THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

مجموعة البنك الإسلامي للتنمية
Islamic Development Bank Group

Newsletter

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Making Ratings and Blended Finance Work

for Impact Delivery in Sustainable Development

CEO'S FOREWORD

Welcome to the H2 2025 edition of the ICIEC Newsletter. Our theme for this issue, "Making Ratings and Blended Finance Work for Impact Delivery in Sustainable Development," captures the essence of our strategic focus during a period of significant global economic transition.

As the world grapples with elevated financing costs and persistent risk perceptions in emerging markets, the role of credit and political risk mitigation has never been more critical. In this edition, we explore how ICIEC's instruments are bridging the investment gap by transforming risk profiles into bankable opportunities. Our ICIEC INSIGHT contributions delve into the mechanics of reducing sovereign borrowing costs and the growing importance of blended finance, a role formally recognised at the Fourth International Conference on Financing for Development in Seville. This issue is further enriched by the contribution of the African Development Bank, whose article on guarantees in support of sustainable development in Africa underscores how risk-sharing instruments can mobilise private capital at scale, improve financing terms, and unlock longer-term resources for high-impact development.

The second half of 2025 has been a period of robust institutional validation and strategic expansion for ICIEC. We are proud to share that both Standard & Poor's (AA-) and Moody's (Aa3) have reaffirmed our credit ratings, reflecting our solid financial foundation and unique policy role within the IsDB Group. These ratings serve as catalytic capital, enabling ICIEC to mobilise private investment where it is most needed.

Our commitment to partnership is further evidenced by new milestones, including our strategic agreement with Afreximbank to deepen Arab-African economic integration, our renewed MoU with NEXI during TICAD 9, and our collaboration with Al Baraka Islamic Bank to boost Shariah-compliant trade. Furthermore, hosting the 15th AMAN UNION Annual Meeting in Jeddah underscored our leadership in fostering cooperation among OIC export credit agencies, which collectively insured over USD 54 billion in business this past year.

In this issue, we present two important Member State Profiles. We turn to Oman, a dynamic economy undergoing steady expansion and deepening its Islamic finance ecosystem through Vision 2040. We also highlight the Republic of Iraq, where ICIEC is actively supporting the transition toward a diversified growth model, exemplified by our recent reinsurance support for the Karbi Substations Project to modernise national power infrastructure.

Our regular "Meet the Team" segment features insights from our team from Reinsurance, Risk Management, Underwriting and Business Development on how their respective roles and partnerships strengthen ICIEC's capacity to underwrite sustainable, high-impact transactions across our Member States. This is complemented by an interview with John Lentaigne (SRG) on market-based risk perspectives and a focus on ESG sustainability in partnership with Swiss Re.

As we look toward 2026, ICIEC remains dedicated to its mission of de-risking the path to sustainable development. We hope this newsletter provides you with valuable insights into how we are turning challenges into impactful outcomes for our Member States.

Dr. Khalid Khalafalla
Chief Executive Officer, ICIEC

Reducing financing costs for Member States through risk mitigation and strategic partnerships

Dr. Khalid Khalafalla
Chief Executive Officer, ICIEC

Mobilising private sector finance remains a critical requirement for sustaining development outcomes, with foreign direct investment playing a central role. Yet private investment in developing economies, particularly in least developed countries (LDCs), continues to be constrained by elevated real and perceived risks. Over the period 2015-2023, foreign direct investment flows recorded only modest growth of approximately 17 per cent in developing countries excluding LDCs, while declining by nearly 20 per cent in LDCs, underscoring persistent structural and risk-related barriers to capital mobilisation (UNCTAD, 2025).

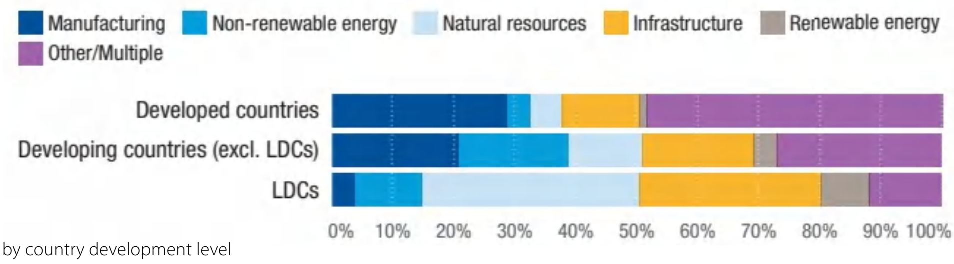
The OECD recently highlighted that emerging markets and developing economies (EMDEs) are confronted with a historic annual investment requirement of USD 7.5 trillion to promote economic growth, reduce poverty and realise the broader Sustainable Development Goals (SDGs). Although publicly financed investments are essential, substantial evidence shows that private capital must provide the majority of resources needed to close this gap (OECD, 2025). However, elevated risk perceptions and high financing costs remain among the key deterrents for private investors, limiting the flow of long-term capital into priority sectors.

Additionally, macroeconomic and political instability, ineffective operations, and financial constraints remain major barriers that fuel protectionist policies, disrupt trade flows, and exacerbate supply-chain vulnerabilities (UNCTAD, 2025). As uncertainty increases, investors typically respond by demanding higher risk premiums, shortening loan maturities, or withdrawing from markets altogether, which directly raises the cost of finance for sovereigns and private borrowers alike.

These overlapping challenges emphasize the need for sophisticated risk-mitigating mechanisms such as political risk insurance (PRI) to facilitate long-term investment in fragile contexts. By covering risks such as expropriation, breach of contract, currency inconvertibility, and political instability and conflict-related disruptions, PRI reduces exposure to non-commercial risks that private investors are often unable or unwilling to absorb on their own. Export Credit Agencies (ECAs) as well as credit insurers operate on established pricing models, and credit and political risk insurance helps make projects bankable by enabling longer tenors, improving borrowing terms, and mobilising private funds. In the absence of such risk coverage, lenders often reduce exposure, impose shorter maturities, or increase pricing to levels that undermine project viability, particularly in high-risk environments.

Over recent years, analytical evidence has increasingly validated the role of political risk insurance in mitigating cost-of-capital challenges in developing economies. In 2022, an independent study by S&P Global and Marsh Specialty demonstrated that PRI can materially reduce country risk premiums by addressing specific non-commercial risks that are otherwise embedded in investors' required returns. By quantifying how insurance coverage stabilises projected cash flows and improves valuation metrics, the study challenges the long-held perception of PRI as merely an added cost. Instead, it shows that effective risk transfer can enhance project viability and financing terms, particularly when perceived country risk weighs heavily on investment decisions.

In light of this context, lowering the overall cost of finance through PRI can therefore be achieved, in part, through coordinated partnerships with Multilateral Development Banks (MDBs), development institutions, and the private insurance and reinsurance market. As emphasized by UNCTAD, PRI constitutes a critical policy-relevant instrument for mitigating non-commercial risks and mobilising foreign direct investment. This pattern is particularly evident in low-income and fragile economies, where effective utilisation of PRI can significantly enhance investment viability and accelerate progress toward the SDGs.



*PRI coverage by sector varies by country development level

UNCTAD based on Berne Union data

Sectoral composition of political risk insurance (PRI) coverage differs markedly across countries at different stages of development. In developing countries excluding LDCs, the distribution of PRI coverage becomes more balanced across sectors. While manufacturing and energy projects remain important, there is a growing share of coverage directed toward natural resources and infrastructure, reflecting higher investment. For many low- and middle-income economies, elevated financing costs continue to represent a binding constraint on trade, investment, and infrastructure development. In LDCs, PRI coverage is heavily concentrated in infrastructure and natural resource projects, with a relatively small share allocated to manufacturing. Such concentration reflects the structure of investment opportunities in LDCs, but also the heightened perception of risk, and thus financial costs, associated with long-gestation projects that are critical for development. These costs are shaped by a combination of global financial conditions, sovereign credit assessments, and prevailing risk perceptions, which together restrict access to affordable and sustainable capital flows. Addressing these constraints requires coordinated partnerships capable of mitigating structural barriers, reallocating risk, and expanding the availability of finance, thereby supporting sustained growth in trade and productive investment.

As the hurdle of excessive financing costs remains a systemic barrier to development, ICIEC has been working towards mitigating these constraints through a comprehensive approach that extends beyond direct underwriting. Supported by its strong credit standing, ICIEC acts as a catalyst for mobilising additional capacity across low- and middle-income Member States (MSs). By pooling resources and sharing risks, ICIEC helps expand financing availability, facilitate longer tenors, and secure more appropriate pricing for MSs.

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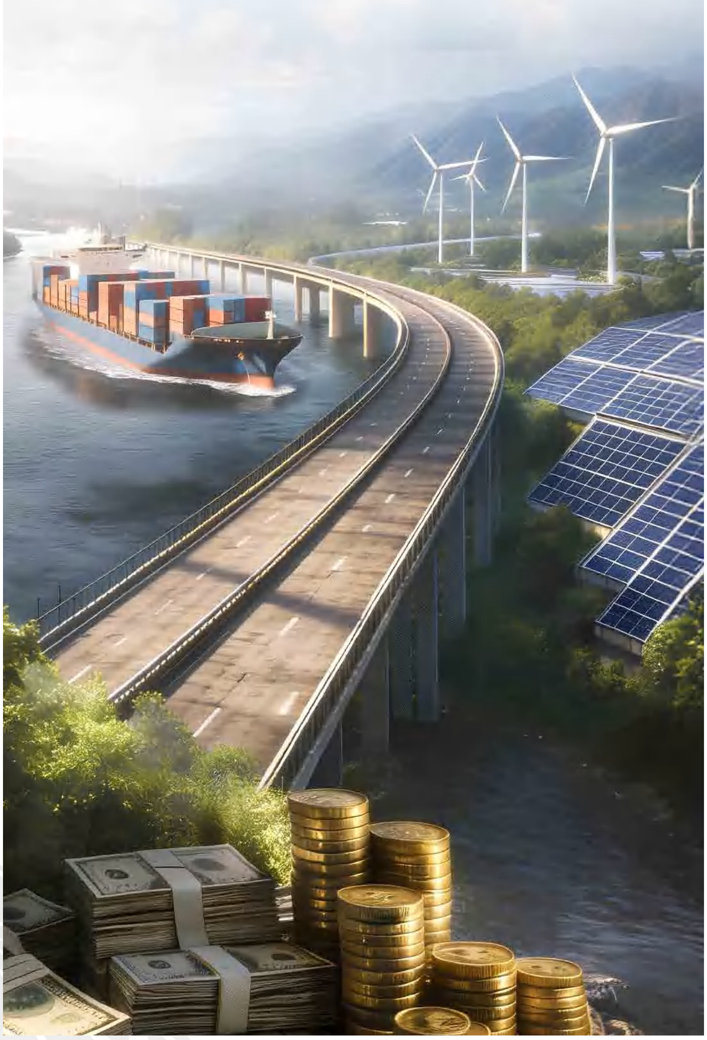


ICIEC's partnerships generate added value through coordinated action, aligned objectives, and integrated approaches that support inclusive and balanced sustainable development. The agreement signed in October 2025 with Afreximbank is an example of such partnerships that will reinforce momentum toward deeper Arab-African economic integration and enable MSs (particularly low- and middle-income countries) to leverage innovative financial instruments, shared expertise, and coordinated development strategies to participate more effectively in regional and global value chains.

Looking ahead, reducing financing costs in developing and least developed countries will depend less on the availability of capital and more on the effective allocation and mitigation of risk. As global uncertainty persists, mobilising private investment at scale will require coordinated action that strengthens investor confidence, extends maturities, and improves pricing through targeted risk-sharing mechanisms. Political risk insurance, blended finance structures, and partnerships with Multilateral Development Banks and development institutions are no longer complementary tools, but central pillars of sustainable financing strategies in high-risk environments. ICIEC will continue to play a focused role within this ecosystem, convening capacity and partnerships across public and private stakeholders to crowd in private capital where it is most needed. Through deeper collaboration with the IsDB Group, regional financial institutions, and global insurers and reinsurers, ICIEC is committed to enabling affordable, long-term, and de-risked financing for MSs. Such solutions will help unlock resilient investment flows that will generate tangible development outcomes and sustain progress toward Sustainable Development Goals.

Guarantees in support of sustainable development in Africa

Mansour Hamza

Chief Financial Analyst, Client Solutions Division, Syndications, Co-financing and Client Solutions Department, African Development Bank

Africa faces major financing gaps which are constraining its progress on many fronts. The continent needs USD 1.3 trillion annually to achieve the Sustainable Development Goals (SDGs) by 2030. The need to mitigate and adapt to a changing climate and meet global commitments on climate action adds to the funding gap. To finance their Nationally Determined Contributions (NDCs) under the Paris Climate Agreement, African countries require USD 277 billion per year until 2030, yet current climate finance flows to Africa amount to only USD 30 billion annually, concentrated in a few countries.

African countries have emerged from the COVID-19 pandemic with worsened fiscal balances and rising debt, just when they need to invest more in national development. There is an urgent need to broaden the range of financing available to Africa for both sovereign and private sector entities and diversify beyond fiscal and development finance sources.

African countries' ability to access international debt capital markets has been constrained by several factors including heightened risk aversion from global investors towards Emerging Markets and challenging macro-economic conditions. As a result, international debt capital markets were shut for African issuers and the few investors with appetite to Africa are requesting credit enhancement and de-risking solutions as a pre-requisite to lending to African borrowers.

The African Development Bank Group (AfDB Group)'s Ten Year Strategy 2024-2033 places significant emphasis on the mobilisation of finance particularly from private sector capital. This aims to address Africa's development financing needs in an increasingly challenging global aid and regional operating landscape. Leveraging its AAA rating and international standing, the AfDB Group is deploying its guarantee instruments to crowd in institutional investors and commercial banks and assist African borrowers access development resources on international debt capital markets.

By mitigating credit and political risks, guarantees enhance the bankability of projects and crowd in investors who might otherwise be reluctant to engage in African markets. Guarantees increase financing volumes and improve financing terms available for sovereign and non-sovereign borrowers including access to longer maturities and grace periods, customised repayment profiles and lower borrowing cost. The guarantee instruments have been deployed under both the AfDB and the African Development Fund (ADF), the concessional arm of the AfDB Group) windows.

Since 2014, the AfDB Group has executed 15 guarantee transactions valued at USD 3.7 billion, which have mobilised approximately USD 6 billion in private capital across more than 10 countries. In 2025 alone, over EUR 1.2 billion in guarantees were approved, underscoring the growing importance of guarantees in the Bank Group's strategy for scaling development impact. Building on previous success in deploying guarantee transactions, 2025 saw further innovations. The ADF utilised for the first time, its partial credit guarantee under a Guarantor-of-Record structure combining country allocation and credit insurance to offer a higher guarantee amount. With such structure, the Republic of Togo was able to raise in one transaction almost 4 times its 3-year allocation. On the side of the AfDB window, the Bank achieved its first repeat guarantee transaction for the Republic of Côte d'Ivoire through the second Sustainable Financing Framework based guarantee and the first Sustainability-Linked guarantee (the latter featuring a guarantee fee reduction mechanism if Sustainability Performance Targets are met) under the private sector window in support of Mota Engil Africa. The projected pipeline for 2026 anticipates over USD 2 billion to be mobilised from commercial lenders via guarantees.

Guarantees offer opportunities to collaborate with various stakeholders including lenders, co-guarantors and insurers. ICIEC is a partner of choice for AfDB. This is enshrined in the long-term partnership between AfDB and the Islamic Development Bank (IsDB) formalized since 1987 and the collaboration under the African Co-Guarantee Platform (CGP) for which both AfDB and ICIEC are founding members.

The AfDB and ICIEC share the common goal to create synergies and scale trade and investment in Africa. In that perspective, they have started a knowledge-sharing initiative to introduce their respective staff to the financial products offered by the two institutions. The first event was held in September 2024 and allowed AfDB investment officers to better understand ICIEC's Sukuk Insurance product. Following the success of this event, AfDB organized on 16 September 2025 a dedicated session with staff of IsDB Group to present its guarantee products and showcase how these instruments can be leveraged to mobilise financing at scale. Through practical examples and case studies, the session showcased AfDB's experience in deploying Partial Credit Guarantees, Partial Risk Guarantees, and other innovative risk-sharing instruments. The aim is to deepen collaboration between AfDB and IsDB Group in leveraging guarantees as a catalytic tool to unlock investment opportunities for Africa.

