateral institutions create opportunities for co-financing, re-insurance support and shared underwriting of large-scale and strategic projects especially those related to infrastructure and renewable energy thereby encouraging foreign investment and reinforcing Oman's position in the global trade and credit ecosystem.

## Conclusion

As Oman accelerates its journey toward a green, diversified and innovation-led economy, Credit Oman is evolving into a key catalyst for sustainable trade and development. By integrating environmental and social priorities into its risk protection services, the institution is helping local businesses tap into new opportunities, especially in clean energy, climate-resilient sectors, and high-potential export markets. Its growing collaboration with domestic stakeholders and global partners reflects a broader commitment to building a resilient, inclusive economy that thrives within international sustainability standards. This strategic evolution positions Credit Oman as a driver of long-term value creation for the national economy.



## Turk Eximbank's Experience

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States, sets out an ambitious framework of 17 Sustainable Development Goals (SDGs) to address global challenges, including poverty, inequality, climate change, and economic development.

It's an obvious fact that the SDGs can only be achieved with sufficient financial resources and tools to support them. This makes it a necessity for funding sources to collaborate in order to mobilize capital and attain sustainable development in developing countries.

While traditionally the role of development banks and multilateral financial institutions in financing SDG-related projects has been emphasized, export credit agencies (ECAs) are now recognized as critical enablers of sustainable and inclusive trade.

While ECAs are primarily mandated to support their national exports, they also play a critical role in advancing the SDGs. By providing financing, insurance, and guarantees, ECAs facilitate trade and investment, helping to mitigate the risks inherent in cross-border transactions. This support enables businesses to undertake large-scale infrastructure and manufacturing projects, driving industrial productivity, job creation, and sustainable economic growth.



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ECAs are instrumental in bridging the financing gap for crucial sectors such as renewable energy, infrastructure, and healthcare in developing countries. In doing so, they contribute to technology and knowledge transfer, foster social impact, and promote inclusive development in key sectors. Furthermore, by enhancing access to trade finance, ECAs support greater international cooperation and economic integration.

In addition, many ECAs are also increasingly aligning their operations with climate goals by offering preferential terms for green and climate-resilient investments, while limiting support for carbon-intensive activities. In high-risk and underserved markets including developing and least developed countries, export credits and insurance help strengthen resilience by encouraging private sector participation in projects with strong development impact.

Statistically, in 2024 ECAs supported \$140 bn of long-term capital flows into developing countries. Since 2019, ECAs have made \$52bn of new commitments towards public infrastructure and \$30,9 bn for renewable energy projects in developing countries. Overall, ECAs have exceeded \$500 bn in outstanding exposure in developing world, including \$97,8 bn in 42 of 44 least developed countries.



At the Fourth International Conference on Financing for Development (FFD4) gathered this year on June 30th in Spain, the role of ECAs is recognized in Sevilla Commitment as important catalysts for private capital mobilization towards sustainable development goals by providing de-risking tools such as export credit insurance and untied guarantee products.

As the official export credit agency of Türkiye, Türk Eximbank plays a crucial role in supporting the internationalization of Turkish companies while promoting responsible financing aligned with international rules, regulations and standards. To support this role, Turk Eximbank obtains funds from foreign and international financial institutions in order to fund Turkish exporters' domestic expenditures and investments. In 2024 Turk Eximbank has secured a total of 8.4 billion USD from international capital markets and financial institutions. Of this amount, 3.6 billion USD consists of sustainability-related supra-national funds and a sustainability-linked syndication loan, which will be disbursed to exporters for the financing of their investments to align their operations with the climate related regulations such as the Carbon Border Adjustment Mechanism.

It is needless to say it cannot be fostered a sustainable and resilient business environment without SMEs. In the frame of our domestic credits, export-oriented SMEs are among our strategic priorities. By prioritizing SMEs in our credit practices, we are committed to supporting them in a preferential manner. In doing so, Türk Eximbank increases access to global markets for small and medium-sized enterprises, contributing to job creation and economic diversification.

On another front, through its buyer credit programs, Türk Eximbank has successfully financed numerous infrastructure and superstructure projects carried out by Turkish contractors across various countries. These include a railway project in Ethiopia that facilitates the transport of goods to domestic and international markets, enhances workforce mobility, and promotes regional connectivity. In Senegal, the Bank supported the construction of a hotel, expo center, and sports center, boosting the country's capacity to host international guests, business events, and sports activities, while also contributing to cultural and economic development. Other financed projects include a conference center in Senegal and a water project in Ghana, which addresses the 30-year potable water needs of over 300,000 people in the Akim Oda and Akwatia regions through a 2-million cubic meter reservoir. In the Republic of Congo, the International Business City project is set to host large-scale cultural and commercial events. Additionally, the Bank has supported various critical infrastructure projects in Sudan, including bridges, water supply and treatment systems, and sewage facilities.



Furthermore, because of its strong commitment to international cooperation, Türk Eximbank has signed numerous reinsurance agreements with official export credit agencies. These agreements not only strengthen risk-sharing mechanisms but also enable the pooling of financial resources for large-scale, high-impact projects particularly in infrastructure, energy, and other strategic sectors. By mobilizing greater financing through international collaboration, such partnerships contribute meaningfully to the achievement of the Sustainable Development Goals, particularly.

In the same spirit, cooperation and knowledge-sharing on these matters through multilateral platforms play a vital role in promoting responsible business conduct and fostering international collaboration. Türk Eximbank actively participates in multilateral platforms such as the AMAN Union and works closely with peer ECAs. The members of the AMAN Union are well positioned to contribute to this effort with their unique expertise, innovative instruments, and joint initiatives developed within the framework of dedicated working groups.

Building on this collaborative foundation, it is clear that as countries strive to achieve the SDGs, the role of ECAs becomes increasingly critical. Strengthening partnerships, enhancing transparency, and expanding support for climate-positive exports will be essential to ensure that export credit instruments evolve in line with global sustainability imperatives. The path ahead for ECAs is not only to facilitate trade, but to ensure that trade itself becomes a catalyst for sustainable development.

## CAGEX's Experience

The global environment is characterized by escalating instability and persistent volatility, with multiple geopolitical flashpoints exerting a direct influence on international trade and commercial exchanges. The ongoing conflict in Ukraine, the tensions in and around Yemen, disruptions to maritime transport and global supply chains particularly in the Red Sea together with political instability across Africa, marked by internal conflicts, are reshaping the landscape in profound and rapid ways.

These developments are directly or indirectly affecting national economies, compelling states to adopt increasingly cautious approaches to international trade. Businesses, in turn, are facing heightened entry barriers and more stringent market access conditions. They are also contending with an expanding array of risks, including global warming, climate change, and cyber threats.

Collectively, these factors have created a new operating context for credit insurers. This environment is characterized by a rising risk of non-payment, greater complexity and frequency of claims, extended settlement periods, widespread insolvency among certain buyers or sectors, currency depreciation, collection challenges, difficulties in currency transfer, and regulatory complexity all of which hinder the



**Mr. Zouhair Laïche**  
CEO, CAGEX (Algeria)

enforcement of judicial decisions in fragile jurisdictions. Against this backdrop, credit insurers face a dual imperative:

1. To provide robust protection for trade transactions, despite the political volatility defining today's world, through appropriately tailored coverage solutions.
2. To safeguard their own solvency in the face of increasingly complex and interconnected risks.



## Strategic Imperatives for Credit Insurers

While the current geopolitical climate is undeniably unstable and challenging, it places credit insurers at the very heart of international commercial transactions, rendering them indispensable within the value chain.

To fulfill this pivotal role effectively, the adoption of a proactive and integrated risk management strategy is essential. Business intelligence and risk analysis constitute the backbone of such a strategy, supporting the sustainable development of global trade while preserving client relationships. This can be achieved through a series of concrete measures, including:



### Strategic Market and Risk

**Monitoring:** Continuous observation of markets, global trends, and sovereign risks, with real-time tracking of conflicts, customs sanctions, financial crises, and logistical disruptions.



**Economic Intelligence:** Anticipating potential scenarios through structured intelligence gathering and analysis.



**Risk Modeling:** Developing country- and sector-specific risk models, enabling a nuanced understanding of vulnerabilities under geopolitical stress.



**Partnership Expansion and Data Enrichment:** Building and diversifying partnerships to enhance risk insight and avoid excessive concentration.



**Strengthened Cooperation:** Deepening collaboration with other credit insurers, particularly AMAN Union members, to foster knowledge sharing and collective problem-solving.



**Membership Expansion and Innovation:** Broadening AMAN Union's membership base and exploring innovative coverage solutions for emerging risks.



**Risk Diversification:** Distributing commitments not only over time but also across geographies and sectors, thus mitigating concentration risks.



**Client Support and Guidance:** Assisting businesses in identifying and accessing markets that present lower levels of exposure.



Secretary General AMAN UNION and CEO CAGEX during the AMAN UNION annual meetings in Algiers, December 2024



### Enhanced Recovery and Intelligence

**Networks:** Reinforcing the global network of collection agents and commercial information providers.



### Advanced Risk Management

**Tools:** Leveraging artificial intelligence and big data to improve risk identification and decision-making.



**Process Digitalization:** Accelerating and enhancing the reliability of information flows, particularly regarding geopolitical developments and buyer insolvency.



**Data-Sharing Mechanisms:** Establishing secure platforms for the exchange of data among stakeholders across the value chain.

In this way, credit insurers are called upon to act as catalysts, leveraging the strategic information at their disposal to guide economic operators toward secure markets and reliable buyers. The development and maintenance of a comprehensive, regularly updated database encompassing microeconomic, macroeconomic, and political intelligence are therefore essential.

# GEOPOLITICAL SHIFTS AND THEIR IMPACT ON TRADE, INVESTMENT AND INSURANCE IN THE ARAB REGION



**Mr. Ahmed El-Dabaa**

Head of Research and Country  
Risk Assessment Section  
The Arab Investment & Export  
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Arab countries, throughout history, have seen numerous events, wars, conflicts, and foreign interventions, which have been intensifying since the beginning of the last century. Consequently, they became a scene of conflicts between regional and international powers on the one hand and surging national independence movements against foreign colonialism on the other.

Over the past fifteen years, between 2010 and 2024, the region and its countries have experienced many complex and intertwined geopolitical changes, including civil unrest in more than half of the region's countries

and mounting interventions by regional and international powers. These factors, inter alia, have triggered unstable dynamics and placed the region at a crossroads between opportunities for stability and growth, and the risks of escalation and sliding into deeper conflicts. This paper comes in the context of basic trends of briefly monitoring and analyzing these geopolitical changes and their impact on Arab countries during this period. It focuses on the ramifications of these changes for the risk rating of the region's countries and, thence, for trade, investment, and insurance.





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In this context, the impacts will be monitored and analyzed through two main pillars:

**First:** Analyzing the impacts of these events by monitoring changes during this period in four key areas:



The evolution of the risk level in Arab countries based on annual numerical assessments by Fitch Solutions.



The evolution of Arab countries' foreign trade involving merchandise exports and imports, based on UNCTAD data, with reference to the evolution of oil prices (average OPEC basket price).



The evolution of foreign investment inflows into the region's countries, citing two sources: UNCTAD, which monitors foreign direct investment inflows, and FDI Markets, which monitors greenfield foreign direct investment projects in the region's countries.



The evolution of Arab merchandise import insurance operations against commercial and political risks, based on World Bank data citing the Berne Union.

**Second:** General conclusions and trends that reflect the impact of geopolitical shifts on risk assessment and, thence, on trade, investment, and insurance in the Arab region and its countries.



### First: Monitoring changes in the levels of risks, investment, trade, and insurance operations during the period (2010-2024)

#### 1. Evolution of the risk level in Arab countries.

The aforementioned various geopolitical shifts have reflected on the level of risk in Arab countries over the past fifteen years, based on annual numerical assessments from Fitch Solutions, which can be summarized as follows:

- o The average risk level of the Arab region (21 countries) surged by 12% between 2010 and 2024, from a moderate risk level (49.3 points) to a moderate but potentially rising risk level (50 points).
- o The rise in the region's level of risks was due to a hike in the level of risks in 17 Arab countries at rates ranging between 1% and 49%. Still, it improved in four Arab countries, namely the UAE with a rate of 15%, then Saudi Arabia with 12%, Morocco with 7%, and Kuwait with 5%.
- o The Arab countries that underwent geopolitical tensions topped the list; namely Syria, Libya, Yemen, Tunisia, Bahrain, Lebanon, Sudan, and Palestine, with risk level hikes of 49%, 43%, 34%, 27%, 23%, 20%, 20%, and 16% respectively.

- o The surge in risk levels during this period in Jordan, Qatar, Algeria, Somalia, Mauritania, Djibouti, Iraq, Egypt, and Oman ranged between 1% and 11% owing to the varied geopolitical and economic events that took place during this period.
- o During the period, the risk levels of all Gulf countries remained low, while those of Morocco, Jordan, Egypt, Tunisia, and Algeria remained moderate despite mixed rises in most of these countries. The remaining countries' risk levels were high throughout the period, except for a number of countries, mainly Syria, Libya, Lebanon, Djibouti, and Iraq, where the risk level surged from moderate to high.

## 2. Evolution of foreign investment inflows into the region

Based on United Nations Conference on Trade and Development (UNCTAD) data and the FDI Markets database during the period (2010-2024), some remarks come as follows.

- o According to UNCTAD, the Arab region, during the period, could attract foreign direct investments valued at \$744 billion, 47% of which took place in the last four years. Based on FDI Markets data, the region managed to draw greenfield foreign projects worth \$1,235 billion during the same period, 60% of which occurred in the last four years too; having stood or relatively improved in risk levels in traditional Arab destinations for foreign investments.
- o Foreign investment inflows into the region were concentrated in the UAE, Saudi Arabia, and Egypt during the period, making up over 72% of the Arab total (according to UNCTAD inflow data) and 60% of the Arab total (according to FDI Markets project data).
- o The Arab countries (13 countries excluding Egypt), which underwent geopolitical tensions during this period, attracted only 17% of the region's total foreign direct investment inflows and greenfield foreign direct investment projects. However, they were mostly locked in tensions and were not initially a preferred destination for foreign investments.
- o Before the Arab Spring, the region's annual average of foreign direct investment inflows was \$75 billion (between 2007 and 2010), but it fell to \$35 billion (between 2011 and 2014). The same thing happened with the region's foreign projects.

## 3. Evolution of foreign trade in Arab countries

Based on the UNCTAD data of Arab countries' external merchandise trade involving exports and imports during the period (2010-2024), some remarks come as follows:

- o Arab trade during this period exceeded \$31 trillion, a third of which took place in the last four years, including \$17.6 trillion in exports and \$13.4 trillion in imports.
- o Arab merchandise trade witnessed significant fluctuations during the period, mainly due to the volatility of exports, which was directly created by global oil price fluctuations and drops during two periods: the first between 2014 and 2016, owing to oversupply, and the second in 2020 due to the near-total halt of worldwide transport and trade during the COVID-19 pandemic.
- o Arab merchandise imports during the period were less volatile, but potentially higher, than exports due to factors pertinent to Arab countries' growing demand, considering the fall in imports during the crises of oversupply and the COVID-19 pandemic.
- o Oil-exporting countries (7 countries excluding Libya), in addition to Egypt and Morocco, made up over 91% of the Arab region's foreign trade during the period, including 55% for the UAE and Saudi Arabia, thanks to the Kingdom's massive oil exports and the UAE's extraordinary re-exports.
- o Some countries' exports were significantly affected by geopolitical shifts and production interruptions, particularly in Libya, Syria, and Yemen, whose foreign trade rates fell by 28%, 21%, and 13% during the period.

## 4. Evolution of trade, investment, and financing insurance in Arab countries

Based on the data of the World Bank and the Berne Union concerning Arab merchandise import insurance during the period (2010-2024), some remarks come as follows:

- o Insurance against commercial and political risks in Arab countries during this period hit \$2.5 trillion, an annual average of \$168 billion, given that these operations were mostly intended to insure trade, mainly imports, and that 30% were carried out in the last four years.



- o Four countries: the UAE, Saudi Arabia, Egypt, and Qatar, represented 65% of the total Arab insurance operations, with rates of 21%, 19%, 13%, and 11.6% respectively.
- o The Arab countries (11 countries), which were the scene of geopolitical events and were designated as high-risk destinations by Fitch Agency, made up only 9% of the total insurance operations implemented by regional and international agencies during the period (2010-2024) in Arab countries. Insurance operations of eight of these countries nosedived at rates ranging between 27% and 98% during the period from 2010 to 2024.