One of the highlights of the session was the collaboration between AfDB and ICIEC in 2023 that helped Côte d'Ivoire mobilise an ESG loan from commercial banks. With the support of a EUR 194 million ICIEC Insurance Policy, AfDB was able to increase its guarantee cover from EUR 206 million to EUR 400 million allowing the country to raise EUR 533 million for a 15-year maturity at low pricing. The proceeds of the loan are used in line with the country's sustainable financing framework (SFF). The SFF, as in a number of AfDB guarantee transactions, is developed by the country in line with international best practices and is externally

In summary, guarantees and BSO are catalytic instruments that enable AfDB and ICIEC opportunities to collaborate and advance private capital mobilisation and de-risking in support of sustainable development projects across Africa. Leveraging their long-standing partnership and the African Co-guarantee platform

verified by a reputable Second Party Opinion Provider. It clearly and transparently defines eligible projects and expenses, selection criteria, project monitoring, evaluation and reporting, verification and audit, liquidity management, the SFF institutional set-up and management process. The Côte d'Ivoire case further demonstrates how layered risk mitigation can generate catalytic multiplication: insurance enhanced guarantee coverage, which unlocked larger financing volumes, extended maturities to 15 years, reduced borrowing costs, and anchored the transaction firmly within an ESG-aligned framework.

As a result, the Côte d'Ivoire transaction supported by AfDB and ICIEC received external recognition, winning the ESG loan deal of the year at the 2024 Bonds, Loans and ESG Capital Markets Awards. Beyond the accolade, the transaction underscores the strong complementarities between AfDB and ICIEC in advancing private capital mobilisation and effective de-risking across their common Member States.

In addition to guarantees, AfDB and ICIEC can also collaborate through balance sheet optimisation transactions (BSO). BSO are risk transfer transactions used by the AfDB to achieve three main objectives: (i) free up risk capital and increase lending capacity especially in times where the AfDB must play a counter cyclical role; (ii) address constraints on the prudential ratios to safeguard safety margins on key rating agency ratios and protect the AfDB's AAA rating which underpins low funding costs passed onto borrowers; (iii) diversify and crowd in financial investors into African development finance. BSO transactions can be executed on a portfolio basis but also project-per-project on a single obligor risk basis. Since the 2015 G20 call to multilateral development banks (MDBs) to use the 'billions' in Official Development Aid to mobilise 'trillions' of investments through more efficient use of existing risk capital, the AfDB has streamlined BSO into its operations. The use of BSO has been further recommended in the 2022 Capital Adequacy Framework Recommendations' report to G20.

The AfDB has been a pioneer in BSO innovations with notably the first MDBs Exposure Exchange Agreement in 2015 where the Bank exchanged with IBRD and IADB, USD 4.5 billion of its exposure to its top 9 African countries (reduction of exposure on borrowing countries) against equivalent exposure to 13 Latin American and Asian countries (diversification of exposure towards non-borrowing countries). An exposure exchange is a useful balance sheet optimization instrument for managing country concentration risk and freeing more lending capacity for constrained countries. Following the success of the first exposure exchange transaction, the AfDB has since executed 3 other exposure exchange transactions freeing around USD 12 billion in additional lending capacity for the benefit of African borrowers.

The AfDB also initiated in 2018 its Room to Run (R2R) programme consisting of BSO portfolio transactions aimed at addressing specific constraints on prudential metrics, improving AfDB's credit risk profile and reducing risk capital consumption to free up capacity to finance new projects in Africa. As part of R2R, the AfDB executed in 2018 the first MDB Synthetic Securitization Transaction (SST) on a USD 1 billion reference portfolio of seasoned pan-African project finance loans and lines of credit to financial institutions. The SST freed up to USD 650 million in additional headroom for new loans and guarantees. Together with the SST, the AfDB also executed a portfolio Credit Insurance on a USD 500 million reference portfolio of non-sovereign financial sector loans to create USD 465 million in additional headroom. The latest transaction in the R2R programme is a USD 2 billion synthetic risk transfer where UK's Foreign, Commonwealth & Development Office (FCDO) and private insurers covered the AfDB's outstanding sovereign exposures to relevant regional Member States in October 2022. It has provided an estimated additional USD 2 billion in new lending capacity for climate finance.

In summary, guarantees and BSO are catalytic instruments that enable AfDB and ICIEC opportunities to collaborate and advance private capital mobilisation and de-risking in support of sustainable development projects across Africa. Leveraging their long-standing partnership and the African Co-guarantee platform, the two institutions can achieve greater impacts by unlocking higher financing volumes more quickly for the benefit of their common Member States. Scaling these instruments will be critical to closing Africa's financing gaps and meeting the continent's long-term development and climate ambitions.

Navigating risk and unlocking capital in emerging markets

John Lentaigne
Head of Credit & Political Risk at Specialist Risk Group

*As global markets navigate heightened uncertainty, credit and political risk insurance (CPRI) remains a cornerstone for enabling investment in emerging economies. In this Q&A, **John Lentaigne, Head of Credit & Political Risk at Specialist Risk Group (SRG)**, shares insights on market trends, the role of multilaterals, and innovations shaping the future of sustainable finance.*

Setting the Global Context

The CPRI market has undergone significant change in recent years. How would you describe the current state of the global credit and political risk insurance industry — particularly in terms of capacity, pricing dynamics, and sentiment toward emerging and frontier markets?

The market has undergone a revolution in the last decade, in particular with Lloyd's removing their prior regulations that boxed Lloyd's syndicates into narrow trade-related credit and sovereign non-payment risk. This means that CPRI insurers these days can consider a far broader subset of risks and asset classes. But from a specific development perspective, this evolution has meant that emerging and developing nations form a smaller portion of CPRI insurers risk portfolios than they previously did. Another interesting trend has been the intensifying specialisation of CPRI insurers, increasing the need for specialised intermediation. We'd argue, the market 10-15 years ago was relatively homogeneous compared to the current state of play; where 'the market' is, in our view, a series of adjacent sub-markets with insurers employing varied strategies as to which areas to participate in and to what extent. Market capacity remains robust and continues to grow year on year, as does the market's capabilities around tenor (where insurers are having to respond to a phenomenon being labelled 'tenor creep' - the gradual, but seemingly continual, lengthening of the duration of risks insured. Pricing has stabilised for investment-grade sovereign and quasi-sovereign exposures, while frontier markets and distressed credits attract significant premium differentiation. Sentiment toward emerging markets is cautiously constructive: yields are presently compressed and lenders are active, but they demand robust risk-mitigation structures, particularly for long-tenor transactions.

MDBs, ECAs, and Multilateral Insurers — Complementarity in Practice

In your experience, what differentiates multilateral insurers such as ICIEC from private CPRI providers? Where do you see the strongest complementarities between MDBs, ECAs, and private market insurers in supporting high-risk or long-tenor transactions?

Multilateral insurers such as ICIEC bring unique advantages: preferred creditor status, deep regional knowledge, significant influence in member countries, and an alignment with development objectives (rather than national export priorities). Private insurers excel in speed, flexibility, and bespoke structuring. The strongest complementarities arise when MDBs provide anchor guarantees, enabling private markets to extend tenor or access capacity that would otherwise be unavailable — particularly for infrastructure, energy transition, and sovereign-linked deals.

Studies increasingly show that risk-mitigation instruments can materially reduce the cost of finance. How do private lenders and institutional investors view multilateral guarantees/insurance when assessing pricing, tenor, and credit risk in emerging markets?

Private lenders and institutional investors increasingly recognise multilateral guarantees as catalytic. These reduce perceived sovereign and political risk, which directly influences pricing and tenor decisions. For many credit committees, the presence of a multilateral insurer signals enhanced recovery prospects and improved governance standards, making transactions more attractive relative to standalone emerging-market risk. For single-B rated sovereigns, we think that the presence of a multilateral guarantor can be a major mobiliser of private reinsurance, allowing for longer and larger transactions, and also the sort of complex structuring that is often required to bring institutional investors into such funding structures.

De-Risking and the Cost of Capital

Based on your interactions with banks and institutional investors, how do tools such as credit enhancement and risk mitigation instruments offered by multilaterals translate into tangible reductions in financing costs?

Credit enhancement tools translate into tangible benefits by lowering risk-weighted asset charges and improving internal ratings. For many institutional investors, they simply cannot by mandate contemplate the financing without such de-risking. Multilateral guarantors, such as ICIEC, tend to target transactions that enable private capital but also generate what we term quasi-concessional all-in pricing. In some cases, these instruments can compress margins by

50–150 basis points, especially for long-tenor or high-risk jurisdictions.

From a purely market-driven perspective, what makes a transaction "bankable" in emerging markets today? What risk-mitigation elements most reliably shift investor appetite or credit committee decisions?

Bankability today hinges on predictability, enforceability and clarity of risk location. Transactions that combine strong contractual frameworks, transparent governance, and credible risk-mitigation — such as the insurance solutions ICIEC provides — are far more likely to clear credit committees. Investors also value blended structures that align their need to make commercial returns with development impact.

Private Sector Lens — What Investors Actually Need

Working closely with private lenders and corporates, what are the key concerns they raise when considering long-tenor or frontier-market exposures? How do issues such as FX liquidity, governance, sovereign behaviour, or climate vulnerability shape their risk appetite?

The top concerns remain FX liquidity, sovereign behaviour under stress and of course ultimately default risk, and regulatory unpredictability. Climate vulnerability is increasingly material, as it affects both physical risk and fiscal resilience. We think for instance that it is not coincidental that so many sovereigns in the Sahel region are currently experiencing serious challenges. Governance and debt transparency are critical — lenders want assurance that projects will not be derailed by policy shifts or arrears episodes.

How can multilateral insurers — including ICIEC — better present, structure, and communicate their insurance solutions to achieve stronger traction with private investors?

Clear communication of product features and claims history is essential. Private investors respond well to simplicity and certainty — concise term sheets, standardised documentation, and transparent pricing models. Demonstrating how coverage interacts with Basel capital treatment or rating agency methodologies can significantly boost uptake.

Blended Finance, MDB Reform, and Sustainability

The FFD4 Conference formally recognised the role of ECAs and multilateral insurers in private capital mobilisation. What practical impact do you believe this recognition will have on market behaviour or blended-finance structures going forward?

Formal recognition of ECAs and multilaterals as mobilisers of private capital should accelerate blended-finance adoption, but we think the role of multilateral guarantors for instance needs to be better factored into other frameworks such as the Common Framework. We expect greater use of risk-sharing platforms and co-guarantee structures, enabling MDBs to stretch balance sheets while crowding in private liquidity. This could be transformative for climate and infrastructure pipelines in high-risk jurisdictions as truth be told there is insufficient concessional funding to meet all needs.

How do you see the intersection of CPRI, climate finance, and sustainable development evolving? Are you observing greater interest in Green or SDG-linked transactions where guarantees can be catalytic?

Despite short-term political noise, there remains clear long-term momentum behind green and SDG-linked transactions. Guarantees are increasingly viewed as enablers for sustainability-linked bonds and climate-resilience projects, particularly where tenor and risk profile would otherwise deter private investors. We anticipate more hybrid structures combining political risk cover with performance-linked incentives such as margin adjustment mechanisms relating to ESG criteria.

Looking ahead, what innovations in underwriting, data analytics, stress testing, or risk modelling are needed for the insurance industry to support the next generation of climate-transition and resilience projects in emerging markets?

Underwriting must evolve to incorporate climate stress testing, more granular and reliable ESG data, and scenario modelling for transition risk. Advanced analytics — including satellite data for physical risk and even AI-driven credit scoring — will be critical. The industry also needs dynamic pricing tools that reflect both climate exposure and resilience measures. What we don't want to see is that entire regions becoming unbankable due to climate risk, which is a real possibility. Insurance companies are probably more realistic about climate risk than other investors as they see it daily in their modelling, and through their balance sheet via losses.

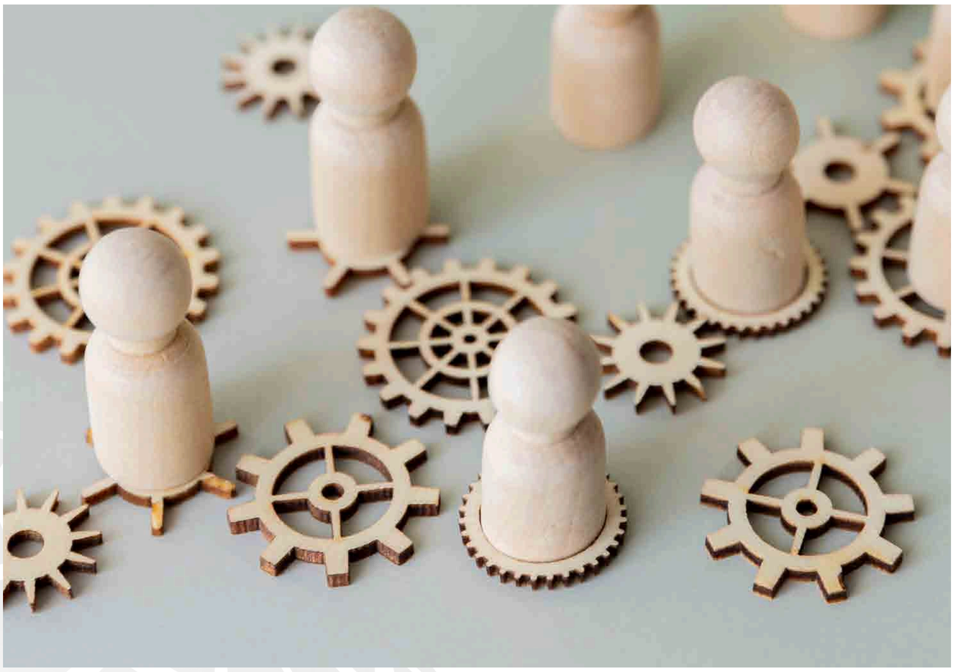
Looking Forward

What advice would you offer to ICIEC Member States seeking to leverage CPRI, multilateral guarantees, and blended-finance partnerships to reduce borrowing costs, strengthen resilience, and attract larger volumes of private capital?

Leverage ICIEC's guarantees strategically to unlock longer tenors and lower margins. Engage early with insurers and lenders to structure risk-sharing frameworks that address FX, governance, and climate vulnerabilities. Transparent disclosure and alignment with sustainability objectives will not only reduce borrowing costs but also attract institutional capital seeking impact-driven opportunities. Insurers are an unfunded investor class with significant appetite for ICIEC member countries, and through ICIEC Member States, they can be better engaged.

Final Thoughts

ICIEC stands at the intersection of risk mitigation and development impact, offering solutions that go beyond insurance to unlock sustainable investment in challenging markets. By combining preferred creditor status with deep regional expertise, ICIEC provides confidence to private lenders and investors, enabling longer tenors, lower costs, and greater resilience. As global capital seeks both returns and impact, ICIEC's role as a catalyst for blended finance and climate-linked projects has never been more critical — helping Member States attract private capital and deliver on their development ambitions.



The Republic of Iraq – economic transition and development priorities

Zaid Hiyasat, Country Manager, MENA Region Division and
Azzam Al Zahrani, Associate, Risk Management at ICIEC

Following years focused on reconstruction and stability, the Republic of Iraq is working to transition its economy from heavy dependence on oil exports toward a more diversified and sustainable growth model. The government's development priorities include strengthening the private sector, improving infrastructure such as electricity and transportation, and modernising public financial management. Investment in agriculture, manufacturing, and digital services is seen as essential to create jobs for Iraq's young and rapidly growing population. Anti-corruption reforms and regulatory improvements are also central to attracting foreign direct investment and rebuilding investor confidence. This transition agenda is guided by Iraq's Vision 2030 and translated into action plans through the National Development Plan (NDP) 2024–2028, which sets medium-term priorities across infrastructure, public services, and institutional reform. Long-term economic stability depends on fiscal reform, human capital development, and reducing vulnerability to fluctuations in global oil prices.

Hydrocarbons continue to play a central role in Iraq's economy, providing the bulk of fiscal revenues and foreign exchange earnings. As a result, economic performance remains influenced by oil prices and production levels. At the same time, the authorities are increasingly focused on strengthening the foundations for broader-based growth, supported by gradual reforms and targeted investment.

Iraq enters this phase supported by stable financial foundations. Foreign exchange reserves remain sizeable, and external debt service obligations are relatively low. These conditions provide flexibility to manage volatility and support medium-term priorities, particularly in areas that enhance productivity, service delivery, and private sector participation.

At the institutional level, progress has been made in streamlining budget approval and improving execution rates, particularly for priority infrastructure programmes. Continued efforts to strengthen coordination, improve administrative effectiveness, and support implementation capacity are helping to sustain reform momentum.

From a macroeconomic perspective, growth prospects remain closely linked to developments in the oil sector. Medium-term projections point to gradual strengthening supported by public investment and infrastructure expansion; fiscal balances are expected to remain expansionary in the near term and the external position may face moderate pressure under lower oil price scenarios. Nevertheless, foreign exchange reserves and the exchange rate framework provide important buffers that support macroeconomic stability.

Infrastructure continues to sit at the heart of Iraq's development priorities, with capital increasingly directed toward large-scale transport, logistics, power, and gas projects. Flagship initiatives such as the Grand Faw Port and the Development Road Corridor are progressing in phased implementation, with the strategic objective of positioning Iraq as a regional trade and transit hub linking the Gulf to Turkey and Europe. Parallel investments in gas capture, power generation, and grid rehabilitation—alongside emerging renewable energy projects—are aimed at strengthening energy security and improving service reliability. While public–private partnership (PPP) activity remains at a developmental stage, ongoing institutional and regulatory reforms are gradually laying the groundwork for broader private sector participation.

Infrastructure continues to sit at the heart of Iraq's development priorities, with capital increasingly directed toward large-scale transport, logistics, power, and gas projects. Flagship initiatives such as the Grand Faw Port and the Development Road Corridor are progressing in phased implementation, with the strategic objective of positioning Iraq as a regional trade and transit hub linking the Gulf to Turkey and Europe.

Islamic finance is also emerging as a complementary channel to support development financing. In 2023, Iraq's parliament approved a sukuk law covering both sovereign and corporate issuance, marking an important institutional milestone. Building on this framework, the Ministry of Finance issued reconstruction sukuk under the "Sukuk Al-Imar" programme in January 2024, totalling IQD 2 trillion (approximately USD 1.5 billion). The issuance, distributed through authorised banks and tradable on the Iraqi Stock Exchange, helped broaden domestic participation and support the gradual development of Shariah-compliant capital markets.

ICIEC will continue to play a key role in supporting Iraq's economic transition by mitigating political and commercial risks that often deter foreign investors and exporters. ICIEC's Shariah-compliant investment and export credit insurance will help international financiers and companies enter the Iraqi market with greater confidence. By covering risks such as expropriation, currency inconvertibility, breach of contract, and political violence, it facilitates foreign direct investment in priority sectors like infrastructure, energy, agriculture, and manufacturing.

ICIEC also supports Iraqi banks and exporters by enhancing their creditworthiness, enabling access to trade finance and integration into global markets. Through these risk-mitigation tools, ICIEC will continue to contribute to private sector development, economic diversification, and sustainable growth in Iraq.

ICIEC and the IsDB Group conducted a mission to Iraq in 2025 to engage with government stakeholders and discuss priority sectors where structured support could add value. These discussions focused on establishing a practical framework through which IsDB Group institutions can extend financing and advisory support, particularly in infrastructure and other strategic sectors aligned with national development priorities.

In 2025, ICIEC also supported Iraq's critical power infrastructure project, Karbi Substations, a major transmission upgrade that will strengthen electricity supply and energy security for Baghdad, Karbala, and Basrah. The project insured by Euler Hermes (Germany) and financed by a consortium led by Standard Chartered Bank, covers the turnkey delivery of three 400/132/11kV Gas Insulated Switchgear (GIS) substations by Siemens Energy Global GmbH & Co. KG. ICIEC's reinsurance cover amounted to EUR 99 million, supporting a total insured amount of EUR 336 million, and helping mobilise international financing for infrastructure delivery. Once completed, the substations are expected to expand transmission capacity by 4,500 MVA, improve grid stability and reliability for households and industry, and contribute to SDG 7, SDG 8, SDG 9, SDG 11, and SDG 13 through more resilient and efficient electricity infrastructure.

Iraq's economic outlook remains closely linked to developments in the global oil market, with fiscal and external balances highly sensitive to fluctuations in crude prices and production quotas. While elevated oil revenues can support public spending and reconstruction, volatility poses risks to budget stability and long-term planning. In the near to medium term, growth is expected to be driven by a combination of oil sector performance and gradual recovery in non-oil activities such as construction, trade, and agriculture. Structural reforms aimed at improving the business climate, strengthening public financial management, and expanding private sector participation will be critical to sustaining momentum.

ICIEC remains committed to supporting Iraq's evolving development agenda through targeted risk mitigation and structured engagement across sovereign and private sectors.

Oman's macroeconomic situation and growth momentum

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Oman's economic outlook for 2025 reflects moderate growth, supported by ongoing structural reforms. Both the Ministry of Economy and the IMF estimate real GDP growth of around 2.2%–2.3%. Growth is driven mainly by the non-oil economy, which includes manufacturing, logistics, tourism, and services. These sectors continue to outperform hydrocarbon activities, which remain constrained by OPEC+ production caps.

Preliminary data from Q1 2025 showed GDP expanding by 4.7%, largely fuelled by robust non-oil activity. While crude oil production has been capped, natural gas output has partially offset this decline, helping maintain stability in hydrocarbon revenues. This diversification underscores the success of Oman's long-term development agenda, which seeks to reduce reliance on oil while cultivating new engines of growth.

Government policy remains firmly anchored in Vision 2040, which emphasizes fiscal discipline, diversification, and structural reform. Fiscal performance has been strong, with surpluses recorded in 2024 followed by only a modest deficit projected in 2025. Public debt has fallen dramatically from a pandemic-era peak of more than 68% of GDP in 2020 to around 35% today, thanks to prudent fiscal management and conservative budgeting.

Monetary policy complements these efforts, focusing on price stability and investor confidence. Oman has one of the lowest inflation rates in the region, helping preserve household purchasing power and reinforcing business sentiment.

The manufacturing sector has become a critical driver of growth, expanding across petrochemicals, food processing, metals, and pharmaceuticals. Meanwhile, Oman's strategic location at the crossroads of Asia, Africa, and the Middle East supports its transformation into a global logistics hub, underpinned by world-class port and transport infrastructure.

Vision 2040 and Growth Drivers

Oman Vision 2040, launched under the guidance of His Majesty Sultan Haitham bin Tariq, serves as the nation's long-term blueprint for achieving economic resilience, social well-being, and environmental sustainability. It articulates a clear strategy to transition from an economy historically dependent on hydrocarbons toward one that is diversified, knowledge-based, and globally competitive.

Oman's development trajectory is guided by Vision 2040 and the Tenth Five-Year Development Plan (2021–2025). Both place emphasis on non-oil sector expansion, foreign investment, and modern infrastructure. Non-oil GDP is forecast to grow by 2.7% in 2025, supported by investments in ports, industrial clusters, and logistics corridors.

Recent reforms, including the Foreign Capital Investment Law, have further liberalised the business environment and encouraged international participation. The Vision 2040 agenda enjoys support from key multilateral institutions such as the IsDB Group, IMF and World Bank, which have commended Oman's steady progress on fiscal consolidation, legal modernisation, and private sector development.

Progress to Date

- Oman has already diversified its non-oil revenues to account for more than 30% of GDP, supported by strong performance in logistics and manufacturing exports.
- The successful issuance of green sukuk and the establishment of frameworks for Public-Private Partnerships (PPPs) demonstrate tangible steps toward achieving fiscal and environmental goals.
- The roll-out of initiatives under the National Energy Strategy 2040 confirms Oman's leadership in green transition within the Gulf Cooperation Council (GCC).

Creditworthiness has improved significantly. In 2025, Moody's upgraded Oman to Baa3 and S&P confirmed BBB-, both with stable outlooks. These investment-grade ratings reflect strong fiscal discipline, lower debt ratios, and greater policy predictability.

Renewable energy is emerging as another major pillar. Large-scale solar and wind projects are underway, alongside ambitious plans in green hydrogen, positioning Oman to become a regional leader in sustainable energy. These initiatives align with global climate commitments while also generating new industries and long-term employment opportunities.

Despite ongoing global uncertainties, including volatile oil prices, geopolitical risks, and supply chain disruptions, Oman continues to deliver steady growth. Its ability to adapt to shocks highlights growing institutional capacity and a clear commitment to reform continuity.

Fiscal and Monetary Policy

Oman's fiscal strategy remains cautious and disciplined. The 2025 budget anticipates a modest deficit of OMR 0.62 billion, consistent with conservative oil price assumptions of USD 60 per barrel. Public debt is expected to fall further below 35% of GDP, reinforcing long-term sustainability and supporting the country's upgraded credit ratings.

The Central Bank of Oman (CBO) continues to prioritize monetary stability. Inflation has been well contained: the annual rate fell to 0.5% in August 2025, the lowest since late 2024, with an average of just 0.8% for the year through August. This reflects stable housing and fuel prices, effective supply chain management, and timely government subsidies.

Price stability is central to economic confidence. By maintaining predictable inflation, the CBO provides an enabling environment for investment and supports household welfare. Together, prudent fiscal and monetary policies form a strong macroeconomic anchor for Oman's medium-term outlook.

Development Agenda and Operational Resilience

The government's development agenda is firmly anchored in Vision 2040, aiming to transform Oman into a diversified, innovation-driven economy. Key elements include:

- **Digitalization** of government services to increase efficiency and transparency.
- **SME empowerment** and entrepreneurship support to foster private-sector-led growth.
- **Labour market reforms** to improve productivity and attract talent.
- **Human capital investment,** with a focus on education, skills, and youth employment.

Operational resilience has been evident in Oman's capacity to maintain policy discipline despite volatile global conditions. Adequate foreign reserves and moderate debt sustainability risk provide buffers against external shocks. This resilience underpins investor confidence and strengthens Oman's reputation as a stable destination for long-term projects.

Islamic Finance Proposition and Sukuk Developments

Islamic finance has become one of Oman's fastest-growing financial segments. Shariah-compliant banking now represents over 16% of total sector assets, with steady growth expected as new players enter the market.

Sukuk issuance has expanded rapidly, attracting both domestic and international investors. Major issuers such as Energy Development Oman (EDO), Omantel, and the Oman Electricity Transmission Company have successfully tapped Sukuk markets to finance infrastructure and energy projects. This demonstrates the sector's ability to mobilise long-term funding while aligning with ethical investment preferences.

Beyond traditional Sukuk, Oman has embraced Commodity Murabaha and Islamic trade finance solutions, particularly in manufacturing and logistics. Innovative instruments, including green and sustainability-linked Sukuk, are gaining traction, placing Oman at the forefront of Islamic financial innovation in the region.

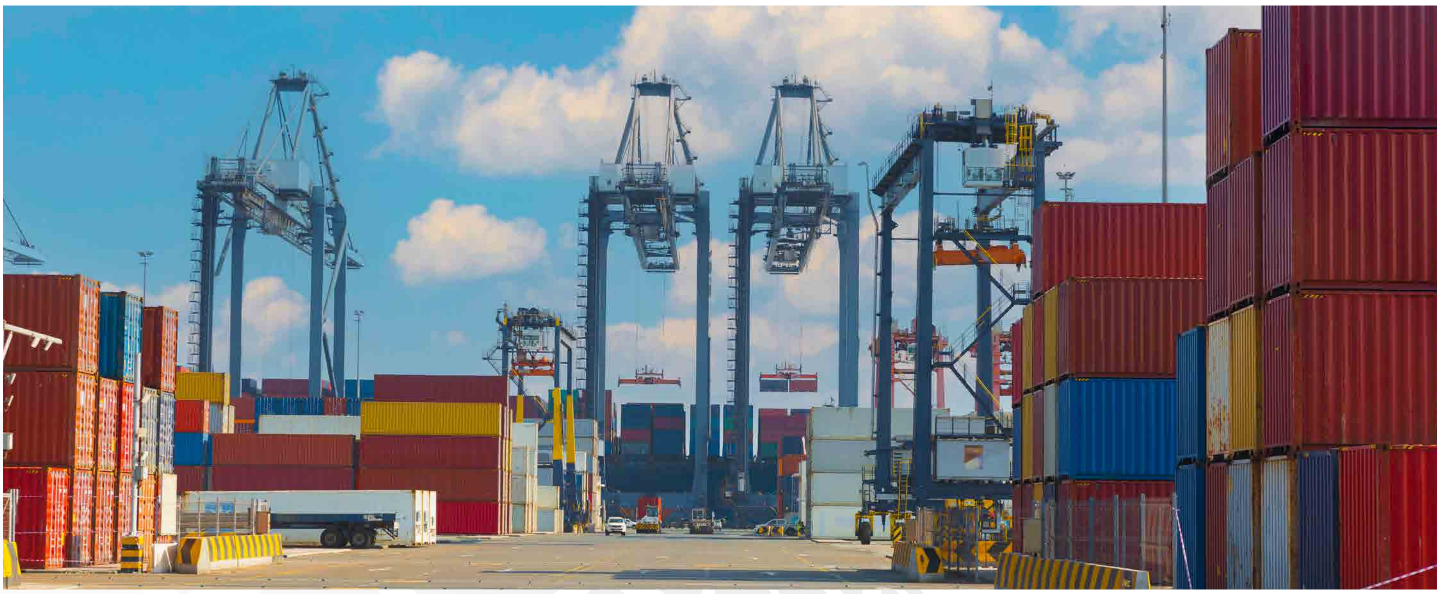
By broadening funding channels and deepening the capital market, Islamic finance is helping diversify Oman's financial system and support national development priorities.

Infrastructure and Project Pipeline

Oman maintains a strong pipeline of strategic projects designed to enhance connectivity, industrial capacity, and renewable energy integration. Key initiatives include:

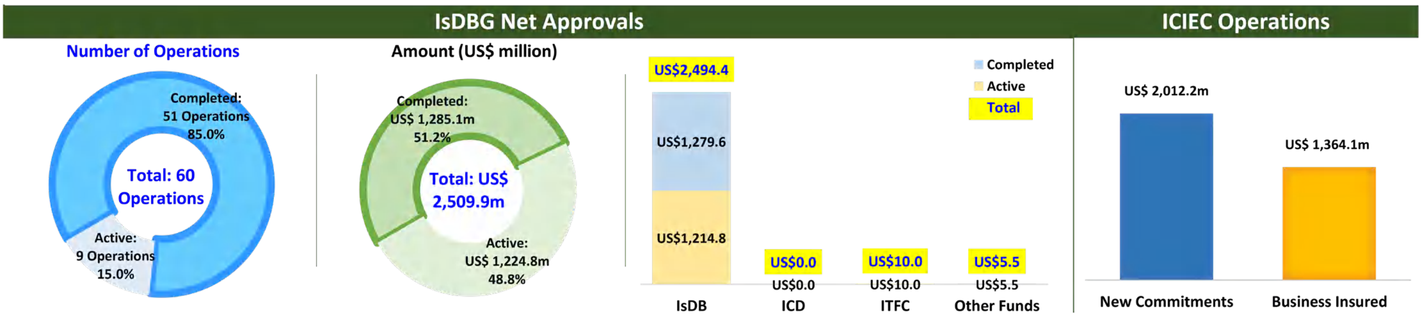
- Expansion of **Sohar, Duqm, and Salalah ports,** creating world-class maritime and logistics hubs.
- Development of new **highways and rail networks** to improve regional connectivity.
- Modernisation of **airports** to accommodate rising passenger and cargo volumes.
- Upgrading of **electricity transmission grids,** supporting renewable integration and industrial growth.

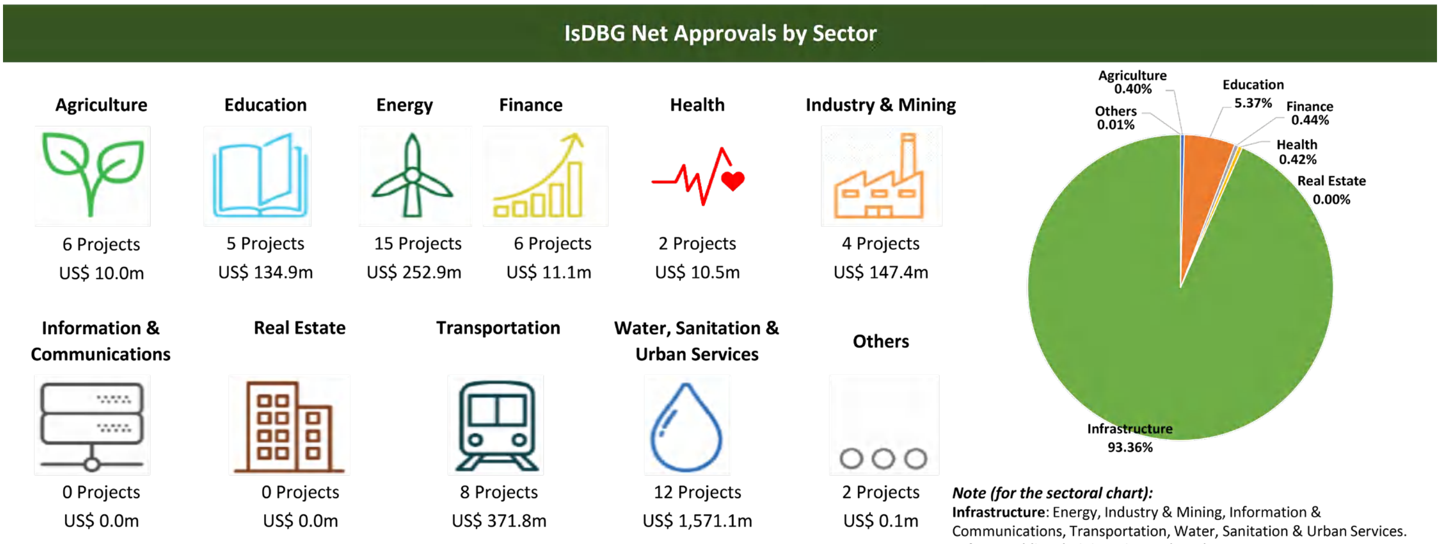
Special Economic Zones (SEZs), particularly in Duqm and Sohar, are attracting international investment through public-private partnerships and targeted incentives. These clusters are set to become anchors of Oman's diversification strategy, boosting export competitiveness and job creation.