### Secondly: Conclusions and general trends

Regional and international geopolitical events have negatively impacted the Arab region and increased the level of risk by 12% over the past fifteen years, primarily due to the surging risk levels of 17 countries, which collectively account for 49% of the total. Yet, the risk levels of only four countries have improved. Despite the surging risk levels in most countries, trade, investment, and insurance have not overall dropped for several reasons, mainly the following:

- o Most traditional trade, investment, and insurance destinations in the region, particularly the UAE,

Saudi Arabia, and Egypt, were not negatively impacted by those events. On the contrary, they saw an improvement in risk levels and, thence, in investment, trade, and insurance.

- o Some Arab countries (six countries), which underwent geopolitical tensions during the period, had already suffered from tensions of varying degrees and had been designated as high-risk destinations before 2010.
- o The most apparent impact of geopolitical developments was reflected in oil prices and revenues, which, in turn, affected trade, investment, and insurance indicators in the region, mainly the exporting countries that account for the most important share in those indicators.
- o Insurance operations kept pace with the growth of trade, investment, and financing in Arab countries that have low and moderate risk levels and were not impacted by the high-risk rates of other Arab countries that were not initially targeted by their operations.

Accordingly, it can be said that geopolitical developments have significantly affected oil prices and revenues, which still represent the key factor in the development of trade, investment, and insurance in the region.

# THE ROLE OF AMAN UNION IN SHAPING THE FUTURE TRENDS OF TRADE



**Dr. Cem Tintin**  
 Country Economist, Islamic  
 Development Bank

The global economy is at a pivotal point as it undergoes profound transformations driven by digitization, shifting geopolitical dynamics, climate change, and evolving trade architecture. The future of international trade hinges on resilience, inclusivity, and sustainability. Importantly, the unprecedented growth in AI and blockchain technologies and development of new low-cost transportation modes have accelerated the growth in international trade volume over the past decade. Nevertheless, protectionist trade policies and cumbersome bureaucratic processes lead to the emergence of tariffs and non-tariff barriers (licenses, quotas, embargoes, foreign exchange restrictions, and import deposits) across the globe in different shapes and formats. These barriers are not only associated with lower trade volumes but also harm millions of producers, farmers, and SMEs rather than protecting them. A number of transmission mechanisms exist to explain the welfare impacts of trade barriers, as summarized in Table 1.

In addition to the direct negative impacts of trade barriers, global welfare significantly goes down once all externalities of such barriers are taken into consideration. For example, trade restrictions during

The global economy is at a pivotal point as it undergoes profound transformations driven by digitization, shifting geopolitical dynamics, climate change, and evolving trade architecture

**Table 1: How Trade Barriers Reduce Welfare**

| Mechanism   | Impact   |
|---|--|
| Deadweight Losses                                   | Reduce efficiency and consumer surplus                   |
| Retaliation   | Escalates trade wars and shrinks global trade            |
| Reduced Economies of Scale                          | Firms lose access to wider markets                       |
| Supply Chain Disruptions                            | Increase costs, lower productivity                       |
| Loss of Innovation Spillovers                       | Less global knowledge diffusion                          |
| Uncertainties and No or Limited Trade Risk Coverage | Less trade volume due to a lack or limited risk coverage |

Source: Author's analysis

the COVID-19 pandemic disrupted supply chains, increasing costs by 10–15% and delaying recovery (OECD, 2021).<sup>1</sup> The World Bank (2023) estimated that a sustained 10-percentage-point increase in tariffs globally could reduce global GDP by 1.4% in the long run, with developing countries facing disproportionate losses.<sup>2</sup>

In this context, developing economies particularly those from the Global South are increasingly recognizing the critical role of regional and multilateral cooperation in navigating uncertainties and fostering long-term economic integration through international trade. Within this framework, trade credit and political risk insurance mechanisms have emerged as essential instruments in facilitating secure cross-border trade. Put differently underdeveloped export credit agencies or limited available sources to cover risks of exporters not only hit domestic producers but also result in accumulating larger welfare losses over time that hinder development.

Officially speaking, AMAN Union is a professional forum assembling Commercial & Non-commercial Risks Insurers & Reinsurers in Member Countries of the Organization of the Islamic Cooperation and of the Arab Investment & Export Credit Guarantee Corporation “Dhamaan,” established in accordance with the provisions of its Charter ratified on October 28<sup>th</sup>, 2009.

AMAN Union acts to raise the technical performance, knowledge and capacities of its members to the utmost advanced levels of commercial and non-commercial insurance practices in the world that in return will contribute to the development of the economies of its members. Since its establishment, AMAN Union has evolved into a unique platform that not only mitigates trade-related risks but also fosters cooperation, capacity-building, and market intelligence among its members. Against this background, this short article aims to highlight the evolving role of AMAN Union in shaping the future trajectory of trade, particularly within the OIC and South-South cooperation landscape.

### AMAN Union and Its Strategic Position

In international economics, credit insurance is a catalyst for finance of the real economy, enabling trade and supporting growth; unlocks bank financing for short term cashflow as well as long-term investment; protects SMEs, and other exporters from the risks of non-payment; and supports market entry and investment in both emerging and developed markets (Berne Union, 2025).<sup>3</sup>

AMAN Union was established in a period marked by rising demand among OIC member countries for greater



1. OECD (2021), “Global Value Chains after the COVID-19 Crisis,” Paris.

2. World Bank (2023), “World Development Report 2023: Migrants, Refugees, and Societies”

3. Berne Union (2025). “How Credit Insurance Supports Trade and the Real Economy.” Berne Union Information Brochure.

self-reliance in trade finance and insurance services. As global trade expanded during the 1990s, many OIC member countries found themselves constrained by limited access to risk mitigation tools, making exporters and investors highly vulnerable to payment defaults, political upheavals, and currency fluctuations.

Comprised today of over 20 member and observer institutions including export credit agencies (ECAs), insurance and reinsurance companies, and multilateral institutions AMAN Union’s mission is to enhance collaboration among its members through exchange of information, joint ventures, training, and harmonization of underwriting practices. Notably, its membership spans a diverse geographic and economic landscape, from the Middle East and North Africa (MENA) to Sub-Saharan Africa and Asia, offering significant opportunities for South-South cooperation.

AMAN Union complements global institutions like the Berne Union<sup>4</sup>, yet it offers a culturally and economically tailored platform that understands the unique structural challenges of OIC member countries. Its deep-rooted

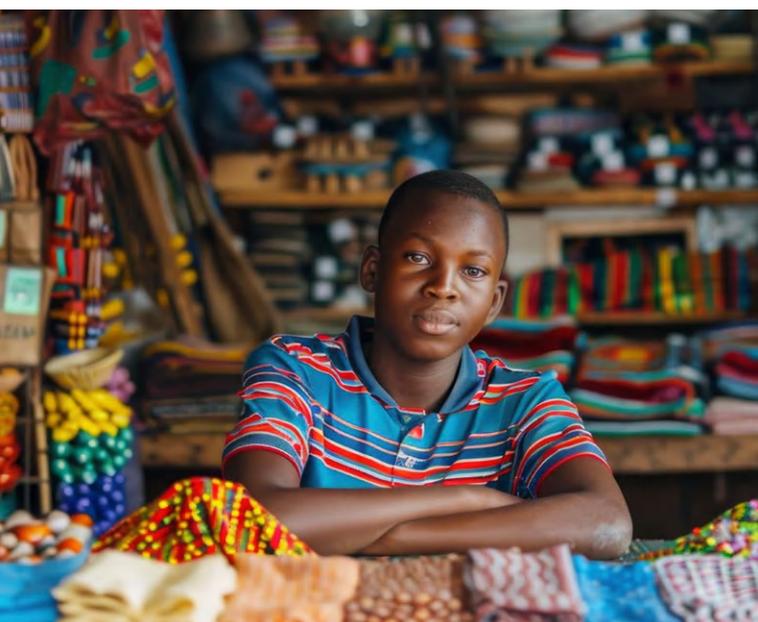
focus on cooperation, capacity development, and solidarity distinguishes it as a strategic enabler of sustainable trade. The growing intra-OIC trade (trade volume among OIC member countries) is a historical window of opportunity for economic integration in the OIC region.

As documented in Table 2, intra-OIC trade soared over the past two decades. Intra-OIC merchandise exports went up by USD 423 billion (representing a 6.8-fold increase) between 2000 and 2024. Similarly, intra-OIC merchandise imports grew by 9.3 times during the same period. This positive momentum in intra-OIC trade presents vast business opportunities for ECAs in the OIC region. Besides, this positive trend has the potential to trigger new joint projects (e.g., forming a consortium among insurers or reinsurers to de-risk in certain projects) among members of the Aman Union. Yet, further memberships to the AMAN Union could strengthen the capacity of the Union while allowing members to embark on greater projects and cover more exporters and SMEs that would bring higher economic growth and prosperity over time in the region.

**Table 2: Intra-OIC Trade Volume (Billion USD)**

|                               | 2000 | 2019 | 2023 | 2024 |
|-------------------------------|------|------|------|------|
| Intra-OIC Merchandise Exports | 73   | 337  | 467  | 496  |
| Intra-OIC Merchandise Imports | 56   | 339  | 495  | 521  |

Source: Author’s calculation from the OIC Stat Database, SESRIC (2025)



Further memberships to the AMAN Union could strengthen the capacity of the Union while allowing members to embark on greater projects and cover more exporters and SMEs that would bring higher economic growth and prosperity over time in the region.

4. Berne Union (2024). "Export Credit and Investment Insurance Industry Report 2023". June 2024

## Key Contributions to Trade Facilitation and Risk Mitigation

At the heart of AMAN Union's contribution is its ability to de-risk trade through a wide array of instrument credit insurance, political risk coverage, and reinsurance facilities. These services are critical, especially in regions where commercial banks often shy away from long-term or high-risk trade finance arrangements. According to the Berne Union 2023 Annual Report, over 13% of global trade worth approximately USD 2.7 trillion was covered by credit and investment insurers in 2022. While data specific to AMAN Union members is less aggregated, some estimates based on disaggregated data suggest that the total insured trade volume among members reached USD 150 billion in 2023, a significant rise from USD 100 billion in 2018.

During recent global shocks such as the COVID-19 pandemic and the Russia-Ukraine conflict AMAN Union members played an instrumental role in maintaining trade liquidity, particularly in critical sectors like food, medical supplies, and energy. For instance, Saudi EXIM Bank and Turk Eximbank expanded coverage for high-risk markets during the pandemic, while the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a founding member of AMAN Union, provided USD 10.5 billion in insurance commitments in 2023 alone, 63% of which targeted least developed and lower-middle-income countries.<sup>5</sup>

Furthermore, AMAN Union extends its support to micro, small, and medium enterprises (MSMEs), which constitute over 90% of firms in most OIC member countries. By extending guarantees and political risk insurance, the Union indirectly facilitates MSME integration into global value chains an increasingly vital pathway for inclusive economic growth and sustainable development.

## Leveraging Data and Knowledge for Trade Intelligence

One of the strengths of AMAN Union is its commitment to building a shared knowledge ecosystem. The Union facilitates structured exchange of underwriting data, debtor risk profiles, and claims information through platforms like the AMAN Online Database, launched in collaboration with ICIEC. This database enables members to cross-check buyer risks, improving credit assessments and reducing fraud and duplication in coverage.

More recently, the Union supported the operationalization of the OIC Business Intelligence Center (OBIC), hosted by the Islamic Development



**AMAN Union extends its support to micro, small, and medium enterprises (MSMEs), which constitute over 90% of firms in most OIC member countries.**



Bank Group. OBIC offers a centralized trade intelligence platform for OIC countries, featuring dashboards on export-import flows, tariff data, and foreign investment trends. Such initiatives not only bridge information asymmetries but also empower members to engage in evidence-based trade policy design and insurance underwriting. A study published by COMCEC (2023) provided a list of benefits of enhancing the OIC's credit information ecosystem, in which the experience of AMAN Union could play a pivotal role:

- a. It could boost private-sector lending in the least developed OIC member states by an estimated USD 670 billion annually. In addition, rates of non-performing loans could be reduced by 7.75 percentage points.
- b. It will boost the OIC Intra-Trade from its current level of USD 539 billion, representing a 19.9% share of total OIC Trade.
- c. It will reduce the rates of Non-Performing Loans by at least 7%.
- d. Credit information systems boost lending by up to 50% of GDP, reduce costs substantially, and financially assimilate the 2 billion unbanked, with a noticeable impact on FDI.
- e. Other vital benefits include the financial inclusion of MSMEs, FDI growth, and intra-OIC trade boost.<sup>6</sup>

In addition to data tools that could bring significant benefits for its members, as evidenced above, AMAN Union conducts regular training workshops, regional conferences, and joint studies, often in partnership with international development institutions. These capacity-building efforts strengthen institutional readiness to address emerging trade risks, such as cybersecurity threats, climate-related disruptions, and ESG (environmental, social, and governance) compliance requirements.

5. ICIEC (2024). Annual Development Impact Report.

6. COMCEC (2023). "Brief Note on OBIC for 39th Follow up Committee". Ankara.

## Shaping Future Trade Trends

As the global trading system undergoes structural changes, AMAN Union is uniquely placed to influence key future-oriented trade dynamics across the Global South and, particularly in the OIC region, in several ways:



- a. Supporting South-South Trade Corridors:** Trade between developing countries South-South trade now accounts for over 30% of global trade (UNCTAD, 2023).<sup>7</sup> AMAN Union members such as SONACOP (Senegal), ICIEC (multilateral) and EGFI (Iran) play a growing role in de-risking trade routes across Asia, Africa, and the Middle East.



- b. Promoting Islamic Finance in Trade:** AMAN Union is well-positioned to champion the integration of Islamic finance in trade insurance, as several of its members offer instruments in line with the principles of Islamic Finance. For instance, ICIEC's Shariah-compliant trade insurance solutions have mobilized over USD 100 billion in cumulative business since 1995.



- c. Encouraging Green and Sustainable Trade:** AMAN Union offers a platform for its members that provides a forum to discuss joint issues, challenges, as well as opportunities. In this context, the members of the Union could develop regional guidelines on sustainable underwriting practices. As climate risks climb, such guidelines will become an indispensable component in the operations of ECAs.



- d. Fostering Digital Trade and Innovation:** Digital trade is projected to grow by 15% annually, reaching USD 12 trillion by 2030 (World Economic Forum, 2024)<sup>8</sup>. Investing in digital platforms within the umbrella of AMAN Union will boost efficiency and bring a number of cost-effective benefits for its members while promoting trade in the OIC region.

## Policy Recommendations and Strategic Priorities

To fully realize its transformative potential, AMAN Union should consider several strategic priorities:



- Deepen Regional Integration and Harmonization:** Encourage regulatory alignment among members to standardize practices for credit assessment, claims handling, and reinsurance frameworks. This could improve market confidence and facilitate cross-border collaboration.



- Invest in Digital Infrastructure and Data Analytics:** Support the development of secure, interoperable platforms for underwriting, risk sharing, and client onboarding. Use AI and machine learning to enhance predictive analytics in buyer risk profiling.



- Promote Inclusivity and MSME Access:** Design specialized insurance products tailored for MSMEs, especially women-led and youth-led enterprises, which often face the greatest challenges and access barriers, such as information asymmetries.



- Champion Sustainable and Islamic Trade Instruments:** Develop standardized Shariah-compliant trade insurance models and ESG-aligned risk scoring tools while encouraging the use of Islamic financial instruments in key critical sectors like infrastructure, health, and agri-food trade.



- Enhance Public-Private Dialogue:** Establish regular forums between AMAN Union, national governments, and private sector stakeholders to address regulatory bottlenecks, share success stories, and align national trade strategies with AMAN Union's objectives.

7. UNCTAD (2023). "South-South Trade: Opportunities and Challenges".  
8. World Economic Forum (2024). "Future of Digital Trade and Innovation".



## Conclusion

In a world increasingly defined by disruption and transformation, institutions that foster trust, share risk, and build resilience are indispensable. AMAN Union stands as a prime example of such a forum one that has quietly but effectively enabled its members to unlock trade opportunities, mitigate risks, and build institutional capacity in the universe of insurance and re-insurance.