Oman's relationship with the IsDB Group

Oman has been a founding member of the Islamic Development Bank (IsDB) Group since 1974, with a subscribed capital share of ID 185 million (≈USD 530 million). Over the decades, Oman has received more than USD 2.5 billion in cumulative approvals from the Group, financing projects across transport, health, water, social infrastructure, and industrial development. These engagements are closely aligned with Vision 2040, supporting diversification, private sector growth, and sustainable development.





Note (for the sectoral chart):
Infrastructure: Energy, Industry & Mining, Information & Communications, Transportation, Water, Sanitation & Urban Services.
Others: Public Administration and Trade.

ICIEC's Engagement with Oman

Oman joined ICIEC in 2009 and has since developed a strong working relationship with the institution. ICIEC provides risk mitigation and credit enhancement tools that support both sovereign and private transactions in Oman. Coverage spans short-term trade credit, medium-term investment guarantees, and customized products for infrastructure and energy projects.

Selected Case Studies

- **Duqm Port Project (2018):**

ICIEC provided USD 114 million in reinsurance cover to Atradius, supporting the construction of a liquid bulk berth terminal in the Duqm Special Economic Zone. This project strengthened Oman's logistics competitiveness by reducing transport distances and costs and enhancing export potential.

- **Sohar Port Expansion (2025):**

ICIEC signed a USD 40 million policy with Royal Boskalis for dredging and development works at the Sohar Port and Freezone South Expansion. The project will deepen navigation channels and upgrade jetty infrastructure, positioning Sohar as a leading regional maritime hub. It also supports the launch of MARSA LNG, the Middle East's first LNG bunkering facility, underscoring Oman's commitment to clean energy solutions. ICIEC's coverage enabled smoother access to financing and ensured project bankability.

Through such transactions, ICIEC plays a catalytic role in mobilising foreign investment, promoting sustainable trade, facilitating Oman's broader diversification strategy, and contributing directly to Vision 2040 objectives.

Opportunities for deeper ICIEC–Oman collaboration are significant:

- **Green and sustainable projects:** ICIEC can support Oman's ambitious renewable energy and green hydrogen agenda, particularly in attracting global investors to solar, wind, and hydrogen clusters.
- **PPP frameworks:** As Oman advances public-private partnerships in ports, utilities, and logistics, ICIEC's guarantees can help mobilise Foreign Direct Investment (FDI) and support the financial sustainability of these ventures.
- **Export diversification:** With non-oil exports already accounting for over a third of Oman's trade, ICIEC's credit insurance products can further expand access to new and higher-risk markets in Africa and Asia.
- **SME support:** By tailoring risk mitigation solutions for small and medium exporters, ICIEC can contribute directly to job creation and private sector empowerment, both key pillars of Vision 2040.

Outlook and Strategic Implications

Oman's economy is projected to grow at 2.4%–3.4% in 2025, accelerating to as high as 3.7% in 2026 as OPEC+ production caps are gradually eased and non-oil momentum builds further.

Key growth drivers include:

- Ambitious investments in logistics and industrial clusters.
- Expansion of renewable energy, with a special focus on green hydrogen.
- Digital transformation and SME development.
- Continued reforms to the business environment and labor market.

Fiscal and external buffers will remain strong, supported by cautious budgeting and a policy of channelling hydrocarbon surpluses into debt reduction and infrastructure upgrades. Public debt is projected to remain below 35% of GDP, compared to more than 68% just five years ago, a clear sign of reform success.

Risks persist, including global oil market volatility, potential trade disruptions, and regional geopolitical uncertainties. However, the growing share of non-hydrocarbon exports (over one-third of the total), coupled with steady gains in manufacturing and services, provides important safeguards.

Over the medium term, Oman is set to redefine the Gulf development model—transitioning from resource dependence to a balanced, innovation-driven economy. Strategic partnerships with multilateral institutions such as the IsDB Group will continue to play a pivotal role, ensuring access to risk mitigation tools, strengthening investor confidence, and accelerating the realization of Vision 2040 objectives.

Conclusion

Oman's economic transformation is gaining traction. The combination of fiscal discipline, strong credit ratings, growing Islamic finance, and an ambitious infrastructure agenda positions the Sultanate for sustainable and inclusive growth. With Vision 2040 as its compass and active partnerships with the IsDB Group, particularly ICIEC, Oman is steadily emerging as a regional benchmark for economic sustainability and diversification.

Making ratings and blended finance work for impact delivery in sustainable development – via reinsurance

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Buyers of insurance, both retail and commercial, have generally no dealings with a reinsurance company because reinsurance is a business-to-business transaction. Therefore, most people are not even aware of the existence of reinsurers who, at their end, have historically maintained a relatively low profile. This has changed as reinsurers publicly emerged as safety nets for direct insurers hit by massive disaster losses.

In its simplest form, reinsurance can be defined as insurance of insurance companies. Most insurers generally operate within their national boundaries and often offer cover that is limited to certain regions and customer segments. The capital base of many of those companies is exposed to disaster risk and cannot be simply strengthened without affecting affordability. As such, insurance companies rely on "risk capital" from third parties, in the form of reinsurance, to absorb large losses that unexpectedly deplete claims-paying resources and reduce underwriting capacity (Culp and O'Donnell 2010). Insurers transfer some of their risks to reinsurers in order to protect their balance sheets and to free up capital which, in turn, enables them to provide more risk-bearing capacity to their customers.

Reinsurers can pay for catastrophic losses because of their global diversification of risk portfolios and investment, making protection more broadly available at lower cost and higher security. This is how reinsurance creates value. The essential role of reinsurance is to support recovery efforts after disasters (such as earthquakes, typhoons, and floods) strike. Reinsurers are able to support community recovery efforts by paying claims that help communities rebuild. Equally important is the contribution of reinsurers to alleviating the financial consequences of mortality and health shocks. The recent COVID-19 pandemic serves as a case in point where reinsurers support their direct insurance customers in paying the costs of those who fall ill with the virus and require medical attention as well as by compensating families that have suffered the death of the main breadwinner.

By paying a premium to their direct insurer(s), individuals, households and corporates seek protection against a wide spectrum of specific risks, ranging from car accidents to flood disasters. Direct insurers, in the reinsurance context known as cedants, pass on entire portfolios of risks (where usually all premiums and losses are shared) or large single risks (covering losses exceeding a certain threshold) to globally operating and diversified reinsurers. The original policyholder is not involved in this transaction – the direct insurer remains the contractual partner. Reinsurers assume the risk and add it to their portfolio of diverse risks. Typically, reinsurers are careful to diversify geographically and by type of risk. In order to limit their own exposure, reinsurers may sometimes pass on some of their risks to other reinsurers (known as retrocession) or to institutional investors who invest in insurance-linked securities.

The economic and societal benefits of reinsurance

Reducing the cost of risk on the back of global diversification Insurance is fundamentally about pooling: individuals or companies pay a premium in return for financial compensation in the event of a covered loss. The premium paid by the insured (the 'policyholder') is calculated so that it allows the insurer to honour its claims payment obligations and meet its non-claims costs such as administration expenditure and the cost of capital. Insurance premiums are a function of the risk covered: the greater the probability of the risk occurring and / or the potential severity of the risk, the higher the premium.

Insurance essentially works as a redistribution mechanism: the premiums paid by policyholders who experience no (or little) claims finance the indemnification of those who are less fortunate. This mechanism works because not all policyholders suffer a large loss at the same time. It is in this sense that the 'pluricentennial' motto of Lloyd's of London – which defines insurance as "the contribution of the many to the misfortune of the few" – shall be understood. This principle of "collective solidarity" which constitutes the very foundation of the insurance and reinsurance business model is rooted in science. The underlying mathematical principles are known as the 'law of large numbers' and the 'central limit theorem'. Intuitively, they state that when one combines a large number of risks which, to a significant extent or at least to some extent, are independent from each other, there is a 'compensatory' effect between these different risks. In the case of insurance, this effect occurs between the policyholders who suffer a loss and the policyholders who are not impacted. On this basis, the aggregate loss experience over the entire risk portfolio becomes relatively 'predictable'. In other words, aggregating a vast number of individual policyholders' risks creates a risk portfolio which benefits from a lower volatility of claims. How does this mechanism enable the insurer to offer coverage at a lower cost?

Insurers are required by regulators to hold capital that is sufficient to absorb large losses and meet their commitments to all their policyholders with a certain probability, which can be seen as a 'security level'. The corollary to the diversification effect is that, for a given security level, the total amount of capital that the insurer is required to hold decreases in relative terms when its risk portfolio becomes more diversified, everything else being equal. In other words, diversification reduces the amount of required capital for the coverage of a given policyholder risk and, consequently, lowers the 'cost' of insuring that risk.

Now enter the distinction between insurance and reinsurance. It primarily lies in the ability to pool risks. Most insurance companies – including the very large ones – have a local, national or regional footprint, due to the need to maintain distribution networks and close contact with their customers. Therefore, insurers only mutualize risks on a limited geographical scale. While this level of mutualization is sufficient for smaller risks that occur frequently, it may turn out to be insufficient for certain peak events such as a large natural catastrophe hitting a significant proportion of property insurance policies within a given country. For such a catastrophe, risk mutualization needs to be operated internationally or even globally. This is precisely the role of reinsurers. Contrary to most insurers, reinsurers generally have an international or even truly global footprint, allowing them to pool and mutualize risk exposures worldwide.

This is at the heart of the fundamental value proposition of reinsurance companies: They are able to assume a specific unit of risk at lower capital charges and cost than primary insurers who are limited to mutualization on a national level only. This differential in capital requirements for a particular block of business reduces the cost of risk and constitutes the added value of reinsurance, benefiting all insurance policyholders. It also explains why reinsurance is intrinsically a global industry, relying on diversification of risks across the globe, a wide spectrum of business lines and geographies.

Improving availability and affordability of insurance:

Narrowing protection gaps - Increasing underwriting capacity

By leveraging global diversification reinsurance is an efficient source of capital for direct insurers. Tapping into it increases insurers' risk underwriting capacity and allows them to issue insurance policies with higher coverage limits, notably for those peak risks which need to be diversified globally and, in the absence of reinsurance protection, could remain completely uninsured. In other words, reinsurance allows insurers to provide more substantial and/or affordable insurance coverage to their individual policyholders, making the latter benefit from the diversification benefit afforded by global risk spreading through reinsurance. By enabling more and less expensive insurance, reinsurers make a vital contribution to narrowing global protection gaps, i.e. the difference between economic and insured losses.

Enabling innovation

In addition to providing cost-efficient capital, reinsurance is also an enabler or an outright source of innovation, not least due to the major players' proprietary catastrophe modelling capabilities which have spurred the insurability of major natural disasters, for example. Efforts to model cyber exposures are a more recent example. Also, reinsurers play a major role in supporting their customers' product development, for example in the areas of critical illness and occupational disability. Ultimately, reinsurers' innovative credentials help expand the limits of insurability, deepening and broadening available insurance cover and, narrowing protection gaps. Having said this, reinsurers face challenges, too, in this context as the frequency of non-modelled risks seems to

be rising and climate change trends are blurring the ability to forecast natural disasters.

Disseminating risk knowledge and building risk awareness

Risk knowledge is in its essence, putting a price tag on risks, so society can allocate resources to risk mitigation in the most effective way. As many risks are interconnected and global in today's world, reinsurers, based on their global pool of data and expertise, are a key resource for tracking these connections and making all stakeholders aware of them. Examples include:

- Longevity, which is influenced by food security, nutrition, climate change, public health care and education. All these influencing factors vary by country and region but are interconnected at the same time. Understanding these interconnections makes it possible to design sustainable pension solutions and provide (real-time) prevention and other services to insureds.
- Renewable energy is key to mitigating climate change. But the sun does not always shine, droughts make hydropower unavailable, and no wind means no energy. Insurance coverages for the lack of sunshine, water or wind smooth revenue streams and make renewable energy projects more attractive to investors. This ultimately accelerates the energy transition.
- Climate change affects the frequency and severity of natural catastrophes, something that the reinsurance industry generally expects and models. For example, 2020 was another active year for natural catastrophes in the U.S. with a record-breaking 30 named storms in the Atlantic and a widespread wildfire season on the West

By identifying and analyzing emerging risks the reinsurance industry provides a societal service. In an important second step, reinsurance is instrumental in translating these risks into widely available and affordable insurance solutions. As an absorber of peak risks, reinsurance has developed a unique focus and expertise when it comes to scanning for emerging loss accumulations.

Coast. Insuring farmers, homeowners, businesses, etc against these perils provides economic stability even if disaster strikes, thereby assuring better livelihoods for the growing population on our planet.

- The cyber space has developed into the backbone of modern economies. Today, cyber insurance helps companies to be back online fast, so that the damage from cyber attacks and incidents does not jeopardize their survival.
- All of the above is only possible if risks are identified, assessed for frequency and severity, and analyzed with an eye to their potential for mitigation so that affordable premiums commensurate with the risk can be determined.

The first step in the risk management examples above is the identification of new or "emerging risks". Emerging risks come with high uncertainty. They have still to be modelled and are potentially unquantifiable, or they evade or challenge current modelling. Examples include risks associated with new technologies like genetic engineering, nanotechnology, robotics or artificial intelligence.

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Enhancing macroeconomic shock resilience

Re/insurance cover significantly helps economic recovery following a natural catastrophe, as shown in various academic studies (Von Peter et al 2012, Breckner et al 2016, OECD 2018). According to these studies, a higher level of coverage in general is accompanied by significantly better economic performance following a catastrophe. This effect is measured by the long-term effects of large natural disasters on economic activity. If fully insured, these events do not have a significant lasting effect on a country's GDP level over the longer term. On the other hand, in the absence of insurance cover, there is evidence of a lasting negative effect on economic activity.

Large-scale natural catastrophes have massive economic effects, both direct and indirect. Besides the immediate negative effects resulting from the destruction of production sites, infrastructure, etc., the longer-term consequences should be considered as well. Emerging and developing economies in general are more heavily affected by extreme natural disasters than industrialized countries, not least because their resilience and preparedness levels are (much) lower.

The role of (re-)insurance in limiting the negative implications of extreme events and the resulting macroeconomic costs especially for the most vulnerable countries, is multifaceted. First, given the global scope of reinsurance, affected countries can draw on readily available international resources to pay for losses. As shown before, this risk-bearing capacity can be provided more cost-efficiently than through self-insurance on a national level. Secondly, (re-)insurance provides incentives for loss-prevention, e.g. through incentivizing better building standards. And finally, by setting a price tag on insured properties or business activities, insurance mechanisms increase the efficiency of disaster prevention – as opposed to post-event foreign aid inflows.

Contributing to sustainable development – via Reinsurance

By its very nature, reinsurance is an important contributor to achieving sustainable development. By mitigating major losses reinsurers smooth economic volatility and reduce economic shocks. Their extensive expertise uniquely positions them to contribute to the assessment and understanding of new, emerging and changing risks. Furthermore, reinsurers have a long record of driving innovation and the implementation of new technologies such as space technologies (satellites) or, more recently, green tech solutions.

Reinsurers are also well aware of their "corporate responsibility" and are committed to global initiatives such as the UN Sustainable Development Goals (SDGs), the Paris Agreement on Climate Change and many others. Global partnerships for sustainable development as well as voluntary commitments to standards such as those embodied by the UN Global Compact (UNGC), the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) are common for the reinsurance industry. A good example of cooperation between (re-) insurers and supranational organizations is the production of "Global

guidance on the integration of environmental, social and governance risks into insurance underwriting "(UNEPFI PSI 2020).

As major institutional investors, reinsurers' sustainable investing practices support sustainable development. Given the risk competency of reinsurers, the integration of ESG criteria into the investment process is well established in the industry. The establishment of sustainable investment guidelines is common practice in the investment management of reinsurers as are large-scale investments in renewable energy and sustainable real estate and infrastructure. Reinsurers have taken on innovative sustainable finance instruments such as green bonds. Also, initiatives such as the Net-Zero Asset Owner Alliance are supported by several reinsurers.

Climate change is one of the main causes of sustainability management. Its societal implications are manifold, ranging from physical and economic risks to changing business models and climate-induced migration (Munich Re 2021). The global reinsurance industry has been vocal about climate change and started to explore this phenomenon as early as in the 1970s, accumulating extensive data, knowledge and experience over the past five decades (Munich Re 2015). Reinsurers understand climate risks and are compensated for assuming such risks in order to support recovery efforts after disasters strike by paying claims that help communities to rebuild.

Reinsurers play an important role in helping societies adapt to climate change. They assume a portion of the financial burden of those affected by natural disasters, allowing them to return to their daily lives more quickly after a loss event. This role is particularly relevant for emerging and developing countries which are most vulnerable to natural catastrophes.