The experience of its members, which was gained in Asia, Africa and Arab countries, makes the Union a strong platform with diverse offerings to boost trade in the OIC region. Through sustained investment in innovation, knowledge, and collaboration, AMAN Union has the potential to be a key enabler for trade in OIC member countries and many developing countries in the global South.

Looking ahead, given its unique position- as an umbrella organization of ECAs and institutions active in the OIC region- and the strengths of its members, AMAN Union will continue to evolve as a strategic enabler of inclusive, secure, and sustainable trade in the OIC region and beyond. In years to come, the Union will play a greater role in shaping the future trends of trade by fully benefiting from the potential of its members and utilizing cost-effective and brand-new digital tools and mechanisms (e.g. AI, business intelligence, and blockchain technologies).



In a world increasingly defined by disruption and transformation, institutions that foster trust, share risk, and build resilience are indispensable. AMAN Union stands as a prime example of such a forum one that has quietly but effectively enabled its members to unlock trade opportunities, mitigate risks, and build institutional capacity in the universe of insurance and re-insurance.



# THE ROLE OF TECHNOLOGY IN RESHAPING TRADE: CREDIT INSURANCE IN THE AGE OF AI



**Dr. Daniel Stausberg**  
CEO Atradius Re

International trade has always been central to economic growth, as it gives an opportunity to connect producers, suppliers, and consumers across the globe. But with opportunity comes risk. Exporters face uncertainties around political stability, fluctuating currencies, tariff adjustments, supply chain bottlenecks, and most critically the risk of non-payment. For decades, credit insurance has been a vital instrument to safeguard trade, giving businesses confidence to extend credit and expand into new markets.

In today's world, as with other sectors, trade is undergoing a digital transformation. Advances in artificial intelligence (AI), big data, and automation are reshaping how businesses operate, assess risk, and secure financing.

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The digital revolution has fundamentally altered the structure of global trade. Technologies such as cloud platforms, blockchain, and AI are streamlining supply chains, automating compliance, and opening new opportunities for businesses of all sizes. For exporters, the trade environment is more connected, faster, and more data-rich than ever before.

In this context, financial tools that protect businesses must keep pace. Credit insurance long considered an essential safeguard is being reimagined through technology, making it more agile, inclusive, and intelligent. Traditionally, credit insurance has played three crucial roles:



**Risk Mitigation** – Protecting businesses against insolvency or prolonged default.



**Access to Finance** – Enabling insured receivables to be used as collateral for trade finance.



**Market Expansion** – Allowing exporters to enter new markets with confidence.

Yet the conventional model often suffered from delays and inefficiencies. Underwriting was based largely on historical financial statements; policies were manually customized; and claims handling could be slow. In a digital economy, where trade transactions happen instantly and risks evolve in real time, this older model is no longer sufficient.

Perhaps the most significant change lies in the use of AI and big data analytics. Instead of relying only on backward-looking financial reports, insurers now tap into real-time data from global payment networks, supply chain activity, macroeconomic indicators, and even social media sentiment and insights.

Machine learning algorithms detect subtle signals of financial stress such as changes in payment patterns or supply chain disruptions long before traditional models would. This predictive capability enables insurers to adjust coverage dynamically and provide exporters with up-to-date assessments of buyer reliability.

AI-powered digital platforms have made credit insurance more accessible than ever. SMEs, once underserved by traditional whole turnover credit insurers, can now obtain tailored coverage online in a matter of minutes. Chatbots and intelligent portals guide users through policy options, risk assessments, and claims management.

This democratization of credit insurance is particularly significant: it levels the playing field, giving smaller traders the same protection and confidence long enjoyed by multinational corporations. It has also reduced the price of the product and made it much more affordable for smaller companies.

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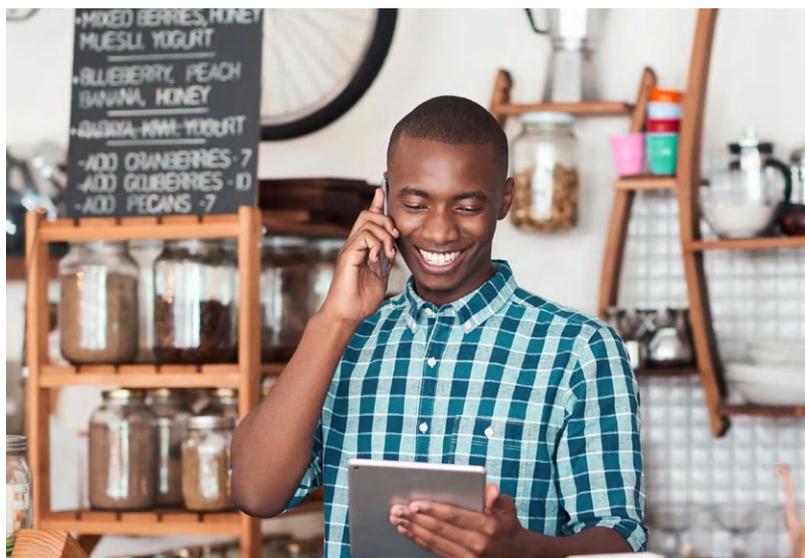
New technology, like blockchains, for example, adds a layer of transparency and trust to global trade. By recording transactions and insurance contracts on immutable distributed ledgers, disputes are minimized, transparency is enhanced, and fraudulent claims are reduced.

AI enhances this further by analyzing a vast amount of data very quickly to identify systemic risks across industries or geographies. Smart contracts self-executing agreements coded into a blockchain can automatically trigger credit insurance payouts once conditions, such as confirmed non-payment, are met. This drastically reduces administrative delays and improves liquidity for exporters.

AI-powered APIs now allow credit insurers to integrate seamlessly with banks and trade finance providers. This means that as soon as a business applies for financing, the lender can instantly access up-to-date risk coverage information or trigger an automatic, AI-based, underwriting process.

Such integration shortens approval times, reduces paperwork, and ensures that trade finance decisions are grounded in the most current risk data. The result is a faster, more resilient financial system supporting global commerce.

Claims handling, once a major pain point, is being transformed through AI-driven automation. Natural



language processing (NLP) systems can scan contracts, invoices, and correspondence for AI to then validate claims in minutes rather than weeks.

Predictive analytics can even estimate the likelihood of a claim being approved before it is filed.

This not only reduces delays but also strengthens trust in the product, reassuring businesses that they will be compensated swiftly in the event of non-payment.

The AI-enabled transformation of credit insurance delivers a range of benefits to global commerce:



**Confidence and Predictability:** Businesses can trade more boldly, supported by predictive risk insights that ultimately lead to far wider coverage levels and increased risk appetite.



**Improved Liquidity:** Faster claim settlements and streamlined financing reduce cash flow stress.



**Inclusivity:** SMEs gain unprecedented access to coverage and financing opportunities.



**Transparency:** Blockchain and AI driven data integration reduce fraud and disputes.



**Resilience:** Automated systems can adapt rapidly to global crises, helping businesses stay afloat.

New technology, like blockchains, for example, adds a layer of transparency and trust to global trade. By recording transactions and insurance contracts on immutable distributed ledgers, disputes are minimized, transparency is enhanced, and fraudulent claims are reduced.



AMAN Union Meeting in Beirut, Lebanon (2016)

Despite the promise, digital transformation brings challenges. Cybersecurity is a growing concern as sensitive trade and financial data are digitized. The quality of AI-driven assessments depends heavily on data accuracy and integrity; poor or biased data can lead to flawed decisions.

There is also the question of uneven access. While advanced economies can fully leverage AI-driven credit insurance, SMEs in developing regions may still face barriers due to limited infrastructure and digital literacy. Regulatory frameworks, too, must adapt to oversee new technologies without stifling innovation.

The future of credit insurance lies in its evolution from a static, reactive product to a proactive growth enabler. AI will not only predict individual buyer defaults but also anticipate systemic risks across entire sectors or regions. Credit insurance may become embedded directly into digital trade platforms, bundled with logistics and payment services as a standard feature rather than an optional add-on.

In such an environment, exporters will not just protect themselves against non-payment they will use AI-driven insights to target safer markets, negotiate better financing, and seize opportunities with greater confidence. This will also significantly reduce the need for ground-up cover.

Technology and particularly AI is reshaping trade in ways that are both profound and permanent. For credit insurance, the shift is transformative. No longer limited to retrospective coverage, credit insurance is becoming

“  
Despite the promise, digital transformation brings challenges. Cybersecurity is a growing concern as sensitive trade and financial data are digitized. The quality of AI-driven assessments depends heavily on data accuracy and integrity; poor or biased data can lead to flawed decisions.  
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predictive, automated, and integrated into the very fabric of global commerce.

For businesses, this means greater protection, better liquidity, and enhanced confidence in exploring new opportunities. For the global economy, it signals a more inclusive, transparent, and resilient trading system. Ultimately, AI is not just changing how credit insurance works it is redefining its purpose. From a reactive safeguard, it is evolving into an intelligent, proactive engine of growth in the digital age of trade.

# 04

## TRENDS AND PRIORITIES BY GEOGRAPHICAL REGIONS & SECTORS



# MIDDLE EAST AND NORTH AFRICA (MENA): RENEWABLE ENERGY AND ECONOMIC TRANSFORMATION

## Adoption of ESG Criteria

### Supporting the Sustainable Development Goals (SDGs) – Tunisian Context

In a Tunisian context the role in supporting both Tunisian businesses and civil society in this dynamic. Its contribution revolves around three essential axes: **acting as a responsible employer, promoting ethics and loyalty, and supporting sustainable economic development.**

#### Axis 1: Acting as a responsible and committed employer

##### a) For employees: building a healthy and future-focused work environment

COTUNACE places the well-being of its employees at the heart of its priorities. It is committed to improving quality of life at work by offering services such as occupational health care and health insurance, to ensure a healthy and secure environment.

Moreover, COTUNACE develops a proactive approach to talent and career management, anticipating future needs by recruiting high value-added professionals. It also supports the professional development of its staff through tailored training programs.

**Gender equality is a key priority:** women represent **57%** of the staff at COTUNACE and receive the same salaries and benefits as their male counterparts, thus promoting their empowerment and inclusion in the workplace.



**Ms. Nebgha DRISS**  
CEO of COTUNACE



## b) Toward civil society

As part of its social responsibility, COTUNACE actively supports civil society. It has contributed to improving the infrastructure of 14 primary Tunisian schools in 9 governorates, thus participating in the national effort to ensure inclusive, equitable, and quality education for all Tunisian children.

COTUNACE has also supported the National Observatory for the Prevention of Violence Against Women, reaffirming its commitment to women's rights and the fight against all forms of violence.

### Axis 2: Promoting ethics, loyalty, and integrity in all stakeholder relationships

COTUNACE operates with unwavering integrity in all its interactions. It has established robust measures to prevent corruption and fraud, while continuously building customer trust through transparency, fairness, and consistent service quality.

### Axis 3: Acting for sustainable economic development

At the core of its mission, and with over **40 years of expertise** and strong support from the Tunisian State, **COTUNACE assists Tunisian companies**



through its guarantee mechanism, which secures their commercial transactions against the risk of non-payment. This protection helps to improve the business climate and ensures the sustainability of **companies** while enhancing their competitiveness and effective integration into export value chains.

COTUNACE also facilitates the economic inclusion of SMEs by ensuring their access to bank financing, thereby strengthening their credibility with financial institutions. It also invests in economic education by promoting credit insurance mechanisms through its digital platforms.

At the international level, COTUNACE actively works to develop strategic partnerships with foreign credit insurers, focusing on cooperation and mutual strengthening of expertise, notably as a founding member of AMAN Union since 2009.

As part of this initiative, it contributes to the exchange of best practices in credit insurance and the implementation of innovative solutions compliant with international standards, to best support Tunisian companies in their export development securely, thus preserving their durability.

In conclusion, through its ESG commitments, COTUNACE plays a key role in promoting sustainable development in Tunisia by supporting human capital, business ethics, and inclusive economic growth.

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## Middle East and North Africa renewable energy and economic diversification outlook: Sectoral analysis



While recent years have seen record growth in renewable energy deployment, progress has been geographically uneven. The International Renewable Energy Agency's (IRENA) **Renewable Energy Statistics 2025** shows that **although installed renewable power capacity grew by over 15% in 2024, the gaps between regions continue to widen.**

**Asia** accounted for 71% of newly installed renewable power capacity (mainly driven by China), followed by **Europe** and **North America, which represented 12.3% and 7.8% of additions in 2024, respectively.** A significant imbalance in distribution remains, however, with Africa, Eurasia, Central America and the Caribbean combined only accounting for 2.8% of global renewable power capacity additions in 2024.

The **Middle East and North Africa (MENA)** region recorded a 5.6 GW increase in newly commissioned capacity<sup>1</sup>. Yet renewables in this region only make up about 10% of its total electricity capacity, the lowest share worldwide. This contrast underscores both the scale of recent progress and the urgent need for further adoption to align with global climate goals.

In order to stay on track to limit global temperature rise to 1.5°C, in line with the Paris Agreement, the **World Energy Transitions Outlook (WETO)** outlines a clear pathway to 2050, with the MENA region standing to contribute significantly through solar PV, wind, green hydrogen, and storage solutions.



1. Newly commissioned capacity is driven primarily by Saudi Arabia (1755 MW), Egypt (1043 MW), Qatar (875 MW), UAE (740 MW) and Morocco (416 MW). Bahrain (10 MW), Iran (308 MW), Jordan (87 MW), Mauritania (34 MW), Tunisia (267 MW) and Yemen (120 MW) added the remaining capacity.



As most MENA countries develop increasingly ambitious renewable energy and hydrogen strategies, and pursue the implementation of net-zero commitments, momentum in the region will continue to build, supported by the significant **price advantages renewables enjoy over fossil fuels**.

The costs of renewable power continue to fall, driven by technological innovation, competitive supply chains and economies of scale. IRENA's latest report on **Renewable Power Generation Costs** confirms that in 2024 on a global scale, solar photovoltaics (PV) were, on average, 41% cheaper than the lowest-cost fossil fuel alternatives, while onshore wind projects were 53% cheaper. Onshore wind remained the most affordable source of new renewable electricity at USD 0.034/kWh, followed by solar PV at USD 0.043/kWh. Renewables are not only cost-competitive vis-a-vis fossil fuels but are advantageous by limiting dependence on international fuel markets and improving energy security.

However, the energy transition faces several challenges for economies reliant on fossil fuels, notably in the MENA region. Specific **regional barriers include: subsidized fossil fuels**, which distort market signals, making renewables less competitive in some countries; **grid infrastructure unpreparedness** for high renewables penetration; **investment risks** related to political instability; **currency fluctuations** and **regulatory uncertainty**, which could deter private capital.

## Reliance on fossil fuels

The MENA region has been historically dependent on fossil fuels, which play a substantial role in economic development, not only as domestic sources of energy but also commodities for export. Gulf Cooperation Council (GCC) countries, for instance, are some of the world's largest fossil fuel producers and exporters. Whilst GCC economies have relatively been small energy consumers compared to global demand, rapid regional development and industrialization has led to a four-fold increase over the past 30 years.<sup>2</sup>

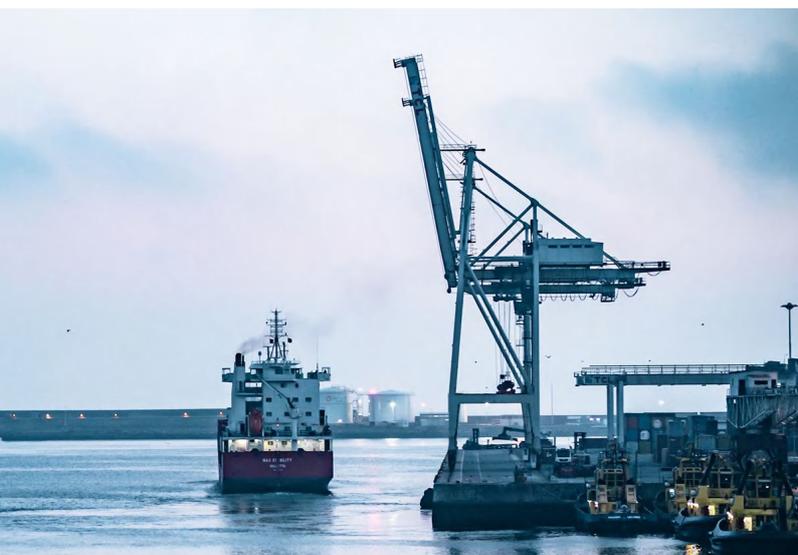
Similarly, North Africa, Algeria, Libya, Egypt and Sudan are endowed with significant hydrocarbon resources and are long-standing exporters of oil and natural gas. However, countries such as Morocco and Tunisia have limited oil or gas reserves, leading to historically significant energy import expenditures. In turn, they have some of the region's most diversified economies, based on agriculture, manufacturing, textiles, tourism and services. Morocco is also a significant producer of phosphate and phosphate rock, which are critical minerals, including for energy transition technologies.<sup>3</sup> This reflects the opportunities for economic diversification across North African nations and the potential for a shift away from oil and gas.

## Regional renewable energy potential and targets

Despite the regional dependency on fossil fuels, there is significant renewable energy potential in the GCC

2. IRENA (2023), GCC Market Report, <https://www.irena.org/Publications/2023/Dec/Renewable-energy-market-analysis-GCC>

3. IRENA (2023), North Africa: Policies and finance for the energy transition, [www.irena.org/Publications/2023/Dec/North-Africa-policies-and-finance-for-renewable-energy](https://www.irena.org/Publications/2023/Dec/North-Africa-policies-and-finance-for-renewable-energy)



and North Africa. The region has vast land, strategic infrastructure, and some of the most abundant and competitive renewable resources globally. IRENA's **World Energy Transitions Outlook 2024** shows that renewables could meet over 50% of MENA's power demand by 2050 if current policies are scaled, with countries such as the UAE, Saudi Arabia, Egypt, and Morocco already pioneering green hydrogen, giga-scale solar projects, and cross-border electricity trading.

The declining costs of utility-scale solar projects in GCC countries, for example, have been a major incentive for them to pursue ambitious renewable energy targets. The reduction in cost can be attributed to technological advancements, availability of low-cost financing, competitive procurement processes, increased deployment rates, and stakeholders' deeper understanding and familiarity with technologies. At less than US¢ 2/kilowatt hour (kWh), solar PV emerges as the least-cost option for power production, easily outpacing natural gas, liquefied natural gas, oil, coal and nuclear power (IRENA, **GCC Market Report 2023**).

For North Africa, its unique geography holds immense renewable energy potential, particularly solar and wind power, as well as hydropower. IRENA's 2023 report on **North Africa Policies and Finance for renewable Energy Deployment**, estimates North Africa's technical installable capacities at 2 792 GW and 223 GW for solar and wind, respectively, assuming a land utilization factor of 1% for both renewable technologies. The region also has some of the highest rates of access to modern energy in Africa. For instance, Algeria, Egypt, Morocco and Tunisia have achieved virtually universal access to

electricity and clean cooking fuels and technologies, even though the quality of access, affordability and stability of supply vary within and among them. In areas where electricity is limited (e.g., Libya and Sudan) decentralized off-grid solutions offer large potential markets.

Renewable energy targets are being embedded in long-term national development strategies across the region, but progress varies across countries. All GCC countries have submitted Nationally Determined Contributions (NDCs 1.0 and 2.0) and adopted renewable energy goals, with some of them also announcing energy efficiency targets. The UAE is the only country in the region to have submitted its third updated NDC in November 2024.

While all countries in North Africa are signatories to the Paris Agreement, aside from Libya which has yet to ratify the Agreement, the outlook across the region is more varied. Algeria, Egypt, Morocco, Sudan, and Tunisia have submitted updated (NDC 2.0) versions between 2021–2023, with Morocco being the most advanced in the 3.0 cycle, demonstrating clear ambition (~53% cut), though no formal filing has been made yet.

IRENA's World Energy Transitions Outlook 2024 shows that renewables could meet over 50% of MENA's power demand by 2050 if current policies are scaled, with countries such as the UAE, Saudi Arabia, Egypt, and Morocco already pioneering green hydrogen, giga-scale solar projects, and cross-border electricity trading.

## Economic diversification imperative

Renewables are more than just climate-safe energy solutions, they are engines of economic diversification, supporting national strategies aimed at generating employment opportunities and enhancing energy security. Based on IRENA's research, renewables offer important pathways for diversification including:

- **Industrial development and local value chains:** Countries like the UAE and Saudi Arabia are investing in domestic solar panel assembly, inverter manufacturing and smart grid technologies, with giga-projects spurring innovation and positioning these countries as regional hubs for renewables, green hydrogen production, sustainable construction, R&D and international investment.
- **Job creation and human capital:** The energy transition is seen as a major opportunity to stimulate private sector growth, and create new jobs and enterprises, leveraging abundant solar energy and public investment capacity. Vocational training and STEM education are increasingly being aligned with green jobs, especially in solar, wind, operations and maintenance, and energy efficiency.

The MENA region's renewable momentum, as elsewhere, is largely policy-driven. Key enablers include power sector liberalization; feed-in tariffs and auctions; grid upgrades and regional interconnections. Cross-border electricity trade, with relevant initiatives like the Pan-Arab Electricity Market (PAEM), Morocco-EU interconnections or the GCC Interconnection Authority (GCCIA), could also evolve into renewable energy corridors, facilitating large-scale project deployment and energy diplomacy.

The MENA region is moving steadily-but not yet swiftly enough-toward a renewables-based, diversified economic future.

## Conclusion

The MENA region is moving steadily but not yet swiftly enough toward a renewables-based, diversified economic future. While fossil fuels will remain part of the energy mix in the near term, strategic investments in renewables and green hydrogen, backed by regional cooperation, offer a pathway to resilience, prosperity and climate security.

By building on their natural advantages and aligning policies with long-term economic goals, MENA countries can turn the energy transition into a generational opportunity for transformation. To fully realize the benefits of renewable energy for economic diversification, IRENA recommends:

- **Policy reforms:** a more competitive market for clean power can be created (reforming fiscal incentives, removing fossil fuel subsidies, implementing carbon pricing, adopting competitive auction design) to reduce costs and drive investment for renewable energy projects.
- **Infrastructure upgrade:** By modernizing grids, integrating storage solutions, and upgrading transmission lines, renewables adoption can accelerate regionally.
- **Strengthened institutions:** National energy agencies need greater authority and technical capacity to manage the scale of transition. MENA governments must accelerate national targets in their upcoming NDC 3.0 submissions, aligning public policy with the global trajectory to unlock private sector mobilization.
- **Increased financing:** Combining government incentives, public funding with private and multilateral capital can de-risk projects to attract the investment needed to accelerate the energy transition in the region.
- **Regional cooperation mechanisms:** Enabling countries to share resources, expertise, and infrastructure can create economies of scale, leveraging interconnectivity as one of the MENA region's main strategic levers.
- **Digitalization:** The transition will require smart grids, active demand response and potentially AI-enabled forecasting.

**Inclusive transition:** Policies must ensure equitable access to opportunities for women, youth, and marginalized communities.

# SUB-SAHARAN AFRICA: UNLOCKING DEVELOPMENT IN SUB-SAHARAN AFRICA: THE ROLE AND LIMITS OF NON-PAYMENT INSURANCE IN FINANCING INFRASTRUCTURE AND AGRICULTURE

## Highlights of the African economies financing infrastructure and agricultural development challenges

### Introduction

Sub-Saharan Africa (SSA) faces a persistent infrastructure and agricultural financing gap, despite its vast development potential. SSA has a vast quantity of arable land, untapped renewable energy sources, and urgent need for modern transport, power, and irrigation systems to support a rapidly growing population (with population growth estimated at 2.5% annually over the next 5 years alone).

Non-payment insurance (NPI) has emerged as a critical enabler for unlocking private capital, particularly from banks in the loan market, as well as via institutional investors (via repackaged loan notes), into sub-investment grade markets. However, its effectiveness is constrained by capacity limitations, sovereign risk volatility, and an over-reliance on sovereign-level financing.

### The Financing Gap: Scope and Impact

The African Development Bank estimates that SSA's infrastructure deficit stands at approximately US\$170 billion annually, reducing productivity by 40% and cutting economic growth by 2% per year. This gap spans transport, energy, water, and ICT, and is compounded by underinvestment in agriculture, which employs over 70% of the region's population.

The COVID-19 pandemic exacerbated these challenges, with 40 African sovereigns seeking IMF emergency loans in 2020, highlighting the fragility of public finances. This fiscal stress has made private sector mobilization even more critical.



**Mr. John Lentaigne**

Head of Credit & Political Risk  
at Specialist Risk Group (SRG)

### The Promise of Non-Payment Insurance

NPI, also frequently termed Credit and Political Risk Insurance (CPRI), provided by multilateral guarantors such as AMAN Union members Dhaman and ICIEC as well as private insurers, has become an essential tool for derisking investments in SSA. It enables banks to lend into markets they would struggle to lend into (for regulatory capital and risk reasons), by covering risks such as sovereign and corporate default. It sits alongside the significant de-risking that can be provided by ECAs. Whilst capital market (bond) investors ordinarily don't require such derisking, they demand higher yields for their capital whilst bond market access for SSA issuers can be erratic.



To take a specific example of the power of NPI, in 2016, when I worked as CUO of ATIDI, we were approached by the sponsors of a very large (100MW) wind-farm in SSA that had been around 9 years in development. Within 6 months of us providing a bespoke NPI policy the project was able to reach financial closure, and the project is now providing power for the equivalent of 250,000 households. My team at SRG has supported similar transformative developmental impact from the NPI provided by other multilateral guarantors in SSA including ATIDI, Dhaman, ICIEC and MIGA.

### Capacity Constraints in Key Economies

Despite its utility, NPI capacity is severely limited in several critical SSA markets:



**Angola:** While infrastructure projects progress, the rate of closure can be slow. Most private insurers are extremely capacity constrained for sovereign or Sonangol risk and have limited appetite beyond these names.



**Côte d'Ivoire:** Though relatively stable and prosperous, capacity is often absorbed by a few large deals, leaving little room for mid-sized infrastructure or agri-finance projects. It is our view that this is the most capacity constrained sovereign, for NPI, globally.



**Nigeria:** Despite having the largest economy in Africa, the NPI market is constrained by macroeconomic instability, FX shortages, and a history of delayed sovereign payments. Very simplistically most NPI providers set their country limits by credit rating rather than the size of an economy, so Nigeria's failure to transition to the BB rating band has impacted NPI capacity.

These constraints are exacerbated by a general rebalancing of private insurers NPI portfolios over the last decades away from EM and into advanced economies. Most NPI insurers set annual budgets for their underwriting teams and if these can be filled easily with investment grade developed market risk, it becomes harder to justify adding sub-investment grade emerging market risk. Whilst this may make sense for private insurers from a portfolio risk perspective, it is developmentally negative.

### Sovereign Risk and the Default Wave

The recent wave of sovereign defaults including several in SSA (Ethiopia, Ghana, Zambia being amongst the more high-profile examples) has shaken private insurers confidence in SSA creditworthiness. Multilaterals, such as AMAN Union members ICIEC and Dhaman, as well as ATIDI and MIGA, remain able and willing to deploy risk capital but their business models need private sector reinsurance support. According to the IMF's April 2025 Regional Economic Outlook, the region's recovery is fragile, and debt sustainability remains a pressing concern.

This has led to a tightening of underwriting standards and a shift in insurer appetite away from sovereign-backed deals, especially where debt restructuring is ongoing or likely.

### The Project Finance Gap

A major structural issue in SSA is the over-reliance on sovereign-level financing (i.e. lending directly to the MoF or with MoF guarantees). Too few infrastructure projects are structured as bankable, ring-fenced project finance transactions, which are suitable for stand-alone NPI coverage. Private credit insurers have significant appetite for project finance risk in developed economies but less in sub-investment grade ones.

## Agriculture: The Forgotten Frontier

Agricultural finance remains underdeveloped. In Niger, for example, agricultural insurance is still at the development stage, despite agriculture accounting for 75% of employment. Index-based insurance schemes have been proposed but lack private sector traction. There have been examples of parametric insurance in the SSA region, and the multilateral ARC has had some successes in developing programs, but frequently to get these off the ground has required some level of subsidy. Given the increasingly erratic global climate and obvious impacts on agriculture, this is perhaps surprising.

The AfDB notes that agriculture receives disproportionately low investment, despite its outsized role in employment and food security. This is partly due to the lack of scalable, insurable project structures and the high exposure to climate risk in SSA.

## Recommendations and Policy Levers

To unlock the full potential of NPI in SSA, several reforms are needed:

- **Expand insurer capacity:** Through reinsurance pools, blended finance, and public-private partnerships. It may be that advanced economies need to deploy more of their own capital to support these partnerships, but at present the geopolitical environment seems to be heading in the opposite direction given tighter focus on national self-interest and a reduction in aid spending.
- **Promote project finance structures:** Encourage SSA governments to de-risk and structure projects off-balance sheet. But in term this requires more

holistic reforms to ensure that such projects are bankable, to improve creditor rights and redress and so on.

- **Strengthen sovereign creditworthiness:** Through fiscal and structural reforms, debt transparency, enhanced tax collection and so on. Sometimes SSA governments have the perception that they are unfairly discriminated against, e.g. by international rating agencies. In the end, however judicious reform and good governance can deliver outsized benefits.
- **Develop agri-insurance ecosystems:** Including satellite-based index insurance (i.e. parametric solutions) and increased public subsidies for premium support.

## Conclusion

Non-payment insurance is a powerful tool, but not a panacea. Its ability to catalyze infrastructure and agricultural development in SSA hinges on broader reforms in project structuring, sovereign risk management, and the development of the insurance market. Without these, the region's risks remain trapped in a cycle of underinvestment and vulnerability.

That said, to end on a note of positivity, it may be useful to focus on the amazing developments made by a single SSA country in recent times. Over the past decade, Benin has emerged as a standout performer in SSA, driven by a disciplined approach to fiscal management and economic planning. Since 2016, the government has maintained macroeconomic stability, meeting the WAEMU fiscal deficit target of 3% and reducing public debt to 53.4% of GDP in 2024. Growth has been robust, reaching 6.7% in 2024, fueled by industrial and agricultural expansion. Benin has also pursued external credit ratings and transparent financing strategies, positioning itself as a credible partner for Western institutions. This progress is all the more notable given the country's strongly-centralized governance under President Patrice Talon, which, while limiting domestic political pluralism, has arguably enabled policy continuity and reform discipline. The government's commitment to transparency and prudent borrowing has helped shield Benin from the debt distress affecting many of its regional peers. Interestingly we also think that private credit insurers may sit behind approximately one quarter of Benin's external debt, including a number of blended finance transactions, perfectly illustrating how much can be achieved by harnessing the power of NPI.

Agricultural finance remains underdeveloped. In Niger, for example, agricultural insurance is still at the development stage, despite agriculture accounting for 75% of employment.

# ASIA: SUPPORTING THE NATIONAL DEVELOPMENT PLANS THROUGH TRADE AND INVESTMENT PROMOTION



**Mr. Abdullah Ibrahim AlMehrij**

Marketing & Corporate  
Communications General  
Director, Saudi EXIM Bank

## Saudi EXIM Bank: Enabler of Saudi Non-Oil Exports to Global Market

Since its founding in February 2020, the Saudi Export-Import Bank (Saudi EXIM) has been a key enabler of Saudi Arabia's economic diversification and the expansion of non-oil exports, fully aligned with the objectives of Saudi Vision 2030.

Established under the supervision of the National Development Fund (NDF) and led by H.E. Eng. Saad bin Abdulaziz AlKhalb, Saudi EXIM is the financial and developmental arm empowering Saudi exporters to further access regional and global markets through integrated credit solutions, trade risk protection, and strategic international partnerships.

### Saudi Vision 2030

Saudi EXIM's primary mission is to enable Saudi products and services to compete globally via financing and credit insurance solutions that bridge funding gaps and mitigate trade-related risks. The Bank also encourages national companies to enter new markets with greater confidence, through a comprehensive suite of world-standard financial and advisory services.

The Bank is closely aligned with the goals of Saudi Vision 2030 which aims to increase non-oil exports to 50% of GDP by 2030 and supports all categories of exporters,

with special emphasis on SMEs and first-time exporters as vital drivers of economic growth.

Beyond mere financing, the Bank stimulates innovation across supply chains and manufacturing by funding the import of raw materials and production components, adding value to Saudi products and boosting their global competitiveness.