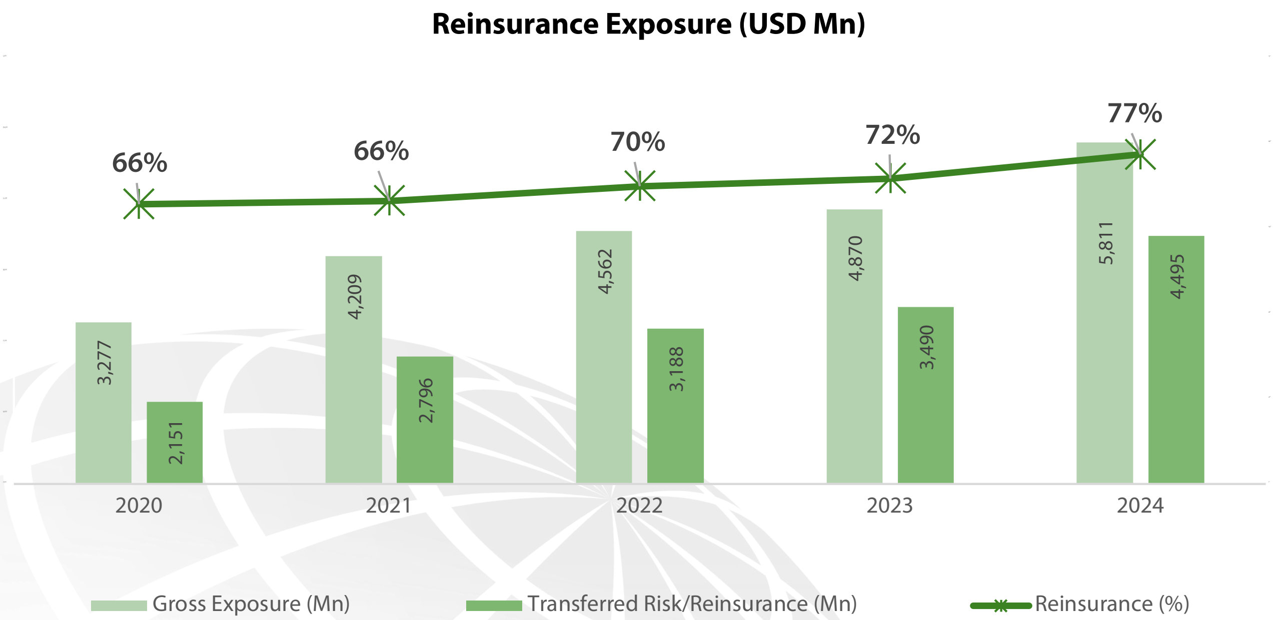
In addition to assuming underwriting risk, reinsurers also engage in a number of other activities and support measures that enable a more rapid adaptation to climate change. For example, they share information and provide education to raise awareness of natural catastrophe risks in both the public and private sector. They also assist in designing policy measures to incentivize the development of private sector risk transfer solutions (e.g. through conducive accounting and taxation rules) as well as Public-Private Partnerships such as catastrophe pools. In addition to risk-reducing insurance solutions geared towards loss prevention and adaptation to climate change, reinsurers also act as enablers of climate-friendly and sustainable technologies and support the transition to a low carbon economy. Knowledge and innovative coverage concepts help expand the frontiers of insurability and facilitate the breakthrough of new technologies. Insurance solutions enabled by reinsurance can protect against specific risks, thereby enhancing the appeal of green technologies for investors and strengthening their financing viability. This includes performance guarantees for renewable energy technologies (offshore wind farms and solar parks, for example) and support for hydrogen or methane fuel cell technology.

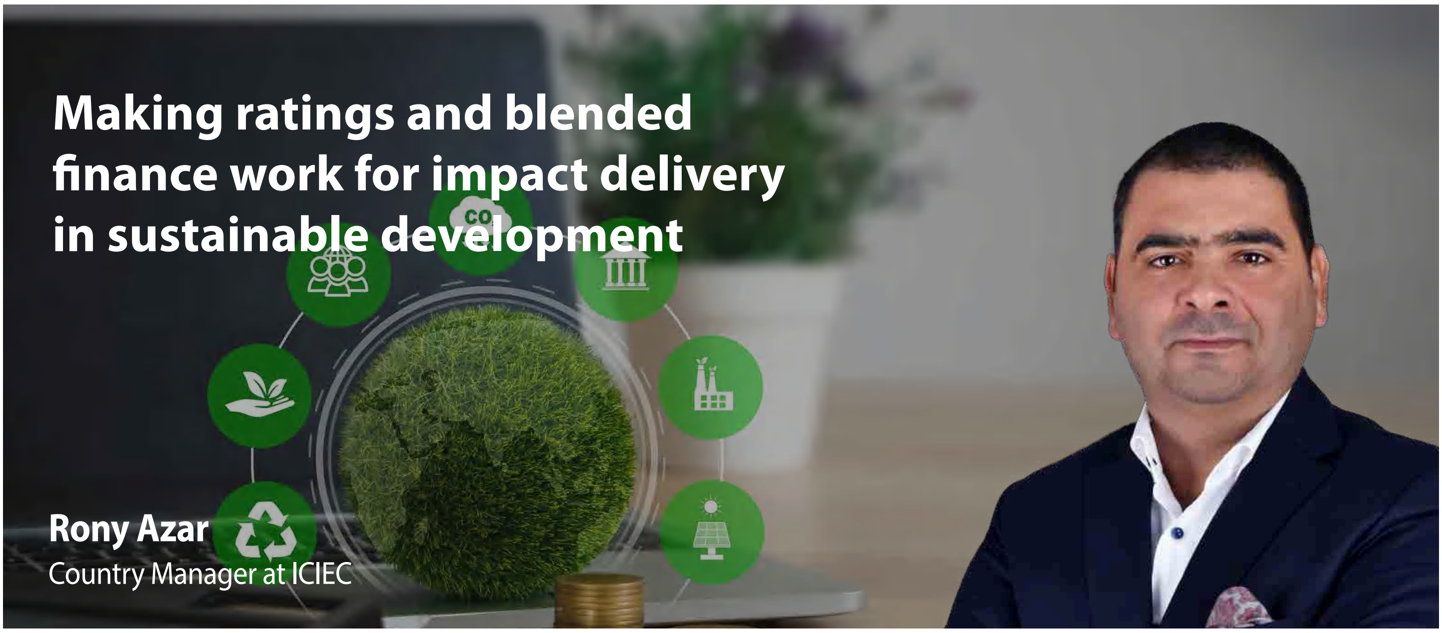
Conclusions and recommendations

ICIEC has strategically leveraged the international reinsurance market to enhance its operational efficiency and expand its capacity. This prudent approach has strengthened portfolio diversification through effective risk transfer while improving financial flexibility. Notably, the reinsurance cession transfer rate increased from 66% in 2020 to 77% as of 2024, reflecting the continued strong support from the reinsurance market and ICIEC's ability to optimise risk management by offloading exposures from its balance sheet. The risk transfer strategy also enhances ICIEC's capacity and ability to support strategic and impactful projects in its Member States.

For reinsurance to benefit the economy and society it needs to operate globally. Global scale and risk diversification allows reinsurers to assume very large and complex risks in an affordable way. As such, reinsurers are a major source for stable and shock-resilient domestic insurance markets. In countries like Chile and New Zealand, for example, global reinsurers generally pay for the lion's share of earthquake disasters, which otherwise may not be insurable at all, falling on domestic households, businesses and taxpayers in their entirety.

Reinsurance can play its economically and societally beneficial role only if certain basic policies and regulatory conditions are met. A key prerequisite is reinsurers' unfettered ability to operate on a cross-border basis, i.e. the freedom to provide services. Reinsurers also require the ability to use their worldwide pot of premium to pay for local claims. Restrictions on the free flow of capital, e.g. through deposit requirements imposed on foreign reinsurers, impair their ability to move capital to cover major events which would ultimately drive up the cost of cover. (Source: GRF 2021)





Making ratings and blended finance work for impact delivery in sustainable development

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The achievement of the Sustainable Development Goals (SDGs) by 2030 is dependent on the ability of the global financial system to mobilise and distribute the capital on a level never experienced before (Lagoarde-Segot, 2020). It is empirically determined that the low- and middle-income countries are facing an annual financing gap of more than four trillion United States dollars in the quest to achieve both development and climate goals (Clark, Reed & Sunderland, 2018). Despite the growth in sustainable finance, ESG investment and impact-oriented approaches, capital flows are still not right in relation to development needs and are concentrated in less-risk and more-income situations (Theodos et al., 2024).

In this milieu, two processes, namely, ratings and blended finance play an important part in influencing decision making in investments. Although the functions of both mechanisms are to alleviate the information asymmetries and risk management, the existing structure and implementation usually do not contribute to meaningful impact reporting (García-Sánchez & Noguera-Gámez, 2017). To enhance sustainable development finance, therefore, a thorough knowledge of the functioning of these tools, their shortcomings, and how they can be re-focused to achieve development outcomes is needed.

The Power and Limits of Ratings in Sustainable Finance

Ratings play a pioneering role in international financial markets in terms of perception, pricing, and regulation of risk. The credit rating influences the cost of sovereign and corporate bonds, the qualification of institutional portfolios and the level of capital regulation (Grittersová, 2020). ESG ratings have also become authoritative through indicative effects on sustainability performance to any investor wishing to incorporate environmental, social and governance factors in decision-making (Ziolo et al., 2019). Within the development environment, ratings are used as a gatekeeping mechanism: they carry out whether nations, project or organisations are considered investment worthy by large groups of capitals (Fini et al., 2023). To this end, ratings have significant power in creating and affecting the flow of capital to the emerging and developing economies.

Sovereign credit ratings place more emphasis on the macroeconomic indicators that are short-term in nature such as fiscal balance, inflation control and external debt indicators that are medium-term in nature (Barta, 2024). Although these factors are key to the financial stability, they do not always reflect long-term drivers of growth such as investments in education, healthcare, climate change adaptability and institutional capacity. As a result, nations that pursue the needed, but capital-intensive development projects can face the burden of ratings and high interest rates on borrowing, despite the fact that the development projects increase resilience and productivity in the long-term (Apostolou et al., 2025). This dynamism creates a structural bias that shuns accurately the outlays necessary to meet the SDGs.

Different approaches used by the providers result in variations of evaluations, thus reducing their usefulness as tools of decisions (Hellweg et al., 2023). Most of the ESG ratings are on the effect of environmental and social matters on financial risks of firms instead of the practical impact of corporate operations. Good disclosure practices and risk management systems might enhance the scores but may not be translated into any measurable social or environmental results (Landi et al., 2022). ESG ratings are therefore often meritocracy-based, as opposed to outcome-based, and offer little direction on concentrating capital in high-impact development initiatives.

Impact Blind Spots in Current Rating Frameworks

The major weakness with the current rating systems is the fact that they cannot substantively measure the impact of development. The ratings seldom put additionality into consideration where additionality is whether an investment provides the effects that would otherwise not have been the case without the capital (Salzman & Weisbach, 2024). They also have complexities in taking into consideration contextual issues, including the base level of infrastructure, income or access to services in a particular country or community. Consequently, the impact of a particular project will have significantly varied outcomes of development across the geographical region, but ratings generally have a tendency to use homogeneous standards (Wang et al., 2023). Such blind spots lead to the capital allocation systems that tend to prioritise low-risk systems over high impact opportunities, and thus subversive to the transformational impetus of sustainable finance (Udohaya, 2025).

Blended Finance: Conceptual Promise and Practical Constraints

Blended finance has become a prominent approach to tapping into the private capitals by facilitating the development goals. It aims to correct market failures that would discourage private investments through a combination of concessional capital by the public or philanthropic sources with commercial investments (Havemann, Negra & Werneck, 2022). Blended finance fits well in the areas that are associated with the need to create a sustainable world such as renewable energy, climate resilience infrastructure, agriculture, healthcare, and affordable housing (Leal-Arcas et al., 2025).

Practically, blended finance has not been able to attain the preferred size and effectiveness. Mobilisation ratios (amount of private capital inflow raised on a unit of concessional capital) are often smaller than expected (Attridge, 2022). Development finance actors and the wide variety of public actors are characterised by risk aversion, which limits their readiness to support true first loss capital or to have uncertain returns (Lulek, 2025). As a result, blended finance is also used to finance projects and initiatives that would otherwise have probably gone on without concessional finance so in additionality and efficient allocation of limited public resources are questioned.

Weak Impact Accountability in Blended Finance

Lack of strong impact accountability is also another major threat facing blended finance. Despite development goals often being offered as the justification of concessional aid, the measurement of impact is often pushed to the second position in relation to financing structuring and raising capital (Dye, 2022). This poor accountability undermines trust among investors, policymakers and citizens and inhibits the ability to learn through experience and to improve on the coming transactions (Agu, Nkwo & Eneiga, 2024).

The Disconnect Between Ratings and Blended Finance

Ratings and blended finance are rarely developed in such a way that they complement each other and thus lose the chance to appeal to the private capitals. Conventional credit rating is often unwilling to give due credit to risk reduction conferred by blended finance instruments like guarantees, political risk insurances or subordinated capital (Sharma et al., 2023). Therefore, undermining the effectiveness of the blended structures in signalling and precluding many investments complete the requirements imposed by institutional investors.

On the other hand, blended finance deals in the rule of thumb are often short of standardised, plausible indications related to quality of impact and additionality to development (Yunita et al., 2023). As such, the engagement is still limited to development-oriented investors instead of the venturing into mainstream capital markets. Such a mismatch of ratings and blended finance consequently limits the effectiveness of these two mechanisms and their general effectiveness (Attridge, 2022).

Toward Impact-Adjusted Rating Frameworks

To contribute to the sustainability of development, rating approaches should transform to denote the risks and opportunities of long-term outcome of development. It requires the shift in the risk definition that should include climatic transition and physical risks, demography, human capital formation, institutional strength, and social connectedness (Di Febo, 2025). These dimensions are becoming known to be of substance

Blended finance should also evolve in case it is to have an effective influence in bridging the SDG financing gap. Replacement of transactions on a case-by-case basis with standardised platforms and vehicles can diminish expenditure

to the economic performance and financial stability, but they have not been given enough weight that they deserve in traditional measurements.

Moreover, the additionality of development and the importance of concessional capital should be specifically noted in the ratings. Additional metrics or complementary evaluations may include find out whether investments increase access to fundamental services, strengthen resilience, or inclusive development, and these results would be improbable in the absence of blended finance assistance (Udohaya, 2025). More standardisation, transparency and outside validation of impact measures would be required to guarantee credibility and avert impact washing.

Reimagining Blended Finance for Scale and Effectiveness

Blended finance should also evolve in case it is to have an effective influence in bridging the SDG financing gap. Replacement of transactions on a case-by-case basis with standardised platforms and vehicles can diminish expenditure, light speed and create an acquaintance with investors (Lagoarde-Segot, 2020). Replications can be used to enhance the learning process, efficiency, and enable more participation by institutional investors.

More importantly, public and philanthropic capital should be prepared to take a real risk in situations where the impact of development is maximised (Clark, Reed & Sunderland, 2018). At the same time, the accountability of impact should be enhanced with the help of obvious goals, outcome measures, and incentives of a dependent nature. Different strategies can be used to match the financial terms and the delivery of impacts and improve the level of transparency (Theodos et al., 2024).

The Role of Public Policy and Institutions

The key role of matching ratings and blended finance with sustainable development goals is undertaken by governments, development finance institutions, and multilateral organisations. Reform of policies to enhance data quality, transparency and regulatory predictability is capable of minimising perceived risk and contributing to the attraction of investment (García-Sánchez & Noguera-Gámez, 2017). This change will increase fragmentation and streamline operations and multiply the retaliation of development finance actors.

Interaction with rating agencies is especially essential as it is necessary to make sure that the approaches are based on development reality and they are not strengthening structural bias (Grittersová, 2020). Through collaboration, both the public and the private actors might be useful in reformulating the financial norms to ensure greater resilience in the long run, inclusivity, and sustainability.

Conclusion

Blended finance and ratings are potent tools in the world financial system, but they are not ready to deliver at scale and efficacy to achieve sustainable development objectives. Ensuring that ratings and blended finance can become an effective delivery tool is not a technical issue alone, but it also represents a bigger set of concerns about incentives, institutional requirements, and political will. To transform sustainable development from a dream to a basement, the financial systems need to change in terms of perceiving not only risk and profits, but also the real-life performance supporting long-term wealth and stability.

ICIEC supports strategic financing for the Lagos–Calabar coastal highway to advance regional connectivity in Nigeria

ICIEC has extended vital risk-mitigation support for a landmark infrastructure project in Nigeria—the first phase of the Lagos–Calabar Coastal Highway, known as Project Hermès. The Corporation was approached by Deutsche Bank (Germany) and First Abu Dhabi Bank (UAE) to provide Non-Honoring of Sovereign Financial Obligation (NHSFO) insurance for a USD 300 million Islamic financing facility extended to the Federal Government of Nigeria through the Ministry of Finance. Under this engagement, ICIEC is insuring 95% of Deutsche Bank's portion and 90% of FAB's for a combined insured amount of USD 465.96 million.