### Integrated Financial and Advisory Solutions

Saudi EXIM offers an integrated range of services including export financing, credit insurance, and import financing for Saudi products and services, across short- and medium-term tenures safeguarding exporters against potential losses from instability.

By mitigating global trade risks, Saudi EXIM boosts exporters' confidence and expands their international footprint through increased export volumes and more diversified target markets. The Bank also works with local and international financial institutions and commercial banks to provide integrated financing and insurance solutions that facilitate seamless trade between exporters and importers.

In 2024, Saudi EXIM provided USD 8.9 billion in credit facilities, covering 7.7% of the Kingdom's total non-oil exports. This was more than double the USD 4.4 billion provided in 2023.



An MoU signing between the Saudi Export-Import Bank (Saudi EXIM) and the Ghana Export-Import Bank (GEXIM) on the sidelines of the 2025 Annual Meetings of the African Development Bank Group, held in Côte d'Ivoire.

Recognizing the importance of capacity building alongside financing, the Bank also offers advisory and informational support to Saudi exporters in terms of export requirements, market studies, and business development guidance with a specialized team of consultants providing technical and commercial assistance tailored to the industry, target markets and export readiness of each individual client.

Saudi EXIM places strong emphasis on sustainability, governance, and social responsibility, having integrated sustainability reporting including carbon-emission tracking and transparent disclosure throughout its entire operations. The Bank issued its first annual ESG report in 2024, underscoring its commitment to environmental stewardship, social responsibility, and transparency in governance.

### Achievements and Global Expansion

Saudi EXIM has signed more than 70 MoUs, and a wide range of financing and insurance agreements, with local and international banks, financial and commercial institutions, trading houses, export credit agencies (ECAs), and multilateral organizations.

As a member of leading international trade and economic organizations, including Aman Union, G-NEXID and the Berne Union, Saudi EXIM strengthens its position and credibility in the global business community and fosters confidence in Saudi exports through enhanced risk management and international collaboration.

In 2024, Saudi EXIM provided USD 8.9 billion in credit facilities, covering 7.7% of the Kingdom's total non-oil exports. This was more than double the USD 4.4 billion provided in 2023. Credit facilities provided during the first half of 2025 totalled USD 6.3 billion, a leap of 44% compared with the year-earlier period, representing a significant breakthrough in the scale and impact of its credit operations.

During 2024, 88% of client requests were completed within 45 working days, reflecting a strong commitment to service excellence.

In May 2025, Fitch Ratings assigned Saudi EXIM an 'A+' long-term issuer credit rating for both foreign and local currencies, with a stable outlook affirming the Bank's robust financial position and sustainable growth trajectory.

In line with its strategic priority to develop export opportunities in high-growth markets for Saudi non-oil products, the Bank has recently put teams on the ground in Egypt and South Africa to strengthen direct engagement with clients and partners in these promising regions.

The Bank also leverages the global distribution networks of international trading houses to expand the customer base, market share, and international presence of Saudi exports.

The Bank launched the Bridges Initiative (Jusoor) to empower Saudi manufacturers by streamlining the import of raw materials and equipment more efficiently.

This is achieved through tailored financing and insurance solutions. Covering imports from over 70 countries to support strategic industries such as mining, automotive, aviation, and renewable energy, in full alignment with the objectives of the National Industrial Strategy (NIS).

### Toward a Prosperous Future for Saudi Exports

Within a few years, Saudi EXIM has become a cornerstone of the Kingdom's transformation into a global trade hub and an integrated financial platform enhancing the global competitiveness of Saudi exports.

As Saudi EXIM expands its financing programs and global partnerships, the Bank is set to play a pivotal role in driving the economic diversification and export growth of Saudi Arabia advancing the goals of Vision 2030 and reinforcing the Kingdom's position as a world-leading commercial power.

### KazakhExport role to promote Exports from Kazakhstan

In 2024, KazakhExport reached a significant milestone in its institutional development by transforming from a traditional insurance company into a fully-fledged Export Credit Agency (ECA). This transition positioned KazakhExport as the first classical ECA in Central Asia to operate in accordance with international standards. As such, it has assumed a strategic role in Kazakhstan's broader national development agenda, supporting export diversification, industrialization, and integration into global value chains.

### A Two-Decade Legacy of Export Support

KazakhExport has been supporting Kazakh exporters for over 20 years, providing a range of financial and insurance solutions across the entire business lifecycle from early-stage startups to well-established companies expanding into international markets. This longstanding experience has helped the agency build a solid portfolio and institutional expertise, which now serves as a strong foundation for its activities under the new ECA mandate.

The company's core mission is to support the growth of Kazakhstan's non-resource exports, thereby contributing to economic diversification, sustainable development, and the creation of new production capacities beyond hydrocarbons. This strategic mission aligns closely with national priorities set forth in Kazakhstan's long-term development plans.



In 2024, KazakhExport reached a significant milestone in its institutional development by transforming from a traditional insurance company into a fully-fledged Export Credit Agency (ECA).



### Enhanced Mandate and Expanded Toolkit

Under its new status, KazakhExport is no longer limited to insurance products alone. It now offers a comprehensive range of financial tools that enable it to support exporters more holistically. Among these are:

- **Issuance of surety guarantees** for works and services, including performance and bid bonds for participation in international tenders.
- **Providing funding sources for banks** to issue export-oriented loans to exporters.



- **Providing trade finance** solutions through partnerships with financial institutions.

These instruments allow KazakhExport to support a wider scope of transactions, mitigate commercial and political risks, and create new export opportunities for Kazakh companies.

### Financial Strength and Government Support

KazakhExport operates with the backing of a sovereign guarantee from the Government of Kazakhstan amounting to approximately USD 1.2 billion backed by a sovereign guarantee. This government support underpins the agency's financial sustainability and credibility as a trusted partner in the international market.

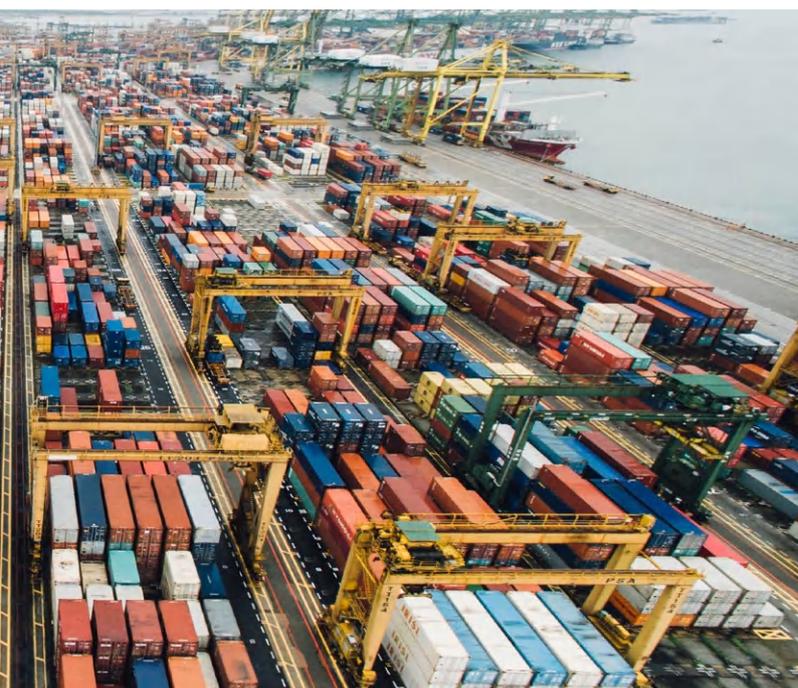
"It is important to note that we have been supporting exporters since 2003," says Allen Chaizhunussov, Chairman of the Management Board of KazakhExport. "Over the years, we have built strong institutional expertise and a robust portfolio, which now provides a solid platform for our expanded role as an ECA. The state guarantee reinforces our financial stability and enhances confidence among our partners."

### International Integration and Partnerships

KazakhExport is actively integrated into the global community of export credit agencies and maintains strong partnerships with key multilateral and regional organizations. Its international affiliations include:

- **Member of the AMAN Union** since 2014.
- **Full member of the Prague Club of the Berne Union** since 2004.
- **Full member of ICISA** since 2020.
- **Member of the United Nations Global Compact** since 2017.
- **Member of the Net Zero Export Credit Agencies Alliance** since December 2023.

KazakhExport has developed a long-term reinsurance partnership within the Aman Union, including cooperation with ICIEC since 2015. Since 2021, KazakhExport has benefited from an obligatory reinsurance arrangement with ICIEC. Under this structured agreement, 50% of the risk from its portfolio of letters of credit insurance is automatically ceded to ICIEC. This mechanism enables reliable risk-sharing, facilitates efficient capital allocation, and strengthens the security and attractiveness of cross-border trade transactions.



It is important to note that we have been supporting exporters since 2003," says Allen Chaizhunussov, Chairman of the Management Board of KazakhExport. "Over the years, we have built strong institutional expertise and a robust portfolio, which now provides a solid platform for our expanded role as an ECA. The state guarantee reinforces our financial stability and enhances confidence among our partners."



## Role in Regional Leadership

Kazakhstan's evolving geopolitical and economic position has elevated its status as a regional hub in Central Asia. As the country opens new corridors for trade and investment, KazakhExport plays a key role in facilitating regional cooperation and anchoring international capital. One of the key priorities for KazakhExport in this context is to ensure the availability of financing for Kazakh exporters and to create a favorable entry point for foreign investors and technology providers. In particular, KazakhExport supports partners who are willing to offer deferred payment terms on their products as an alternative to traditional lending schemes.

KazakhExport's role is to ensure the security of such commercial relationships by providing instruments that make these transactions viable and low-risk including insurance, surety guarantees, and reinsurance. The agency facilitates mutually beneficial cooperation between international technology holders, financial institutions, and Kazakh enterprises. Reinsurance, in particular, is viewed as an effective and strategic tool for scaling such partnerships. By reinsuring transactions, KazakhExport enables financial institutions from other countries to enter Kazakhstan's market and support their national exporters while effectively managing and distributing associated risks.

KazakhExport acts as a bridge between Kazakh exporters and global financial markets, supporting projects that align with national economic priorities. It helps channel investment into critical sectors such as export-oriented manufacturing, agricultural processing, and industrial infrastructure, which are central to Kazakhstan's industrial policy and export strategy.

The agency also plays a catalytic role in attracting foreign technology and encouraging local production with higher added value. By mitigating risks and providing financial security, KazakhExport enables Kazakh producers to access new markets, form joint ventures, and participate in complex international supply chains.

## Fostering Intra-Regional Trade and Cooperation

KazakhExport sees significant potential for expanding intra-regional trade, particularly within the AMAN Union region. With shared economic interests, geographic proximity, and historical ties, countries in the region are well-positioned to strengthen commercial collaboration.

KazakhExport supports this vision by promoting co-insurance and reinsurance agreements, information-sharing, and joint transaction structuring. These efforts help unlock trade flows and foster deeper economic integration across the region.



Furthermore, the agency is actively working to raise awareness among international partners about investment opportunities in Kazakhstan. It aims to position the country as a reliable export and production platform, particularly in non-resource sectors.

## Active Product Portfolio

KazakhExport currently offers a wide portfolio of export-support products, including export credit insurance, pre-export and post-shipment financing, contract guarantees, bank funding support, and trade finance solutions. This product range is designed to respond flexibly to the evolving needs of exporters and their counterparties.

## A Strategic National Instrument

KazakhExport's transformation into a full-fledged ECA represents more than an institutional upgrade it signals Kazakhstan's broader ambition to build a diversified, competitive, and export-oriented economy. As a strategic national instrument, the agency is uniquely positioned to promote trade, attract investment, and strengthen the country's role in regional and global markets.

In the coming years, KazakhExport will continue to deepen its cooperation with international partners, foster private-sector growth, and support national development goals through targeted financial and insurance solutions. Its experience, mandate, and partnerships make it a vital enabler of Kazakhstan's economic transformation in the 21st century.

# SECTOR INSIGHTS: CLIMATE FINANCE



**Dr. Salih Suwarelzahab**  
Lead Legal Counsel, ICIEC

The case for Climate Finance is based on three pillars:

- i. the irrefutable scientific data reflecting an incremental and unprecedented increase in global temperature and the negative socio-economic repercussions this has on the economies of AMAN Union members across various sectors that include food and water,
- ii. the subsequent need for increased investment into climate change mitigation or the generation of energy that is not carbon intensive as well as the subsequent need for investment in climate change adaptation and resilience or the modification of key economic sectors such as agriculture as well as critical infrastructure in order to withstand the effects of climate change whether through increased temperatures, rising sea levels or increased flooding, and,
- iii. The economic opportunities presented by investment in climate change mitigation and adaptation as reflected in the growth in the renewable energy value chain including mining, sustainable onshoring, waste to energy projects, the circular economy and related environmentally sound projects.

Notwithstanding the compelling case for Climate Finance, attitudes towards global policy on Climate Change, as reflected in the United Nations Framework Convention on Climate Change, vary pursuant to changing high level political positions that view Climate Change as a negative sum exercise that stymies economic growth by prioritizing divestment over investment in key economic sectors as well as financial commitments from the economic north to the economic south. From the perspective of AMAN Union members, the vast majority of whom are in the global economic south, the case for Climate Finance should not be framed as a negative sum endeavor or viewed as

limiting to socio-economic growth through phasing out and divestment, but as an opportunity for new growth, new jobs and new knowledge in promising economic sectors.

There is no global standard on how to assess transactions, projects and value chains from a climate perspective and the few existing frameworks have been developed by and for countries in the economic north which are naturally practically challenging to implement in the economic south due to the assumption that regulatory frameworks are in place as well as the capacity to assess, monitor and evaluate at a systemic and granular level. Efforts are underway in developing countries to develop various standards and frameworks that will be of great practical use in this domain. In 2023 the AMAN Union Structured Finance Committee prepared a concept note on Climate Change and ESG. In 2025 a survey was sent to AMAN Union members to capture respective positions and institutional positions on ESG, and the Executive Council drafted a proposal to set up an ESG Working Group whose mandate is the development of an ESG Framework based on best practice and the needs of AMAN Union members.



# CHARTING A SUSTAINABLE FUTURE: AMAN UNION'S ESG-SDG WORKING GROUP INITIATIVE



**Mr. SLIMT. LAHIANI**

Head of International Relations & Sustainability Section, Research & Investment Development Department, Dhaman

On 20 May 2025, during the 29th Executive Council Meeting in Algiers, AMAN UNION's Executive Council approved a landmark ESG-SDG Working Group proposal. This initiative represents a strategic step toward embedding sustainability into regional credit and political risk practices, reinforcing the Union's commitment to responsible finance and long-term economic resilience while positioning member institutions at the forefront of global sustainable finance trends.

## The Imperative for Change

Since its establishment, AMAN Union has remained dedicated to supporting member institutions in their mission to facilitate international trade, cross-border investment, and economic development across the Arab and Islamic countries. However, the evolving landscape of global finance has created new imperatives that demand adaptive responses. The integration of Environmental, Social, and Governance (ESG) principles has emerged as a critical factor in credit and political risk decisions, driven by international regulatory frameworks, investor expectations, and the urgent need to address climate change.

Our member countries face particular vulnerability, with very constrained access to the world's renewable freshwater resources and projected temperature increases above the global average. These challenges, combined with growing international pressure for sustainable finance practices, necessitated a coordinated response from AMAN Union members. The ESG-SDG proposal represents a strategic

alignment with the United Nations' Sustainable Development Goals (SDGs) and the Paris Agreement commitments made by our member countries, transforming global sustainability imperatives into actionable regional initiatives.

## Core Objectives of the ESG-SDG Working Group

### Knowledge Sharing and Capacity Building

The Working Group will establish a comprehensive institutional assessment program to evaluate the current ESG implementation status, capabilities, and specific needs of each member organization. Recognizing the diversity in institutional capacity and market contexts across the Union, a support system will provide targeted assistance to members requesting support at different stages of ESG development. The initiative will also deliver specialized training programs, supported by toolkits, guidelines, and case studies adapted to credit and political risk insurance operations.

### ESG Integration and SDG Alignment

Central to the Working Group's mission is supporting the development of comprehensive ESG frameworks tailored for AMAN Union members. This includes creating practical guidance for incorporating ESG considerations into underwriting decisions through standardized screening criteria, assessment methodologies, and decision-making tools. The initiative will map insurance activities against UN SDG targets, enabling clear alignment between operations and global sustainability objectives.

## Impact Measurement and Reporting

The Working Group will design robust frameworks to measure both direct and indirect impacts of insured transactions and projects. Collective reporting mechanisms will aggregate members' contributions, enabling transparent communication of the Union's collective achievements in strengthening environmental stewardship, promoting social development, and enhancing governance practices.

## Collaborative Implementation Structure

The initiative will operate through three specialized technical teams: ESG Integration, Climate Finance, and Impact Measurement, supported by a digital knowledge-sharing platform hosted on the AMAN Union website. This structure facilitates continuous collaboration, resource sharing, and collective learning while ensuring that practical tools and frameworks are developed specifically for the unique requirements of the credit and political risk insurance sector.

## Strategic Significance and Benefits

The ESG-SDG Working Group initiative positions AMAN Union as a regional leader in sustainable finance, enhancing the competitiveness and credibility of member institutions in an increasingly ESG-conscious global market.

This strategic positioning offers significant advantages in accessing international partnerships and development finance. Multilateral development banks and international financial institutions increasingly prioritize ESG-compliant partners, creating opportunities for enhanced collaboration and co-financing arrangements. The initiative also strengthens members' ability to support their countries' Nationally Determined Contributions (NDCs) under the Paris Agreement, directly contributing to climate action and sustainable development objectives.

Furthermore, the collective approach to ESG implementation reduces individual institutional costs while maximizing knowledge sharing and capacity building. Members at different stages of ESG maturity can benefit from peer learning, shared resources, and coordinated approaches to addressing common challenges. This collaborative model demonstrates AMAN UNION's unique value proposition in facilitating regional cooperation and institutional development.

## Implementation Roadmap and Next Steps

The implementation process has already begun. A survey was circulated to members to evaluate the current status of ESG-SDG adoption and integration, serving as the foundation for the upcoming assessment report. In parallel, contacts have been established with



a world-renowned insurance training academy to deliver specialized training sessions for member institutions.

During 2025, the initiative will move into its formal establishment phase, accompanied by the nomination of member representatives. The inaugural Working Group meeting, scheduled for Q4 2025, will launch the structured assessment phase, consolidate survey findings, and identify priority areas for development.

In 2026, the framework development phase will focus on standardized ESG screening checklists, risk assessment methodologies, and impact measurement tools. Capacity-building programs will be delivered through both digital platforms and in-person workshops, ensuring accessibility for all members. Key performance indicators (KPIs) will also be introduced to track progress and demonstrate collective impact.

The initiative will continue to strengthen engagement with international partners, such as the UNDP, OECD, IFC, and Swiss Re, to ensure alignment with global best practices. Annual impact reports will capture and showcase the Union's tangible contributions to advancing sustainable finance and development goals across the region.

## A Milestone in Sustainable Leadership

The ESG-SDG Working Group represents a defining moment in AMAN UNION's 15-year history. It signals the Union's evolution from facilitating regional cooperation to actively shaping sustainable development in the financial sector.

By aligning operations with the SDGs and embedding ESG principles into credit and political risk insurance, AMAN Union reaffirms its commitment to building a resilient ecosystem that balances economic growth, social progress, and environmental stewardship for generations to come.

# SUPPORTING FOOD SECURITY AND AGRICULTURE PROJECTS



**Mr. Mohamad Ali  
El Cheikh**

Specialist, Strategic Planning &  
Communications – ICIEC  
& Member of AMAN Union  
General Secretariat Team

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## Unlocking Food Security Through Inclusive Trade Finance: ICIEC's Role in Supporting Agricultural Resilience

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### Introduction

Food security remains one of the most pressing challenges of the 21<sup>st</sup> century, particularly across developing regions. The growing impact of climate change, global supply chain disruptions, and inflationary shocks on agricultural markets have intensified food insecurity, especially in Sub-Saharan Africa and parts of the MENA region.

In this context, the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a member of the Islamic Development Bank (IsDB) Group, has positioned itself at the forefront of efforts to combat food insecurity by leveraging innovative Trade and Investment Insurance tools. ICIEC's strategic approach integrates inclusive Trade Finance, Risk mitigation, and Strategic Partnerships to strengthen agricultural value chains and ensure sustainable access to food commodities across its member states.

Through initiatives like the Arab-Africa Trade Bridges (AATB) Program, the Food Security Response Program

(FSRP), and targeted engagements with private sector partners such as Sumitomo Mitsui Banking Corporation (SMBC) and ETC Group, ICIEC is creating long-term impact in agricultural trade. These initiatives not only secure access to essential goods but also foster regional integration, inclusive growth, and resilience in food systems.

### A - ICIEC's Strategic Commitment to Food Security

As part of its development mandate, ICIEC launched the Food Security Response Program (FSRP) in 2022 in direct response to the global food crisis intensified by the COVID-19 pandemic and the war in Ukraine. Initially pledging USD 500 million in food security-related insurance, ICIEC has since mobilized a total of USD 1.12 billion, underscoring its proactive role in supporting trade and investment in agricultural supply chains. This coverage has benefited numerous ICIEC member states by ensuring the continuity of imports of critical food commodities such as wheat, rice, sugar, and fertilizers.

The program's success lies in its targeted impact. ICIEC's interventions have not only enabled public and private sector stakeholders to access global markets despite heightened risk environments but also supported infrastructure investments in storage facilities and agri-processing units. These strategic projects are aligned with Sustainable Development Goal 2 (Zero Hunger) and contribute to building long-term resilience in national and regional food systems.

### **B-Trade Facilitation and Investment Support in Agriculture**

ICIEC employs its suite of risk mitigation tools, namely Political Risk Insurance (PRI), Credit Insurance, and Reinsurance to unlock capital flows for agricultural trade and infrastructure. By protecting stakeholders against non-payment risks, both commercial and political, ICIEC enables financial institutions, exporters, and investors to engage in food-related projects with greater confidence. This risk-sharing model is particularly crucial in high-risk markets where sovereign guarantees are limited or unavailable.

Among the most notable recent 2024 transactions is the ICIEC's support to SMBC's financing of the ETC Group, a major agribusiness conglomerate operating across the Indian Ocean Rim and Sub-Saharan Africa. Under its Bank Master Policy (BMP), ICIEC provided USD 75 million in insurance coverage to SMBC against

non-payment risks (both commercial and political) for two strategic trade finance facilities with ETC. These transactions support the procurement and trade of agricultural commodities and fertilizers across more than 10 ICIEC Member States.

As part of its broader strategy to enhance food security through reliable infrastructure, ICIEC supported also the development of a 104 MW power plant in Bangladesh by providing USD 38 million in insurance coverage for the importation of heavy fuel oil (HFO) generators. This strategic project addresses Bangladesh's growing electricity demand and frequent power outages, which have hindered economic activity and weakened the resilience of the national food system. By facilitating access to critical energy infrastructure, ICIEC's support plays a pivotal role in enhancing food security by ensuring reliable power for agro-industrial operations, cold storage facilities, and irrigation systems, thereby strengthening supply chains and supporting the country's broader efforts toward sustainable and resilient development.

### **C- Enhancing Inclusive Supply Chains and Regional Integration**

Food security cannot be achieved in isolation. It requires concerted efforts from countries, regional blocks, development finance institutions, and private sector players. ICIEC's interventions are designed to stimulate



cross-border cooperation, enhance trade corridors, and promote regional integration through secure and inclusive agricultural trade.

This vision is especially visible through ICIEC's active role in the Arab-Africa Trade Bridges (AATB) Program, a multi-stakeholder platform led by the International Islamic Trade Finance Corporation (ITFC), ICIEC, and other multilateral entities. The AATB initiative is tailored to deepen commercial ties between Arab and African countries with a special emphasis on food security, health, and value chain development.

ICIEC leverages the AATB framework to extend insurance coverage to trade transactions in agricultural commodities, infrastructure development, and Agri-tech investments. By de-risking strategic transactions, ICIEC encourages intra-regional partnerships and supports the creation of robust trade ecosystems that can withstand global market volatility.

Through the AATB, ICIEC has been instrumental in:



Facilitating bilateral and multilateral trade agreements in agriculture between Arab and African countries.



Supporting technical assistance and knowledge exchange in agribusiness and food security policy.



Enhancing synergies with regional institutions to co-finance high-impact projects.



Promoting value addition and processing within Africa to reduce dependence on food imports.

In 2024, ICIEC provided insurance coverage amounting to USD 456.4 million for trade-related transactions in the food and agriculture sector between Arab countries and Sub-Saharan Africa, underscoring its pivotal role in advancing food security through strengthened regional integration. Of this total, Arab countries contributed a substantial USD 387.6 million, including USD 168 million directed toward supporting agricultural exports to Sub-Saharan Africa. However, Sub-Saharan African countries recorded USD 68.7 million in exports to Arab markets, highlighting the growing bidirectional trade flows in essential commodities. Building on this momentum, ICIEC maintained robust support in 2025, with USD 173.5 million in insured trade during the period January till May with a total of USD 157.4 million from Arab countries and USD 16.2 million from Sub-Saharan Africa. These efforts reflect ICIEC's sustained commitment to enabling reliable food supply chains, fostering agricultural resilience, and reinforcing economic cooperation between the Arab and African regions.

### D- Leveraging Partnerships for Sustainable Impact

One of the cornerstones of ICIEC's strategy is building impactful partnerships. Whether through collaboration with international financial institutions, export credit



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agencies, or commercial banks, ICIEC acts as a catalyst to mobilize resources for food systems transformation.

Furthermore, ICIEC actively engages with multilateral forums such as the Aman Union, Berne Union, UN agencies, and MDBs to shape global discourse on food security and to align its operations with evolving development priorities. These partnerships enhance knowledge sharing, harmonize best practices, and amplify the reach and depth of ICIEC’s interventions.

### E- Looking Ahead: A Scalable Model for Food Security

ICIEC’s vision for the future of food security centers on scaling up its impact, both in terms of geographical reach and thematic focus. Priorities include:

-  Expanding partnerships under the FSRP to mobilize more capital and insure high-risk transactions.
-  Enhancing engagement in climate-resilient agriculture, including irrigation systems, solar-powered cold chains, and climate insurance solutions.
-  Supporting the development of domestic food industries in Member States through industrial insurance products.
-  Strengthening integration with the AATB initiative to deepen Arab-Africa trade flows in agricultural goods and services.



Promoting Islamic finance instruments such as Sukuk and Takaful in financing agribusiness projects.

By remaining agile and development-focused, ICIEC is well-positioned to lead regional and international efforts to combat food insecurity. The Corporation will continue to align its instruments with the needs of its Member States, working towards a future where all people have reliable access to sufficient, nutritious, and affordable food.

### Conclusion

Food security is a multidimensional challenge requiring innovative solutions, inclusive finance, and strategic collaboration. ICIEC’s unique position as a multilateral insurer serving 50 Member States enables it to deploy impactful risk mitigation solutions that bridge financing gaps and catalyze transformational change. Through its targeted interventions in food-related trade, agricultural infrastructure, and regional cooperation platforms, ICIEC is not just financing trade, but it is securing futures.

As global uncertainties persist and the pressure on food systems intensifies, the role of ICIEC will be more vital than ever. By unlocking new sources of financing, facilitating inclusive trade, and fostering sustainable agricultural development, ICIEC reaffirms its commitment to building a food-secure world.

# 05

## RISK MANAGEMENT, CLAIMS AND RECOVERY



# TRENDS IN CLAIMS HANDLING: IMPACT OF THE GEOPOLITICAL ENVIRONMENT ON THE CLAIMS AND RECOVERIES IN THE COMMERCIAL AND POLITICAL RISK INDUSTRY- REVIEW THE CHALLENGES AND INNOVATIONS IN CLAIMS HANDLING OVER THE YEARS



**Mr. Ahmed Madkour**  
Director, Recovery Advisors

## Introduction – A New World Order for Trade and Investment

The geopolitical landscape has become increasingly turbulent, with rising great-power competition, economic fragmentation and frequent shocks from wars to tariffs disrupting global trade. For Export Credit Agencies (ECAs), these shifts are not just macroeconomic concerns but direct drivers of claims frequency, recovery challenges, and new underwriting risks.

There is no question that ECAs play a critical role in stabilizing international trade by absorbing risks that private insurers cannot or will not cover, particularly in emerging markets. However, as geopolitical instability intensifies, the traditional models of claims assessment and recovery are being tested. This article analyses how the current geopolitical environment is reshaping claims handling in political and commercial risk insurance, focusing on economic mechanisms, emerging trends, and strategic adaptations for ECAs.

### The Rerouting of International Trade Flows

The rerouting of international trade flows is arguably a result of the economic policy of the current administration of the United States. Focused on the interplay between fiscal and monetary decisions, and their spillover effects on global trade imbalances and foreign trade policy, the current American administration believes that the strength of the USD driven by its status as the global reserve currency coupled with domestic fiscal and monetary policy is hurting the American balance of trade and making U.S. exporters less competitive.

To address this imbalance and what it deems “unfair” barriers to American exports, the administration has erected import barriers that are rerouting the trade routes established since the end of the Second World War. The ripple effects of this policy span the globe



and range from increased commercial risk to higher borrowing costs, which in turn have direct effects on political stability in Heavily Indebted Poor Countries manifesting as increased debt burdens, delayed or derailed reforms, and pressure on local currencies. In many respects, the knock-on effects resemble those of a kinetic conflict: disrupted logistics, strained relationships and greater uncertainty over contract performance.

This rerouting of global trade routes and associated geopolitical and economic turbulence are reshaping the risk landscape for ECAs with profound implications for underwriting, claims handling, and recoveries management. ECAs may soon need a fundamental review of their existing underwriting and claims processes to further support exporters in these unprecedented times.

### **Underwriting in New and Unfamiliar Markets**

To maintain their export levels, many companies are seeking new markets previously thought challenging or unfeasible. Consequently, underwriters face pressure to expand into fast growing but untested markets often frontier economies where information gaps, inefficient legal frameworks, and opaque regulatory environments heighten uncertainty.

This pressure is becoming apparent in export-oriented economies traditionally reliant on U.S. markets; producers and exporters are seeking state support to compete in new markets and manage working capital. The results are often innovative products such as local guarantees by the ECA aimed at supporting exporters maintain liquidity while adapting to smaller and slower markets. These bespoke facilities may include partial credit guarantees cofinanced with domestic banks, or dual currency instruments that blend importer and exporter currency denominated tranches to mitigate FX risk.

### **Escalating Claims Frequency and Severity**

At the same time, the frequency and severity of claims are rising, driven by payment defaults, contract frustrations, and even opportunistic fraud as some attempt to exploit gaps in the claims assessment processes. Recoveries, meanwhile, are becoming more protracted and complex, particularly straining smaller or financially vulnerable exporters who lack the liquidity to endure lengthy disputes or delayed payments.

This triple pressure riskier underwriting, surging claims, and strained recoveries demands that ECAs adopt more dynamic risk assessment tools, strengthen fraud detection, and develop flexible financing solutions to support exporters through volatile cycles. For instance, some ECAs are piloting machine learning platforms that screen incoming claims for red flag patterns such as abrupt invoice value fluctuations or repeated use of intermediary shell companies allowing for faster triaging and targeted investigations.

### **Increased Risk of Fraud**

As we have seen over the past years, there is a clear and strong correlation between economic uncertainty and credit insurance fraud. Therefore, it is not surprising to see a surge in fraudulent transactions currently being discovered at various stages in the export financing and credit insurance cycle.

Mostly, export finance and credit insurance fraud take place at two points: the application stage targeting underwriters and lenders, and the claims stage targeting claims managers. Common examples of fraud include cases whereby exporters and buyers collude to fabricate application documents (including fake financial statements) to seek low cost ECA backed financing, or in extreme cases with the intention of not repaying the insured or loan amounts. While fraud is relatively easy to detect in transactions involving mature and established markets, it does not readily stand out when underwriting transactions in new frontier markets, which consequently adds to the risks underwriters usually face.

There is also a noticeable increase in claims that are fraudulent. The types of fraud encountered at the claims stage usually take the form of fictitious transactions, inflated claims values, or false certificates of completion. Again, the lack of familiarity with new markets makes detecting such fraud challenging for claims managers.