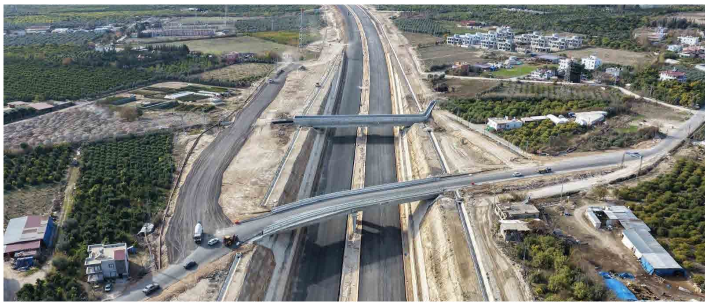
The financing supports Phase 1a of the Lagos–Calabar project, a transformational 47.7 km dual carriageway connecting Victoria Island to Eleko in Lagos. Implemented under a Design–Build–Finance model by Hitech Construction Company Limited, the six-lane highway includes a central reserve designed to host a future railway line, along with toll stations, pedestrian and wildlife crossings, and linkages to wider regional trade routes. This segment is part of a broader 700 km coastal corridor planned in nine phases, ultimately linking Lagos with Calabar and integrating Nigeria more deeply into continental routes such as the Abidjan–Lagos Highway and the Trans-Saharan network.

ICIEC's participation strengthens investor confidence in the project's financial structure and aligns with its mandate to support Member States in developing critical infrastructure that drives sustainable economic growth. The highway is poised to significantly enhance Nigeria's transportation landscape, reduce logistics bottlenecks, and improve mobility for goods and passengers. It is also expected to unlock opportunities for underserved communities along the route by improving access to services and promoting local economic activities.

The developmental impact of the project is far-reaching. During peak construction, it is projected to generate around 900 direct and 300 indirect jobs, with a strong emphasis on youth, women, and local workforce participation. At least 40% of contracts are earmarked for SMEs, reinforcing local enterprise development and capacity building. Environmental and social sustainability remains central to the project's design, with measures such as reforestation, erosion control, and biodiversity protection implemented under a robust Environmental and Social Management Plan.

Through this strategic intervention, ICIEC contributes to the advancement of SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action). The project reflects ICIEC's commitment to partnering with global financial institutions to deliver transformative solutions that strengthen regional integration and support Member States in achieving long-term, inclusive, and resilient development.

ICIEC provides strategic NHSFO cover for Türkiye's Çeşmeli–Kızkalesi motorway to boost regional connectivity and economic growth



ICIEC is supporting a major transport infrastructure project in the Republic of Türkiye through the provision of Non-Honoring of Sovereign Financial Obligation (NHSFO) insurance for a EUR 100 million financing facility extended by DZ Bank AG (Germany). The coverage, aligned with Shariah principles by insuring the principal amount only, protects against sovereign payment risks and enhances the overall bankability of the Çeşmeli–Kızkalesi Motorway Project.

The initiative forms part of a larger national effort to modernise Türkiye's road network and strengthen east-west mobility under the Vision 2023 Transportation Master Plan. Located in Mersin Province, the project involves the design, construction, operation, and transfer of the Çeşmeli–Kızkalesi section of the Çeşmeli-Erdemli-Silifke-Taşucu Motorway. Implemented under a Build-Operate-Transfer (BOT) model, the concession spans 16 years—including a 3-year construction phase followed by 13 years of operation—under the oversight of the General Directorate of Highways (KGM) of the Ministry of Transport and Infrastructure.

The highway serves as a strategic extension of the Tarsus–Adana–Gaziantep corridor, improving traffic flow and reducing congestion along one of Türkiye's most important coastal routes. By cutting travel times, enhancing safety, and facilitating smoother freight and passenger movement, the project is expected to stimulate regional trade, tourism, agriculture, and industrial activity. With Kolin Construction as the EPC contractor, the project integrates modern road engineering standards to accommodate current and future mobility demands.

ICIEC's involvement supports Türkiye's broader infrastructure modernisation objectives by mitigating sovereign risk for international financiers, thereby helping mobilise cross-border capital for transformative national infrastructure. The developmental impact of the project is substantial, delivering improved connectivity, reduced emissions through smoother traffic flows, enhanced road safety, and significant job creation during both construction and operations.

The project contributes directly to several Sustainable Development Goals, including SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), and SDG 17 (Partnerships for the Goals). Through this engagement, ICIEC reinforces its commitment to supporting Member States in delivering high-impact infrastructure that strengthens economic resilience and accelerates sustainable development.

Strengthening Egypt's energy security through a USD 100 million ICIEC-backed murabaha facility

ICIEC has been approached to provide a Bank Master Policy (BMP) cover of up to USD 100 million in support of a Murabaha syndicated facility arranged by the International Islamic Trade Finance Corporation (ITFC) in favour of the Egyptian General Petroleum Corporation (EGPC). The facility benefits from a sovereign guarantee issued by the Ministry of Finance of Egypt, reinforcing its credit profile and risk mitigation structure.

Structured on a best-efforts basis of USD 200 million, the syndicated facility is scalable in the event of oversubscription. ITFC is acting as Mudharib, Bookrunner, and Mandated Lead Arranger, contributing USD 35 million, while participating banks are expected to provide up to USD 165 million. ICIEC's proposed BMP cover will insure participating banks against non-payment risk by the Government of Egypt, arising from commercial or political causes.

The proceeds of the facility will finance the import of crude oil, refined petroleum products, and liquefied natural gas (LNG) for EGPC. This financing plays a critical role in supporting Egypt's energy needs at a time of production constraints, ensuring continuity in fuel supply for power generation, industrial operations, and transportation.

The oil and gas sector accounts for approximately 25% of Egypt's GDP, underscoring its strategic importance to economic growth, fiscal revenues, and export performance. By enabling uninterrupted access to essential energy inputs, the transaction contributes directly to economic stability, industrial productivity, and employment generation, while supporting broader social stability.

From a development perspective, the transaction aligns with multiple Sustainable Development Goals (SDGs). It supports SDG 7 (Affordable and Clean Energy) by strengthening energy security and reliable power generation, SDG 8 (Decent Work and Economic Growth) through sustained industrial activity and job creation, and SDG 9 (Industry, Innovation, and Infrastructure) by maintaining and modernising critical energy infrastructure. It also advances SDG 17 (Partnerships for the Goals) by reinforcing international trade and financial cooperation and contributes indirectly to SDG 1 and SDG 10 (No Poverty and Reduced Inequalities) by mitigating energy-related economic shocks that disproportionately affect vulnerable populations. The transaction further promotes Islamic finance, leveraging a Shariah-compliant Murabaha structure in line with the IsDB Group's objective to use Islamic finance instruments as effective tools for development across Member States.

Through this engagement, ICIEC continues to play a catalytic role in mobilising private sector participation, mitigating cross-border risks, and supporting strategic sectors that underpin sustainable economic growth in its Member States.

ICIEC supports USD 62.5 Million sustainable nickel processing investment in Indonesia through reinsurance collaboration

ICIEC supported strategic cross-border investment into Indonesia through a USD 62.5 million facultative reinsurance cover provided to China Export & Credit Insurance Corporation (Sinosure) for the Obi Laterite Nickel Ore Hydrometallurgy Project. The policy has a tenor of approximately 4.5 years and reinsures Overseas Investment (Equity) risks, including Inconvertibility and Transfer Restriction, Expropriation, and War and Political Violence.

ICIEC's involvement in this transaction highlights its dedication to constructive partnerships, broadening underwriting capacity for large overseas investment portfolios and reinforcing investor confidence in regions susceptible to non-commercial risks. This approach enhances project bankability and ensures continuous capital deployment, aligning with ICIEC's multilateral mandate and robust governance standards. The initiative facilitates investments that strengthen industrial value chains, encourage technology and skills transfer, and support employment and broader economic benefits within Member States.

ICIEC's reinsurance participation is expected to deliver substantial development impact by mobilising and retaining long-tenor foreign direct investment (FDI) into OIC Member States like Indonesia. By mitigating key non-commercial risks, the cover strengthens the project's bankability and supports capital permanence, enabling sponsors to proceed with investment and sustain operations with greater certainty. This risk-sharing mechanism is anticipated to attract additional financing, accelerate industrial value addition through local processing and downstream linkages, and contribute to foreign exchange generation via higher-value exports.

This project also aligns with several United Nations Sustainable Development Goals (SDGs), including SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production), SDG 16 (Peace, Justice, and Strong Institutions), and SDG 17 (Partnerships for the Goals).

This alignment reflects ICIEC's dedication to global sustainable development objectives. In essence, the ICIEC-Sinosure partnership on the Obi Laterite Nickel Ore Hydrometallurgy Project exemplifies a successful model for de-risking critical investments and driving sustainable development, securing a vital project in Indonesia's nickel sector and setting a precedent for future collaborations aimed at bolstering economic resilience and prosperity across OIC Member States.

ICIEC insurance cover strengthens financing for Türkiye's strategic KIAD railway project

(NHSFO) insurance in support of the Kars-Iğdır-Aralık-Dilucu (KIAD) High Standard Railway Project in the Republic of Türkiye. MUFG Securities EMEA plc arranged the overall transaction, within which a Murabaha financing facility, supported by ICIEC has been structured for the project.

The KIAD Railway is a flagship infrastructure project under Türkiye's 12th Development Plan (2024–2028), spanning 223.9 km from Kars to Dilucu at the Turkish-Azerbaijani border and linking directly to the Kars–Tbilisi–Baku corridor. With five stations serving key districts in the Kars and Iğdır provinces, the line will become a vital segment of the Silk Road Economic Belt, strengthening the Trans-Caspian Middle Corridor as a competitive Asia–Europe freight route.

The Project is set to generate strong economic and environmental impact by shifting freight from road to electrified rail, cutting logistics costs by an estimated 40% by 2030, enhancing supply chain efficiency, and supporting regional industries. It will employ around 3,000 workers at peak construction and stimulate broader economic activity. Its fully electrified, double-track design will also contribute significantly to Türkiye's climate goals, reducing 498,276 tons of CO_2e annually and achieving 95% energy efficiency—placing KIAD among the region's greenest transport initiatives.

Dr. Khalid Khalafalla, CEO of ICIEC, stated, *"This strategic investment reflects ICIEC's continued commitment to supporting sustainable, high-impact infrastructure in Türkiye and across our Member States. The KIAD Railway strengthens regional connectivity, advances cleaner and more efficient transport solutions, and promotes trade integration between Asia and Europe. Our participation ensures confidence for financiers and helps accelerate completion of this transformative project."*

The Project reinforces ICIEC's mandate to promote inclusive development and integration among Member States. By enhancing freight mobility, supporting economic diversification, and contributing to Türkiye's 2053 Net Zero vision, ICIEC's support advances three key UN Sustainable Development Goals: SDG 8 – Decent Work and Economic Growth, SDG 9 – Industry, Innovation and Infrastructure, and SDG 11 – Sustainable Cities and Communities.

ICIEC-Backed EUR 132.5 million financing to strengthen Uzbekistan's steel industry

ICIEC supported a landmark EUR 132.5 million financing arranged by Standard Chartered for Joint-Stock Company "O'zbekiston Metallurgiya Kombinat" (Uzmetkombinat), the largest steel producer in Uzbekistan.

The financing, backed by ICIEC's sovereign cover, will enable the completion of Uzmetkombinat's new Casting and Rolling Complex in Bekabad, Southern Uzbekistan. Once completed, the facility will produce hot-rolled coils (HRCs), a critical product previously imported, thereby boosting the country's self-sufficiency in steel production and enhancing competitiveness in the construction and manufacturing sectors.

The introduction of domestically produced HRCs marks a new milestone for Uzbekistan, ensuring greater supply chain efficiency and reduced costs for local industries such as pipe manufacturing and construction. The investment will also have a significant social and economic impact in Bekabad, a city of 100,000 people where Uzmetkombinat already employs more than 8,000 workers and sustains thousands of indirect jobs.

This project represents the second significant transaction between ICIEC and Standard Chartered in Uzbekistan during 2025. Previously, ICIEC supported a EUR 160.4 million Islamic financing facility for Joint-Stock Commercial Bank "Agrobank," enhancing access to finance for small and medium-sized enterprises (SMEs) across the country.

Commenting on the transaction, Dr. Khalid Khalafalla, CEO of ICIEC, stated: *"This landmark transaction exemplifies ICIEC's mandate to de-risk trade and investment and to catalyze sustainable economic growth across our Member States. By supporting Uzbekistan's largest steel producer, we are not only fostering the development of critical industrial capacity but also contributing to enhanced self-reliance, job creation, and long-term economic resilience. We are proud to deepen our collaboration with Standard Chartered through this second major transaction in Uzbekistan, which underscores the strength of our partnership and our shared commitment to advancing impactful development projects."*

Desislava Radeva, Executive Director, Development and Agency Finance, Standard Chartered, says: *"We are proud to partner once again with ICIEC to support a valuable client, Uzmetkombinat. Steel production represents a key strategic industry for Uzbekistan and the domestic sourcing of HRCs is a huge leap forward for the country. It is an example of Standard Chartered's expertise in driving prosperity in some of the world's most dynamic markets."*

ICIEC partners with Takaful Libya to strengthen Shariah-compliant export credit insurance in Libya

in September 2025, ICIEC signed a facultative reinsurance agreement with Takaful Libya during the IsDB Group Day held in Libya on 23 September 2025. The partnership enhances Takaful Libya's ability to underwrite Shariah-compliant export credit risks, supporting the expansion of Libyan exporters and contributing to the country's economic recovery. Under the agreement, ICIEC will reinsure selected export transactions insured by Takaful Libya, enabling the insurer to offer broader coverage to exporting companies and banks engaged in cross-border trade. This strengthened protection will help mitigate payment risks, improve market access, and reinforce the confidence of traders and financial institutions.

"This agreement reflects ICIEC's mandate to de-risk trade across our Member States by empowering local partners," said Dr. Khalid Khalafalla, CEO of ICIEC. *"By extending export credit reinsurance capacity and know-how to Takaful Libya, we will help Libyan exporters safeguard their receivables, strengthen their competitiveness in global markets, and contribute to rebuilding national trade flows in line with the development of Libyan external trade."* he added.

"There is no doubt that the services provided by ICIEC are of immense importance in supporting the economic development of Member States. One of the Corporation's key missions is to strengthen and encourage exports by offering vital insurance coverage that empowers businesses to grow beyond borders. For Libya, this agreement represents more than just a financial arrangement—it is a new avenue of opportunity, a platform to boost and promote our exports, and a stepping stone toward greater economic growth. We are confident that this partnership will be a strong pillar in supporting Libya's development journey, and we look forward to seeing more initiatives of this kind in the future, initiatives that do not only protect our economy but actively drive it forward." stated Mr. Bashir Ali Khallat, General Manager, Takaful Insurance Company.

The partnership also paves the way for technical collaboration on key areas of underwriting, credit risk assessment, capacity building, and claims management. ICIEC's support will allow Takaful Libya to strengthen its offerings to corporates and financial institutions while reinforcing prudential requirements.

The signing at IsDB Group Day highlights the Group's commitment to building partnerships that mobilise trade and unlock opportunities across Member States. ICIEC and Takaful Libya will begin implementing the agreement immediately, with a focus on high-impact export sectors aligned with Libya's national priorities.

ICIEC and Sinosure sign MoU to accelerate China–Islamic world trade & investment

On September 2025, ICIEC and China Export & Credit Insurance Corporation (Sinosure) recently signed a Memorandum of Understanding at Sinosure's Beijing headquarters to expand cooperation in de-risking cross-border trade and mobilising investment between China and ICIEC Member States, in alignment with national priorities of ICIEC's Member States and the Belt and Road Initiative.

The partnership outlines cooperation in co-insurance and reinsurance for strategic transactions, coordinated underwriting and risk assessment, information exchange, and the joint development of a transaction pipeline across infrastructure, energy, transport, manufacturing, healthcare, and digital connectivity. It also envisions SME-focused trade solutions and offerings aligned with ESG and Shariah principles, supported by knowledge sharing in underwriting, claims, and recoveries.

Dr. Khalid Khalafalla, CEO of ICIEC, said, *"This partnership with Sinosure combines complementary strengths to unlock high-impact trade and investment flows between China and ICIEC Member States. By sharing risk and expertise, we can make more projects bankable, channel capital to priority sectors, and deliver sustainable development outcomes across our markets."*

Under the new partnership framework, ICIEC and Sinosure will collaborate on co-insurance and reinsurance for strategic transactions, the joint development of risk-coverage solutions, and the exchange of market intelligence to strengthen underwriting and risk-management capabilities. The partnership will also advance capacity building and the facilitation of China's outward investments into ICIEC Member States, cultivating a pipeline of projects in infrastructure, energy, transport, manufacturing, healthcare, and digital connectivity to drive sustainable growth and regional integration.