### Traditional and Political Risks Amplified by Geopolitics

Naturally, fraud is not the only risk underwriters face in the current geopolitical environment. The uncertainty and disruptions to supply chains heighten traditional risks such as currency-convertibility and transfer restrictions (capital controls), commercial risks arising from increased costs of production and finance and even increased risk of sovereign defaults. In other words, the volatility makes these unprecedented times challenging even for the most skilled and experienced underwriters.



**Commercial risk:** disrupted supply chains, higher production costs and tighter access to finance have led to increased bankruptcies and payment defaults.



**Sanctions risk:** broad and targeted sanctions can retroactively invalidate contracts, freeze assets and block remittances, triggering unexpected claims.



**Currency convertibility and transfer risks:** sudden devaluations and capital control measures erode receivable values and strand funds.



**Sovereign default risk:** elevated debt burdens may result in restructuring or moratoria that impacts exporters' ability to repatriate proceeds.



**Logistics disruptions:** attacks on maritime chokepoints have increased transit times and surcharges, undermining delivery commitments.

### Faster Claims and Recoveries Management

Being the "shock absorber" of economic turbulence, ECAs are expected to enhance the processing of claims and recoveries. We are noticing a gradual increase in claims across all credit lines (short-term, medium/long-term, and project finance) and expect a further rise by early 2026 the point at which companies may be required to permanently adapt to a slower global economy, and in turn may default on their existing obligations.

To support their exporters, ECAs are advised to plan for fast and accurate claims management procedures, with special focus on fraud detection. On the one hand, faster claims processing not only improves the reputation of the ECA, but more importantly financially supports the exporter. However, the pressure to quickly process claims may expose vulnerabilities and present opportunities for fraud. Therefore, it is best that ECAs grow their local presence (whether directly through satellite offices or through a network of partners) to quickly examine and verify claims locally in the buyer's country, ensuring that both speed and accuracy are maintained.

Similarly, the traditional recovery models likely need to be adapted to the current circumstances exporters are facing. Expecting exporters to endure lengthy recovery processes (which may span years) and/or spend exorbitant amounts on prolonged legal procedures may place undue strain on their working capital and increase the pressure on companies that are already stretched to their limits.

Therefore, traditional compromise-based solutions such as provisional indemnification may need to be applied to ensure policyholders are supported appropriately, while protecting the ECA's rights to claw back any indemnity amount that should not have been paid. Additional measures include:



**Partial payout mechanisms:** disbursing a predetermined percentage of the claim upon preliminary validation, with the remainder released upon final audit or settlement.



**Structured settlements:** establishing deferred indemnity structures that align disbursements with the exporter's cashflow recovery, reducing immediate cashflow shocks.



**Mediation and alternative dispute resolution:** prioritizing out of court settlements to cut down on legal fees and time, leveraging neutral experts for binding rulings.

Innovation and use of technology to enhance the speed and accuracy of communication also plays a critical role, especially between the ECAs, lenders, network partners, and policyholders. Crisp fast turnaround of advice and guidance can help improve efficiency and shorten the time required for making decisions; especially if IT systems communicate automatically and directly among each other using established digital standards, such as those proposed by the International Chamber of Commerce's Digital Standards Initiative.

## Regional opportunities in a global slowdown

While the U.S., Europe and parts of APAC contend with sluggish growth, other regions are gaining momentum and opportunities persist.

In Saudi Arabia, the Vision 2030 reforms are generating major infrastructure and tourism projects. The ECA landscape here is evolving toward large tickets, medium to long term facilities underpinned by sovereign or quasi sovereign guarantees.

Elsewhere in the Middle East, the UAE remains a regional safe haven. Political stability, liberal foreign ownership rules and robust financial centres continue to attract investments and expatriates, sustaining demand for short-term working capital guarantees and forfaiting facilities.

In Sub-Saharan Africa, the African Continental Free Trade Area (AfCFTA) is unlocking intraregional commerce, particularly in agro-processing and light manufacturing. ECAs can facilitate this growth by offering pan African payment risk coverage and local currency guarantees. The region's infrastructure needs persist, with road, rail and energy projects often structured as public private partnerships requiring blended finance solutions, combining ECA support with concessional funding from development banks.

Elsewhere, energy transition projects in Brazil, Chile and India attract private capital but carry off-taker and currency risks – requiring ECAs to underwrite with tailored political risk wraps and FX contingent hedges.

## Irreversible change...opportunities, and the way forward

The United States' push to soften the USD, reshore production, and erect trade barriers marks an irreversible pivotal shift in global trade dynamics, creating both challenges and opportunities for exporters. While these changes are likely to permanently change traditional supply chains and financing models, they also open doors to emerging markets and trade routes less susceptible to Washington's policy swings.

With trade among Global South nations particularly in the Middle East, China, India, and Latin America gaining momentum, exporters have a chance to diversify their portfolios and reduce geopolitical risk. Governments and policymakers in frontier and emerging markets are presented with unprecedented opportunity to invest in the development of their legal systems (including

company information and transparency) to attract trade and investment that ultimately expedite development and improve their international competitiveness and living standards.

However, until such developments start reaping benefits, venturing into these markets requires robust ECA support to navigate uncertain legal environments, mitigate payment risks, and secure financing.

As the global trade landscape evolves, ECAs will play a critical role in bridging gaps, ensuring liquidity, and enabling businesses to capitalize on these new opportunities while managing heightened risks. ECAs are also presented with an opportunity to innovate and grow their offering to support high-value exports such as intellectual property, software, and services, to cater to the evolving nature of value-creation in today's economies. In this new world order, innovating new export support models along with the agility of claims handling and the creativity of recovery solutions will determine who thrives and who falls behind.



# ICIEC'S RISK TRANSFORMATION: EMBEDDING ERM AND RISK-BASED PRICING FOR SUSTAINABLE GROWTH



**Mr. Tauhidur Rahman**

Manager, Risk Management Division, ICIEC

In an era of escalating global uncertainties, rapid technological shifts, and evolving geopolitical landscapes, robust risk management has become a cornerstone for sustainable operations within multilateral development Institutions. The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), as the specialized multilateral insurer and the credit and political risk insurance arm of the AAA-rated Islamic Development Bank (IsDB) Group, continues to play a pivotal role in supporting trade and investment flows across its fifty (50) member countries (MCs).

Recognizing the need to lead in a rapidly shifting risk landscape, ICIEC has embarked on a strategic risk transformation journey focused on both capital preservation and optimization. Central to this journey is the Corporation's commitment to strengthening its Enterprise Risk Management (ERM) framework and advancing its Risk-Based Pricing (RBP) methodology-both designed to ensure institutional resilience and strategic alignment with its non-funding development mandate.

This article delves into ICIEC's experience in embedding these strategic innovations, offering practical insights that can inform the wider export credit and investment insurance community, including members of the AMAN Union.

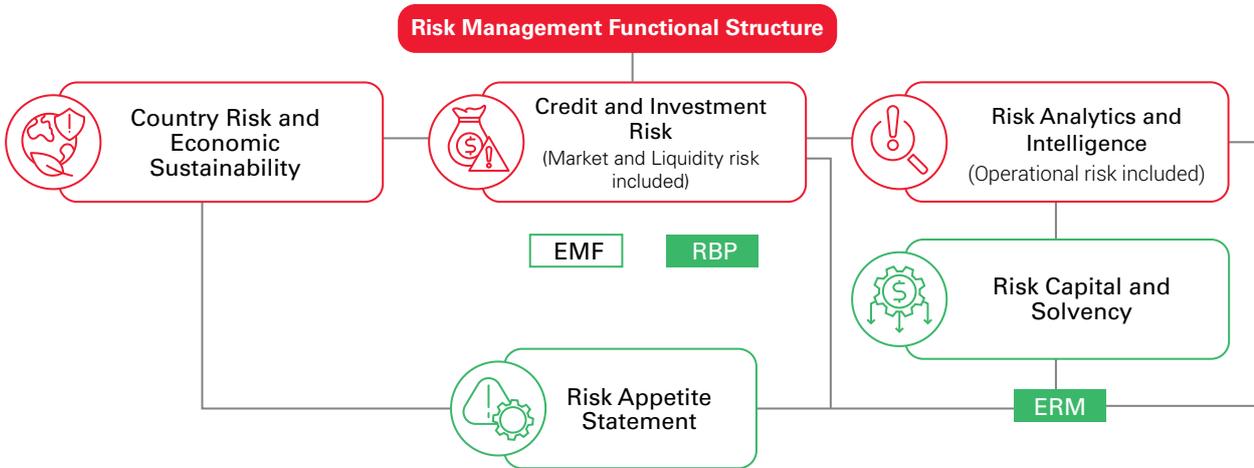
## Evolution of Risk Management at ICIEC

Since its inception, ICIEC has operated in diverse and often complex markets, inherently assuming credit and political risks across its portfolio. Over the last few years, the Corporation has experienced significant business growth and consistently positive operational performance. However, the increasing complexity and interconnectedness of global risks called for a shift from traditional, siloed risk practices toward a more integrated and forward-looking enterprise-wide approach.

Between 2020 and 2025, ICIEC undertook a comprehensive risk transformation program by establishing a comprehensive Risk Management Framework entered on ERM and subsequently articulation of a formal Risk Appetite Statement (RAS) to guide risk-taking to suit ICIEC's unique developmental mandate.

ICIEC has operated in diverse and often complex markets, inherently assuming credit and political risks across its portfolio. Over the last few years, the Corporation has experienced significant business growth and consistently positive operational performance.

## Risk Management Framework



The Corporation also embedded a Risk Capital Model to serve as the foundation for financial risk management and established an Exposure Management Framework (EMF) to support risk-based limit setting. In parallel, ICIEC enhanced its Expected Loss (EL) measurement processes and portfolio reserving in alignment with IFRS-9 and IFRS-17 standards.

A central feature of this evolution was the rollout of a Risk-Based Pricing (RBP) methodology, supported by recalibrated risk parameters, including Probability of Default (PD) and Loss Given Default (LGD) models, and the development of a dynamic risk dashboard to support real-time risk intelligence (in progress).

To further reinforce resilience, ICIEC implemented a comprehensive Stress Testing Framework to assess vulnerabilities under adverse but plausible scenarios.

While challenges remain as is expected for a multilateral insurer operating in high-risk markets the ERM and RBP initiatives have gained strong momentum, positioning ICIEC to better anticipate, absorb, and respond to emerging risks in an increasingly uncertain global environment.

### Enterprise Risk Management Framework

The ERM represent a core set of practices to identify, assess, manage and monitor risks, factored into ICIEC's overall strategy and decision-making processes.

By adopting the ERM approach, ICIEC achieves the following specific objectives:

- Keeping abreast of risk matters by defining, interpreting, and articulating the risk profile of the Corporation in line with its strategic direction that is tailored to its business model and multilateral status.

- Controlled risk-taking by establishing a clear RAS.
- Providing effective risk solutions to maximize opportunities and reduce claims/operational losses by establishing risk control oversight for prudent underwriting of the Policyholder fund (PHF) and investment management of the Shareholder fund (SHF).
- Ensuring capital protection, solvency, and resilience to absorb shocks and maintain business continuity through undertaking stress test and other proactive risk management activities.
- Establishing robust risk culture to influence optimal decision-making processes and operational procedures thereby safeguarding the Corporation from both excessive and passive risk-taking in execution of business plans and activities.



## Components of ERM Framework

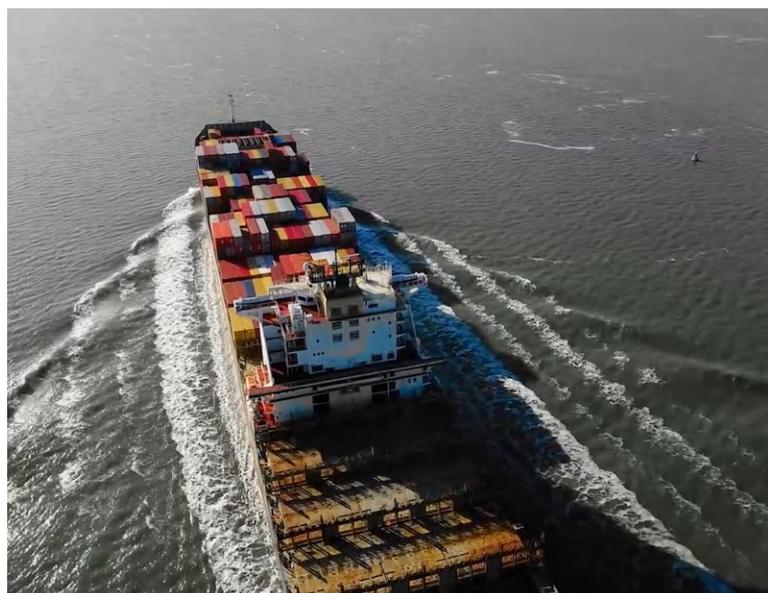
- Integrated Risk Governance and Oversight:** A multi-tiered governance structure ensures risk oversight, comprising the Risk Management Committee (RMC), Audit and Risk Committee (ARC) of the Board, and institutionalized risk culture across operations. This structure ensures strategic-level attention to emerging risks and alignment with corporate objectives.
- Three Lines of Defense Model:** ICIEC institutionalized the “three lines of defense” model to clarify risk ownership, oversight, and assurance responsibilities across the Corporation.
- Risk Appetite Statement:** As a cornerstone of its ERM architecture, a quantifiable and dynamic RAS was introduced to guide risk-taking decisions, governance, processes, and controls. The RAS articulates the Corporation’s willingness to accept or avoid specific risks in pursuit of its objectives. It supports sound insurance and investment operations, aligning with ICIEC’s mandate and multilateral duties. The RAS integrates financial metrics (e.g., solvency, loss ratios) with strategic and reputational considerations. Quantitative and qualitative risk limits are regularly reviewed considering changing market dynamics.
- Stress Testing and Scenario Planning:** Stress tests and scenario analyses assess the potential impact of macroeconomic shocks, geopolitical tensions, and climate risks on ICIEC’s portfolio, in addition to providing guidance for capital allocation and strategic planning.
- Risk Culture & Capacity Building:** Continuous efforts have been made to embed a risk-aware culture, including specialized risk awareness sessions, leadership engagement, and promoting risk culture across departments.

## ERM-Linked Strategic Planning

ICIEC has pioneered embedding risk-based insights directly into its strategic planning processes. This ensures that risk management is not treated as a control function but as a core enabler of sustainable growth. Risk-adjusted return expectations, capital considerations, and exposure concentration limits all feed directly into strategic target-setting.

## ERM Outcomes

The introduction of ERM has enhanced ICIEC’s resilience, enabling it to navigate shocks such as



COVID-19 aftermath disruptions, geopolitical crises, and evolving financial and non-financial risks. Moreover, it positioned risk management as a value creator within the Corporation rather than merely a control function.

## Advancing Risk-Based Pricing for Development and Sustainability

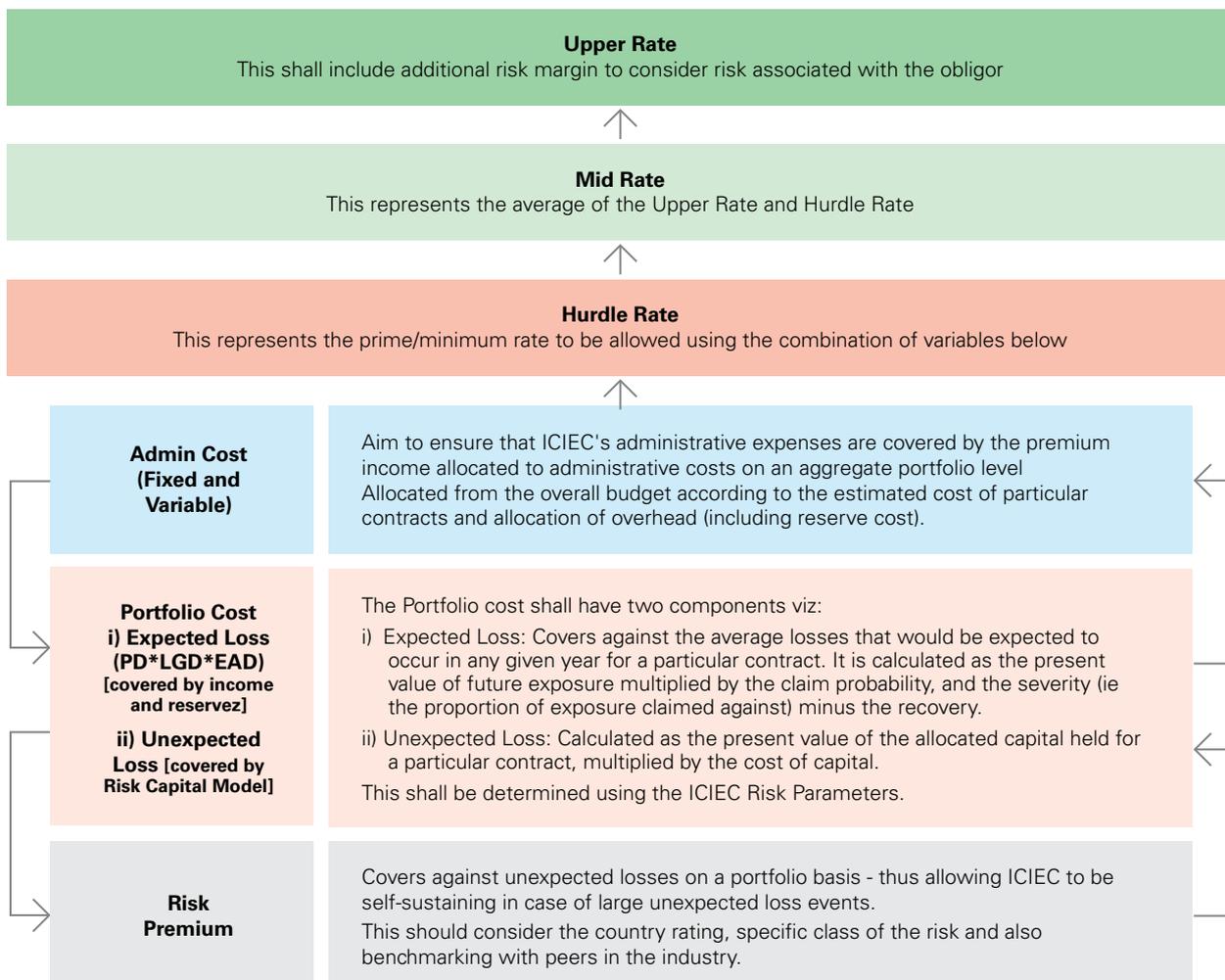
As a multilateral insurer operating across diverse markets with varying risk profiles, ICIEC identified significant limitations in traditional pricing approaches. Conventional methods often lacked sufficient differentiation between obligors and countries with differing risk levels, resulting in adverse selection, mispricing, and inefficient capital allocation. Recognizing these challenges, transitioning to a more granular, data-driven RBP framework became essential.

This strategic shift enables for more accurate risk differentiation and premium calibration based on the underlying risk profile of each transaction, promotion of disciplined underwriting practices, optimization of capital utilization, and enhanced competitiveness without compromising financial sustainability. The implementation of RBP also supports ICIEC’s dual objectives of advancing developmental goals for its MCs and safeguarding its financial resilience.

By incorporating objective financial metrics and other risk-correlated factors, the RBP framework enhances consistency and transparency across ICIEC’s underwriting process. This approach allows the Corporation to serve clients across the full risk spectrum more effectively, ensuring fair and risk-aligned pricing of its products.

## Elements of RBP Framework

- **Granular Risk Segmentation:** The methodology evaluates counterparty, country, sectoral, and transaction-specific risk factors. This granular approach ensures that pricing reflects the inherent credit and non-payment risks associated with each exposure.
- **Dynamic Pricing Algorithms:** ICIEC utilizes proprietary pricing models that integrate macroeconomic indicators, sectoral trends, and counterparty analysis. These algorithms allow dynamic adjustments to pricing parameters in response to real-time risk changes.
- **Benchmarking and Calibration:** Regular benchmarking against peer institutions actively engaged in the Trade Credit Insurance (TCI) and Political Risk Insurance (PRI) markets ensures pricing competitiveness and consistency.
- **Portfolio Risk Adjustments:** The RBP framework incorporates portfolio-level considerations, adjusting pricing based on concentration risks, exposure limits, and diversification benefits.
- **Gap Analysis and Back Testing:** The RBP framework adopts an approach that aligns more effectively with the nature of ICIEC's business model and its status as a multilateral institution. Moreover, the framework compares the premium rates generated with the previous premium rates charged and the market's prevailing premium rates.
- **Transparency and Governance:** A clear pricing governance structure mandates approvals and oversight to maintain pricing discipline and fairness.
- **Integration with Credit Rating Models:** ICIEC's internal obligor and sovereign rating models feed directly into the RBP mechanism, ensuring consistency and objectivity in pricing decisions.
- **Alignment with Solvency Objectives:** The RBP framework is designed to support ICIEC's capital adequacy goals and solvency at 99.97% confidence level, ensuring that premiums are risk-commensurate and sufficient to absorb potential



claims, thus reinforcing the Corporation’s financial strength.

**Core Methodology of RBP Framework**

ICIEC’s RBP framework integrates actuarial techniques and financial modelling to assess the claim probabilities related portfolio cost- EL and unexpected loss (UL) and capital charge for each transaction based on assumed **PD and LGD**.

- **Expected Loss:** EL is a function of exposure tenor, PD, and average recovery rate. It evolves over the policy term based on payment schedules and duration. Under the risk neutrality assumption, EL represents the average loss expected to be offset by premiums collected. Joint probabilities of multiple covered risks are considered when determining EL for each exposure.
- **Unexpected Loss:** UL represents the potential deviation from EL, serving as a basis for risk capital allocation. It is calculated using PD and LGD, with methodologies varying depending on the exposure’s default status and scenario complexity.
- **Overheads:** Operating costs are segmented as Attributable Acquisition Overheads (costs incurred at policy inception), Attributable Maintenance Overheads (ongoing costs throughout the policy

lifecycle), and non-Attributable Overheads (general operational costs not linked to specific exposures).

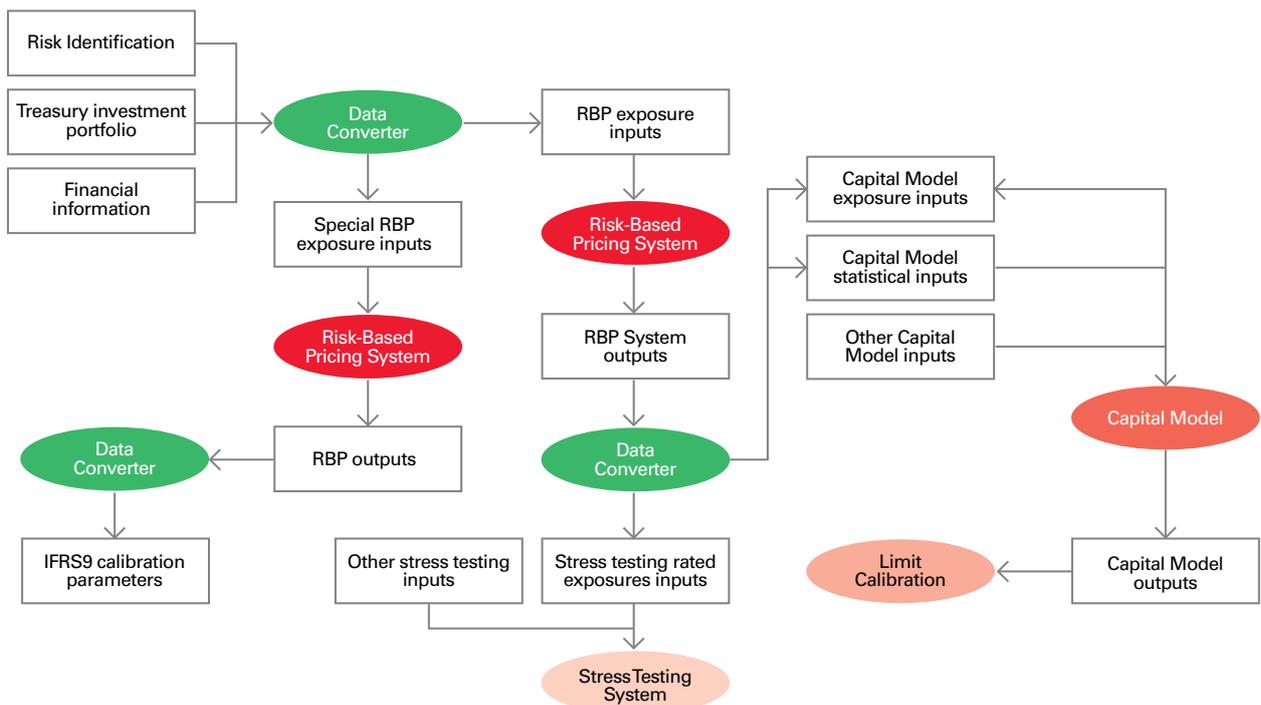
- **Premium Calculation:** The final premium rate is derived by adding three primary components including Overheads, EL, and UL

**Unified and Consistent Risk Data Strategy**

To ensure accuracy and consistency across its risk-related functions, ICIEC has adopted a unified, evidence-based data strategy. This strategy underpins several re-engineered risk systems and a centralized data workflow to ensure that all systems draw from a consistent and coherent data source. Statistically rigorous methods have been applied to produce RBP by calibrating risk parameters, enabling integration across risk quantification, pricing and limit-setting functions, thereby enhancing reliability, transparency, and operational efficiency.

**Synergy Between ERM and RBP: Driving Strategic Objectives**

ICIEC’s innovations in ERM and RBP are not standalone initiatives but are deeply interconnected. The synergy between the two ensures that risk insights inform pricing strategies, and pricing outcomes feedback into risk assessments. This integrated approach supports:





- **Prudent Capital Allocation:** Ensuring that capital is deployed to areas offering optimal risk-adjusted returns.
- **Strategic Market Positioning:** Allowing ICIEC to penetrate new markets and sectors without diluting its risk profile.

- **Stakeholder Confidence:** Reinforcing confidence among shareholders, reinsurers, and clients through demonstrable risk governance and financial discipline.

### Challenges and Lessons Learnt

ICIEC's experience in rolling out ERM and RBP innovations was not without challenges. These include:

- **Data Limitations:** In certain markets and line businesses, robust historical data on defaults and recoveries is scarce.
- **Change Management:** Shifting mindsets from fixed premium structures to risk-differentiated pricing required significant cultural transformation.
- **Systems Integration:** Aligning IT infrastructure to support real-time pricing and risk monitoring involved technical complexities.

The Corporation addressed these challenges through phased implementation, capacity building, and strategic stakeholder engagement, reinforcing the need for flexibility and institutional learning.



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## Outlook: Next Frontiers in Risk Management

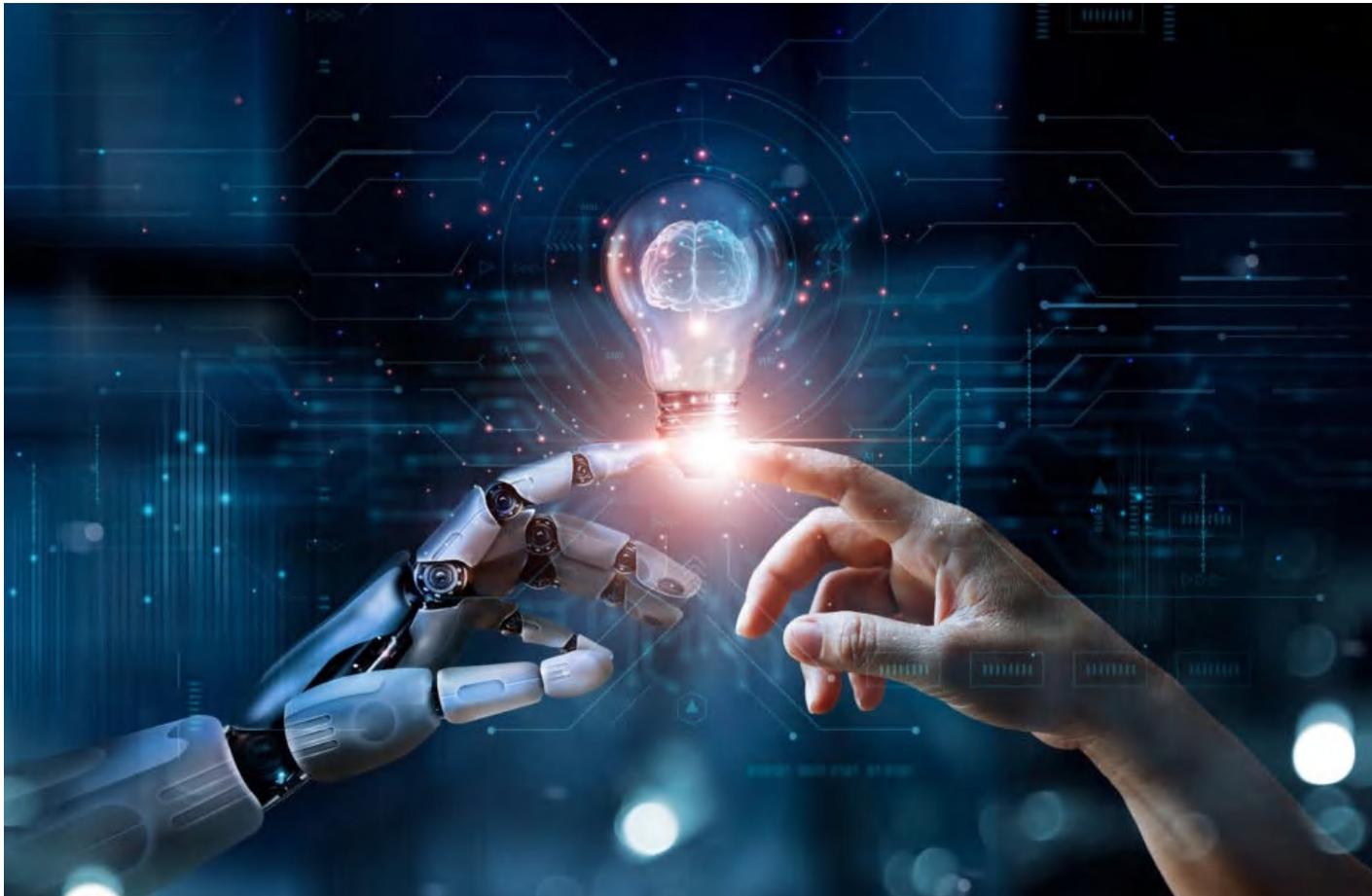
Looking forward, ICIEC aims to further enhance its risk management frameworks through:

- Leveraging Artificial Intelligence for more dynamic risk assessments and pricing insights.
- Embedding environmental and climate-related risks into both ERM and RBP models.
- Stress Testing and Scenario Analysis: Enhancing capabilities to anticipate and respond to extreme but plausible risk scenarios.
- Integrating ESG risk factors across all risk management and pricing processes.
- Expanding partnerships with multilateral peers for co-insurance and risk-sharing arrangements to mitigate large-scale exposures.
- Exploring new product lines to address rising demand for cyber risk coverage among MCs.

## Conclusion

ICIEC's adoption of a comprehensive ERM framework and the implementation of a robust RBP model reflect its proactive approach to navigating an increasingly complex risk environment. These frameworks not only reinforce the Corporation's financial stability but also enhance its capacity to deliver on its developmental mandate across member countries. ICIEC's experience underscores the strategic value of embedding tailored, forward-looking risk practices within the operations of export credit and investment insurers.

By aligning risk management with development goals, ICIEC serves as a leading example for multilateral insurers operating in high-risk markets. Its integrated approach demonstrates that sound risk governance, when positioned as a strategic enabler, can drive both institutional resilience and developmental impact-offering practical insights for peer institutions seeking sustainable and inclusive growth through enhanced risk intelligence.



# AMAN UNION TEAM



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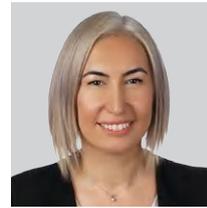
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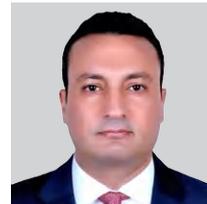
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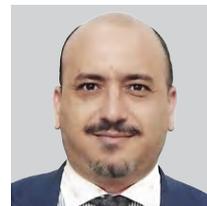
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