ICIEC signs amended MoU with Japan's NEXI to deepen strategic cooperation

ICIEC signed an amended Memorandum of Understanding (MoU) with Nippon Export and Investment Insurance (NEXI), Japan's official Export Credit Agency. The signing ceremony was held in Tokyo on August 18, 2025, during a bilateral meeting between Dr. Khalid Khalafalla, Chief Executive Officer of ICIEC, and Mr. Atsuo Kuroda, Chairman and CEO of NEXI.

The amended MoU aims to broaden the scope of cooperation between ICIEC and NEXI, with a particular focus on innovative financing mechanisms such as blended finance. The agreement also seeks to enhance coordination in project development and risk mitigation, leveraging ICIEC's deep regional expertise and mandate to support investment flows into Member States.

The partnership between ICIEC and NEXI was first formalized in 2019 during TICAD 7, where both parties recognized the urgent need for infrastructure development across the African continent and the potential for Japanese companies to play a catalytic role in that effort. Since then, the collaboration has evolved through several key initiatives, including the establishment of a reinsurance framework, the launch of a dedicated Japan Desk within ICIEC to facilitate engagement with Japanese enterprises, and joint support for strategic projects such as the Gas Power Plant Construction Project in Turkmenistan.

This renewed MoU coincides with the Ninth Tokyo International Conference on African Development (TICAD 9) in Yokohama and reflects the shared commitment of both institutions to advancing sustainable development and investment in Africa and other ICIEC Member States.

Commenting on the occasion, Dr. Khalid Khalafalla, CEO of ICIEC, stated: *"This renewed MoU with NEXI marks a significant milestone in our enduring partnership. By expanding our collaborative framework, we are better positioned to support transformative projects in our* Member States. *We look forward to working closely with NEXI to mobilise financing, de-risk infrastructure initiatives, and foster inclusive growth across our Member States".*

ICIEC and Al Baraka Islamic Bank BSC Bahrain sign documentary credit insurance policy to boost Shariah-compliant trade

ICIEC and Al Baraka Islamic Bank BSC Bahrain signed a Documentary Credit Insurance Policy (DCIP). The policy aims to strengthen support for Shariah-compliant trade finance, enabling greater security and confidence in the international trade ecosystem.

Under this partnership, ICIEC will provide insurance coverage for the confirmation of Letters of Credit (LCs) issued by Al Baraka Islamic Bank in connection with the import and export of eligible Shariah-compliant goods and services. This solution will help mitigate payment risks associated with cross-border trade while promoting sustainable growth in ICIEC's Member States.

Dr. Khalid Khalafalla, CEO of ICIEC, stated: *"This strategic collaboration with Al Baraka Islamic Bank reflects ICIEC's unwavering commitment to advancing intra-OIC trade and investment. By supporting Shariah-compliant trade finance through our Documentary Credit Insurance Policy, we are facilitating secure trade flows while empowering Islamic banks to broaden their offerings to clients. This partnership demonstrates the power of multilateral cooperation in achieving shared development goals."*

For his part, Dr. Adel Salem, CEO of Al Baraka Islamic Bank BSC Bahrain, stated: *"We are delighted to partner with ICIEC on this pioneering Credit Insurance Policy, which empowers us to extend Shariah-compliant trade finance to our clients, bolster Bahrain's role as a regional hub for Islamic banking, and stimulate sustainable economic growth across Member States worldwide. This collaboration underscores our unwavering commitment to innovation and robust risk management, giving the businesses we serve greater confidence to expand in global markets."*

The DCIP serves as a vital tool for Islamic banks, enhancing their ability to expand trade finance operations with reduced exposure to commercial and political risks. The policy also complements ICIEC's broader mandate to promote economic resilience, financial inclusion, and private sector development in Member States.

Both institutions reaffirmed their shared dedication to expanding the reach of Islamic finance, strengthening risk mitigation tools, and contributing to inclusive and sustainable economic development.

S&P Reaffirms ICIEC's AA- financial strength and issuer credit rating with stable outlook

In July 2025, ICIEC marked another significant milestone with the reaffirmation of its "AA-" long-term issuer credit and financial strength rating by Standard & Poor's (S&P), with a stable outlook. This rating remains the highest within its peer group globally.

The reaffirmation underscores ICIEC's solid credit profile with robust financial strength and low credit risk. S&P expects ICIEC to continue expanding its business operations while maintaining robust levels of capital adequacy, exceptional liquidity buffers, and steadily increasing profitability.

The rating report reconfirms ICIEC's Enterprise Risk Profile (ERP) as 'strong' under S&P's Multilateral Lending Institutions (MLIs) criteria, underpinned by the corporation's supportive shareholder base, strong Preferred Creditor Treatment (PCT), and unique policy role of conducting all business in a Shariah-compliant manner.

Moreover, for the second year, S&P assesses ICIEC's Financial Risk Profile (FRP) as 'very strong' under its insurance criteria, as ICIEC's capital adequacy shows a significant buffer above the 99.99% confidence level, as measured by its insurers' risk-based capital model. Additionally, the Corporation maintains exceptional liquidity, reaffirming its upscaled financial strength.

"I sincerely congratulate the Member States, His Excellency the Chairman and distinguished Members of the ICIEC Board of Directors, and the dedicated Staff for their unwavering commitment and sustained achievements." said Dr. Khalid Khalafalla, CEO of ICIEC. "

Aligned with the IsDB Group's strategic direction, we reaffirm our deep commitment to supporting Member States through advancement of Islamic finance and key development priorities, including green financing, ESG integration, and food security. ICIEC will continue to play an integral role in implementing the Group's strategy in the years ahead." added Dr. Khalid.

The reaffirmation of the "AA-" highlights ICIEC's strong financial position, prudent risk management, and sound governance practices. It also underscores the Corporation's ability to navigate complex global challenges and its commitment to supporting sustainable economic development in Member States.

Moody's reaffirms ICIEC's Aa3 rating following periodic review

ICIEC has maintained its Aa3 Insurance Financial Strength Rating (IFSR) following Moody's Ratings' completion of its periodic review of the Corporation. The reaffirmation reflects Moody's continued confidence in ICIEC's strong financial foundation, prudent risk management, and strategic development mandate.

The announcement follows a rating committee meeting held on 16 October 2025, where Moody's highlighted the ongoing improvement in ICIEC's standalone credit profile, underpinned by enhanced risk management practices, improved underwriting performance; and strong asset quality supported by a highly liquid investment portfolio. The Corporation's robust capital adequacy, further reinforced by its preferred creditor status among Member States.

The Aa3 rating continues to benefit from the strong institutional and shareholder support of the "AAA/Aaa"- rated Islamic Development Bank (IsDB) and sovereign Member States, including the Kingdom of Saudi Arabia (Aa3).

Commenting on Moody's announcement, Dr. Khalid Khalafalla, CEO of ICIEC stated, *"Maintaining our Aa3 rating underscores ICIEC's solid credit profile and our unwavering commitment to delivering Shariah-compliant risk mitigation solutions that facilitate sustainable trade and investment flows across Member States."*

While the periodic review does not constitute a rating action, it confirms ICIEC's continued financial stability and operational resilience. Moody's detailed credit opinion is expected to be published in the coming weeks.

AMAN UNION and Swiss Re host exclusive webinar on ESG sustainability risk management

The AMAN UNION , the leading professional forum for commercial and non-commercial insurance and reinsurance companies across the Member States of the Organization of Islamic Cooperation (OIC), in collaboration with Swiss Re, hosted an exclusive virtual session titled *"ESG Sustainability Risk Management."*

The webinar brought together leading experts to explore the growing importance of Environmental, Social, and Governance (ESG) principles in the insurance and reinsurance industry, particularly in the context of export credit and investment insurance.

This session aimed to strengthen the institutional capacity of AMAN UNION members by deepening their understanding of sustainability-related risks and offering practical insights on integrating ESG considerations into underwriting, portfolio management, and corporate strategy. It formed part of AMAN UNION 's continued efforts to support its members in aligning with global best practices and advancing sustainable development objectives across the Islamic finance and insurance ecosystem.

The webinar featured presentations from Swiss Re's Senior Sustainability Manager, Maren Bodenschatz, and Sustainability Risk Manager, Ahmed Ayoub, who provided an in-depth overview of ESG trends shaping the insurance and reinsurance landscape and shared practical examples of Swiss Re's sustainability strategy and risk management frameworks.

Commenting on the event, Mourad Mizouri, Secretary General of AMAN UNION , said: *"Sustainability is no longer an optional agenda—it is a defining pillar of resilience, competitiveness, and trust in our industry. Through this collaboration with Swiss Re, we aim to empower our members to better understand and manage ESG risks, strengthen institutional frameworks, and contribute to a more sustainable and inclusive global economy."*

AMAN UNION members demonstrate robust technical performance in 2024

The AMAN UNION , the leading professional forum for commercial and non-commercial insurance and reinsurance companies across the Member States of the Organization of Islamic Cooperation (OIC), showcased the key findings of its Technical Performance Analysis for 2023–2024, prepared and presented by Türk Eximbank, during the 15th Annual Meeting of the AMAN UNION , hosted by the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) in Jeddah.

The presentation highlighted the continued growth and resilience of the AMAN UNION Full members, underscoring their collective contribution to enhancing trade facilitation and risk management across OIC Member States.

According to the analysis, total business insured among AMAN UNION full members reached USD 54 billion in 2024, representing a 10% increase compared to the previous year. Premium volumes also expanded by 20%, amounting to USD 338 million, reflecting strong underwriting performance and increased demand for export credit and investment insurance solutions.

Meanwhile, claims paid by member ECAs decreased by 21%, indicating improved portfolio quality and risk mitigation measures. The total number of policyholders rose to 10,000—an 8% annual increase—while the number of buyers insured reached 110,000, growing by 9% year-on-year.

The analysis further revealed that Türk Eximbank, ICIEC, and Saudi EXIM accounted for 87% of total short-term export business insured across the Union, while ICIEC led in investment insurance activities. These results reaffirm the pivotal role of AMAN UNION members in supporting regional trade, export diversification, and sustainable economic growth.

Speaking on behalf of the AMAN UNION Secretariat, Ms. Neslihan Diniz, Manager of International Relations at Türk Eximbank, emphasized the importance of continued collaboration and data transparency among members to strengthen institutional capacity and performance benchmarking within the Union.

The Technical Performance Analysis serves as a vital monitoring tool to assess members' operational trends, identify growth opportunities, and promote exchange of best practices in the field of credit and investment insurance. Its findings contribute to the Union's broader objective of fostering cooperation, innovation, and sustainable development among its 17 full members.

AMAN UNION Announces Winners of the 4th AMAN UNION Awards 2025

AMAN UNION , the leading professional forum for commercial and non-commercial insurance and reinsurance companies across the Member States of the Organization of Islamic Cooperation (OIC), announced the winners of the 2025 4th AMAN UNION Awards during the 15th AMAN UNION Annual General Meeting, graciously hosted by the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a member of the Islamic Development Bank (IsDB) Group. The announcement was made by Dr. Khalid Khalafalla, Chief Executive Officer of ICIEC.

The AMAN UNION Awards celebrate outstanding achievements and contributions among member institutions and professionals within the export credit, investment, and trade insurance sectors. The awards aim to recognize excellence, encourage innovation, and promote best practices that strengthen institutional capacity and foster sustainable development across the AMAN UNION community.

The Exceptional Performance Award honors initiatives that exemplify excellence in operational performance, institutional development, and contribution to AMAN UNION 's overarching objectives.

Following a comprehensive evaluation process, the jury selected Saudi Eximbank as the recipient of the 2025 Exceptional Performance Award. The Saudi Eximbank graduate program was recognized for its pioneering and scalable model that enhances institutional capacity, drives business growth, and contributes to social and economic development within Member States.

"The Export Pioneers Graduate programme reflects the very essence of what the AMAN UNION stands for—collaboration, innovation, and capacity-building. By empowering the next generation of professionals and strengthening the export ecosystem, such initiatives contribute directly to the sustainable growth of our Member States and reinforce our mission to support inclusive and resilient development." said Dr. Khalid Khalafalla, Chief Executive Officer of ICIEC.

The Best Research Paper or Thesis of the Year Award recognizes exceptional academic and professional research that advances thought leadership in export credit, investment, and trade finance. This year, the jury selected Jordan Loan Guarantee Corporation (JLGC) as the winner of the 2025 Best Research Paper or Thesis of the Year Award. The winning research was commended for its innovative and timely contribution to the evolving landscape of sustainable finance, offering actionable insights that align with AMAN UNION 's mission to foster sustainable economic growth and resilience across Member States .

Commenting on this award, Mr. Mourad Mizouri, Secretary-General of AMAN UNION *"The recognition of this research underscores AMAN UNION 's commitment to promoting evidence-based policymaking and knowledge sharing. Encouraging research and thought leadership is key to building stronger, more agile institutions capable of addressing emerging global challenges and opportunities."*

The 2025 AMAN UNION Awards reaffirm the Union's collective dedication to excellence, innovation, and sustainable growth across the export credit and investment insurance ecosystem. Through these awards, AMAN UNION continues to recognize and inspire initiatives that advance its mission of promoting economic cooperation and resilience among OIC member states.

AMAN UNION and Saudi EXIM Bank Sign agreement for the transfer of AMAN UNION general secretariat

AMAN UNION General Secretariat and the Saudi Export-Import Bank (Saudi EXIM Bank) have signed a Transfer Agreement outlining the framework for transferring the tasks and functions of the General Secretariat of the AMAN UNION from AMAN UNION General Secretariat to Saudi EXIM Bank.

The agreement was signed by Mr. Mourad Mizouri, Secretary General of AMAN UNION , and Mr. Naif bin Othman Alajroush, Director General of International & Government Relations at Saudi EXIM. The signing took place on the sidelines of the 15th Annual General Meeting of the AMAN UNION , held from November 4–6, 2025, in Jeddah and hosted by ICIEC. The gathering brought together leading professionals and experts in credit and investment insurance to explore strategies for promoting trade, mitigating risks, and strengthening regional economic integration.

Under this agreement, AMAN UNION Secretariat General and Saudi EXIM Bank will cooperate to ensure the smooth transfer of the Union's duties, responsibilities, records, assets, and the institutional functions of the General Secretariat. This milestone reflects both institutions' shared commitment to reinforcing the AMAN UNION 's capacity and advancing its long-term vision.

Mr. Mourad Mizouri, AMAN UNION Secretary General, stated, "This transition marks an important step in enhancing the operational independence and sustainability of the AMAN UNION . The AMAN UNION members remain committed to supporting the Union's mission of fostering collaboration among them."

AMAN UNION recognizes excellence in capacity building at 15th annual general meeting

During the 15th Annual General Meeting of the AMAN UNION, hosted in Jeddah by ICIEC, the Union held a special certificate presentation ceremony to recognize professionals who successfully completed its specialised online training programmes. Certificates were presented by Mr. Silvan Said, Managing Director of RISC Institute DMCC, and Mr. Al-Tayeb Abbas Fadlallah, Chairman of the AMAN UNION Academy, to Mr. Abderrahim Belkacemi of Dhaman and Mr. Samir Zaky of ICIEC, in acknowledgment of their exemplary dedication to professional development.

This initiative underscores AMAN UNION 's commitment to strengthening institutional capacity, promoting professional excellence, and fostering continuous knowledge exchange among its member institutions across the OIC region. Through such efforts, the Union continues to invest in developing human capital within the Islamic insurance and export credit ecosystem—ensuring that professionals are equipped with the technical expertise and global competencies required to navigate the evolving demands of the industry.

As part of its broader strategy to foster sustainable capacity building, AMAN UNION, in collaboration with RISC Institute DMCC, launched an online professional development programme leading to the Professional Certificate in Insurance (Cert. CII™), a globally recognized qualification awarded by the Chartered Insurance Institute (CII) in the United Kingdom. The programme is designed to cultivate a new generation of skilled professionals across OIC export credit and investment insurance institutions, integrating both theoretical foundations and practical insights.

The training pathway comprises three comprehensive modules—Award in General Insurance (W01), Underwriting Essentials (WUE), and Claims Essentials (WCE), covering critical areas such as risk and insurance fundamentals, underwriting practices, reinsurance, claims handling, fraud prevention, and regulatory compliance. Upon successful completion, participants earn the Cert. CII™ designation, enhancing their professional credibility and opening new opportunities for international advancement within the insurance and credit guarantee sectors.

Commenting on this milestone, Mr. Mourad Mizouri, Secretary General of the AMAN UNION, stated: *"At AMAN UNION, we believe that the strength of our industry lies in the knowledge and professionalism of our people. Our partnership with RISC Institute reflects our determination to build a skilled, connected, and competitive community of insurance and export credit professionals across our Member States."*

ICIEC and KazakhExport renew quota-share treaty agreement for 2025–2026

ICIEC and KazakhExport, the Export Credit Agency of the Republic of Kazakhstan, have renewed their Quota-Share Treaty Reinsurance Agreement for the fifth consecutive year, covering the period from 1 October 2025 to 30 September 2026.

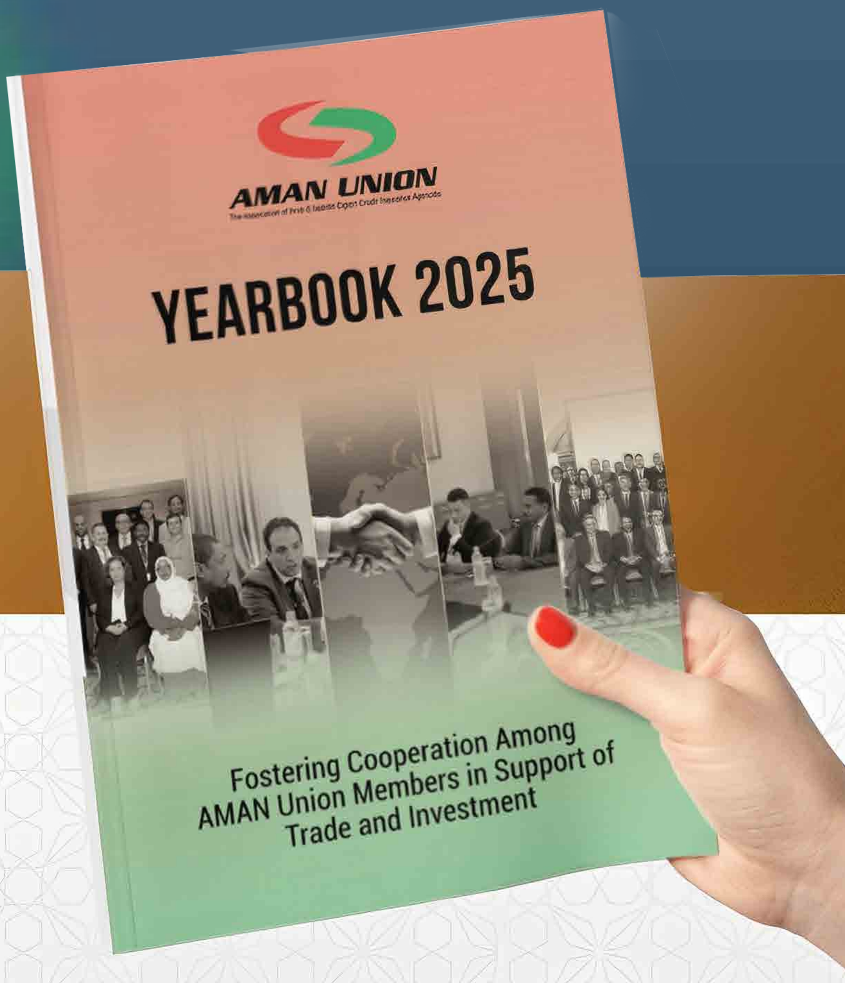
The agreement was signed by Dr. Khalid Khalafalla, Chief Executive Officer (CEO) of ICIEC, and Mrs. Ayan Bektybayeva, Deputy Chairman of the Board of KazakhExport, on the sidelines of the 15th Annual Meeting of the AMAN UNION , held from 4–6 November 2025 in Jeddah.

This renewal reaffirms the long-standing partnership between the two institutions in advancing trade, investment, and economic cooperation among Organization of Islamic Cooperation (OIC) Member States.

Under the agreement, ICIEC will continue to provide reinsurance coverage for KazakhExport's Documentary Credit Insurance Policy (DCIP), enabling the agency to expand its underwriting capacity for trade-finance risks, particularly in high-impact sectors that drive export diversification and support small and medium-sized enterprises (SMEs).

The renewed partnership underscores ICIEC's strategic role in delivering risk capacity, technical support, and knowledge transfer to member Export Credit Agencies (ECAs), while reinforcing Kazakhstan's commitment to strengthening non-oil exports under the institutional framework of Baiterek National Managing Holding JSC.

Dr. Khalid Khalafalla, CEO of ICIEC, commented: *"This renewal reflects the depth of our partnership with KazakhExport and our shared vision to advance trade and investment across OIC Member States. Through this treaty, ICIEC continues to deliver reinsurance and technical support that empower member ECAs to underwrite larger, more diversified, and more impactful trade transactions."*



AMAN UNION Marks 15 Years of partnership and growth during annual general meeting in Jeddah

AMAN UNION , the professional forum of commercial and non-commercial risk insurers and reinsurers in Member States of the Organization of Islamic Cooperation (OIC) and the Arab Investment and Export Credit Guarantee Corporation (Dhaman), successfully concluded its 15th Annual General Meeting, held from November 4 to 6, 2025, and hosted by ICIEC at its headquarters in Jeddah, Kingdom of Saudi Arabia.

The event gathered 115 participants representing all members from 38 countries, alongside Export Credit Agencies (ECAs), reinsurers, and international organizations. The meeting marked a milestone for the Union, highlighting collaboration, innovation, and institutional growth.

Dr. Khalid Khalafalla, Chairman of the 15th AMAN UNION General Assembly and Chief Executive Officer of ICIEC, added, "Hosting this year's meeting in Jeddah highlights ICIEC's enduring commitment to supporting regional cooperation. The AMAN UNION continues to serve as a powerful platform for innovation, knowledge-sharing, and sustainable development across the OIC region."

During the event, the AMAN UNION General Secretariat and the Saudi Export-Import Bank (Saudi EXIM) signed a Transfer Agreement, setting the framework for the relocation of the Union's General Secretariat to Saudi EXIM Bank. The agreement reflects a shared commitment to strengthening the Union's operational independence and sustainability.

"This transition represents an important step in enhancing the operational independence and long-term sustainability of the Union," said Mr. Mourad Mizouri, Secretary General of AMAN UNION . "Our members remain united in advancing the Union's mission of fostering collaboration and strengthening the credit-insurance ecosystem across Member States."

The gathering also witnessed the signing of several key cooperation agreements among members to further reinforce collaboration within the Union's network. These included an agreement between ICIEC and KazakhExport, an agreement between Saudi EXIM Bank and COTUNACE, and an agreement between CAGEX and KazakhExport, underscoring the Union's role as a platform for fostering strategic partnerships and promoting knowledge exchange across the trade and investment insurance industry.

The meeting also featured the 4th AMAN UNION Awards, recognizing Saudi EXIM Bank for exceptional institutional performance and Jordan Loan Guarantee Corporation (JLGC) for excellence in research and innovation.

As part of its commitment to professional development, the Union held a Ceremony for the Distribution of Online Training Certificates, recognizing the dedication of participants who completed the AMAN UNION 's specialised training programmes. Certificates were presented by Mr. Silvan Said, Managing Director of RISC Institute DMCC, and Mr. Al-Tayeb Abbas Fadlallah, Chairman of the AMAN UNION Academy, to Mr. Abderrahim Belkacemi (Dhaman) and Mr. Samir Zaky (ICIEC), underscoring the Union's focus on building institutional capacity and advancing professional excellence.

The Technical Performance Analysis for 2023–2024, presented by Türk Eximbank, reported a 10% increase in total insured business (USD 54 billion), 20% growth in premiums (USD 338 million), and a 21% decline in claims, reflecting the continued resilience of AMAN UNION members in advancing trade and economic cooperation across OIC Member States .

Republic of Sierra Leone Becomes 51st Member State of ICIEC, Strengthening West Africa's Trade & Investment Linkages

ICIEC is pleased to announce the accession of the Republic of Sierra Leone as its 51st Member State.

This milestone marks ICIEC's expanding presence in Sub-Saharan Africa and underscores Sierra Leone's commitment to strengthening its trade and investment partnerships through multilateral cooperation. As a Member, Sierra Leone will gain access to ICIEC's Shariah-compliant insurance and reinsurance solutions designed to facilitate exports, attract foreign direct investment, and mitigate political and commercial risks.

Welcoming Sierra Leone's membership, Dr. Khalid Khalafalla, Chief Executive Officer of ICIEC, stated: *"We are delighted to welcome the Republic of Sierra Leone into the ICIEC membership. This accession reflects both the growing recognition of ICIEC's developmental mandate and Sierra Leone's vision to build a more resilient and diversified economy. We look forward to supporting the country in mobilising investments, enhancing export competitiveness, and creating new opportunities for its public and private sectors."*

With Sierra Leone's membership, ICIEC now counts 51 Member States, reinforcing its role as a leading multilateral provider of Shariah-compliant insurance and risk-mitigation solutions in support of the Organization of Islamic Cooperation (OIC) economies.

ICIEC and Afreximbank Forge Strategic Partnership To Boost Arab–Africa Trade And Investment

ICIEC and African Export-Import Bank (Afreximbank) are pleased to announce the signing of a memorandum of understanding (MoU) to strengthen their cooperation in promoting trade and investment flows across Arab and African countries.

The MoU was signed in Cairo, Egypt, on 27 October 2025 by Eng. Yasser Alaki, Director of the Business Development Department at ICIEC, and Mr. Kofi Asumadu Addo, Director, Guarantees and Specialised Finance at Afreximbank who represented the Bank's Executive Vice President, Global Trade Bank, Mr. Haytham EL Maayergi.

The partnership provides a robust framework for collaboration, enabling the two parties to harmonise their efforts in supporting Arab-African businesses seeking regional market opportunities while facilitating practical information exchange in areas where access to trade and investment intelligence has been limited. Through the cooperation, ICIEC and Afreximbank will align their strategic decision-support tools, developing synergies to better serve public- and private-sector actors across their respective networks.

Areas of cooperation covered in the MoU include risk-sharing mechanisms, which will underpin Afreximbank's efforts to mobilise financing in support of trade; a structured exchange of information to strengthen the outreach and insight of both institutions; support for Afreximbank's digital platforms; access for both partners to TRADAR Club offerings, such as TRADAR Intelligence (TIP) and TRADAR Regulations (TRIP); joint capacity-building and advisory services; collaborative work in marketing, promotion and product development; and deployment of the AfrexInsure initiative to maximise risk mitigation and trade-finance tools.

Eng. Yasser Alaki, Director of the Business Development Department at ICIEC commented, *"This partnership marks a milestone in our shared commitment to inclusive and sustainable trade and investment across the Arab-Africa corridor. By combining ICIEC's risk-mitigation expertise with Afreximbank's expansive financing and advisory platform, we are enabling businesses to move from ambition to action. Together, we will unlock new opportunities and deliver strategic value-add to trade flows that benefit our Member States and private-sector partners."*

Commenting on the MoU, Mr Haytham El Maayergi, Executive Vice President of Global Trade Bank at Afreximbank noted, *"This MoU is a testament to the long-standing relationship between Afreximbank and ICIEC aimed at deepening Arab-Africa trade. It is expected to generate mutually beneficial and meaningful outcomes in areas such as market development, risk-sharing, digital innovation, and capacity building. Both institutions look forward to advancing our joint initiatives, including the achievement of the strategic objectives of the Arab African Trade Bridge."*

A Journey towards economic empowerment: The 4th OBIC capacity-building programme in Casablanca

In the bustling heart of Casablanca, from November 24 to 26, 2025, ICIEC proudly hosted the 4th Capacity-Building Programme for the Users of the OIC Business Intelligence Center (OBIC). This pivotal event was more than just a training session; it was a convergence of minds, a sharing of expertise, and a collective stride towards strengthening credit information systems across the region.

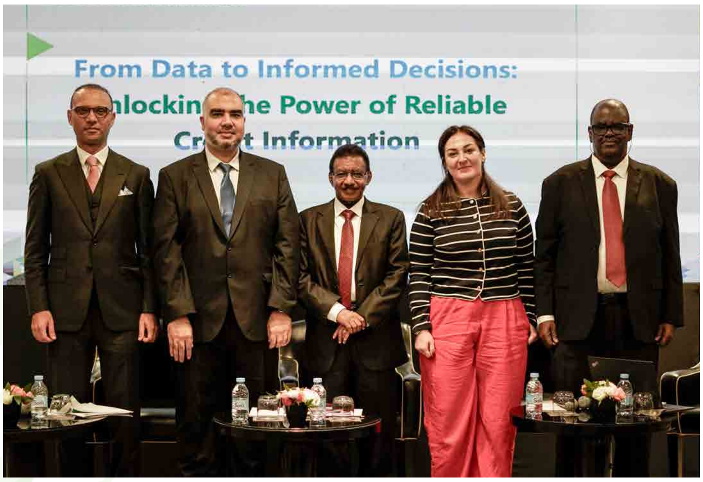
As ICIEC's flagship initiative, OBIC serves as a vital platform supporting Member States in modernising their credit-reporting ecosystems, strengthening business intelligence infrastructure and enabling informed trade and investment decisions that reduce risk and promote sustainable development.

The Programme, a testament to collaborative spirit, was generously sponsored by ICIEC alongside esteemed partners: the Islamic Development Bank (IsDB), the Arab Bank for Economic Development in Africa (BADEA), the African Export–Import Bank (Afreximbank), and the Islamic Centre for Development of Trade (ICDT). Together, these institutions laid the groundwork for a transformative experience, bringing together 40 dedicated participants from 15 diverse countries across Africa and the OIC region. These delegates, representing export credit agencies, financial institutions, SMEs, investment promotion agencies, and public-sector economic bodies, embarked on a journey to enhance their understanding and application of modern credit ecosystems.

At its core, OBIC stands as ICIEC's flagship initiative, a beacon guiding Member States towards robust credit-reporting infrastructures. The Casablanca Programme meticulously focused on the nuances of credit intelligence, the architecture of structured data ecosystems, and the power of evidence-based decision-making. This alignment with ICIEC's mandate to foster secure trade and investment flows underscored a shared vision: to empower institutions with the tools necessary to navigate economic landscapes, mitigate risks, and unlock sustainable growth.

Over three dynamic days, the Programme featured a rich blend of discussions, presentations, and practical case studies designed to strengthen participants' understanding of modern credit ecosystems and information-sharing mechanisms.

Day 1 focused on setting the stage for modern credit ecosystems. The Programme opened with inspiring remarks from partner institutions, highlighting the critical importance of information sharing in strengthening financial systems. This was followed by a high-level panel discussion that explored how reliable credit intelligence underpins sound economic planning and informed decision-making, establishing a collaborative and forward-looking tone for the Programme.



Day 2 concentrated on operational dimensions and export strategies. Sessions explored the fundamentals of business intelligence, the strategic integration of the Africa Trade Gateway, and advanced approaches to credit risk management. Participants also engaged in discussions on effective export expansion strategies, gaining practical insights and tools that can be applied to enhance trade facilitation and financial decision-making.



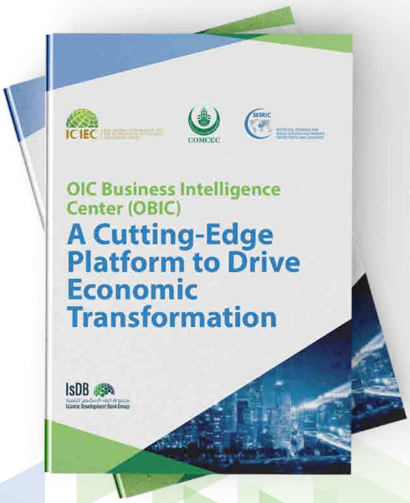


Day 3 highlighted the role of unique entity identifiers and inclusive financial ecosystems. Discussions emphasized the strategic importance of identifiers such as MANSA and GLEIF, as well as the value of shared databases in improving transparency and risk assessment. The Programme also featured inspiring case studies on women's economic empowerment in Africa, demonstrating how robust financial ecosystems can create tangible development impact. The event concluded with a certification ceremony, recognizing participants' successful completion of the Programme and their readiness to apply OBIC tools within their institutions.

Dr. Khalid Khalafalla, CEO of ICIEC, stated: *"Strengthening the quality, reliability, and accessibility of credit information across our Member States is essential to unlocking sustainable trade and investment flows. Through the OBIC platform and this Capacity-Building Programme, we are empowering institutions with the tools needed to make informed decisions, reduce risks, and accelerate economic opportunities across the OIC region. Our partnership with IsDB, BADEA, Afreximbank, and ICDT reflects our shared commitment to building a more transparent, interconnected, and resilient economic ecosystem for our Member States."*

The Casablanca Programme was more than just an event; it was a milestone in OBIC's evolution into a structured capacity-building ecosystem. It significantly deepened institutional understanding of credit intelligence, heightened awareness of OBIC's capabilities, and fostered stronger cooperation among Member States. The enthusiastic demand for future training cycles underscores the Programme's profound impact and reinforces ICIEC's leadership in driving trade intelligence and regional collaboration. As the delegates returned to their respective countries, they carried not just certificates, but a renewed sense of purpose and the practical tools to contribute to a more prosperous and interconnected OIC region.

OBIC Brochure



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