

***ITFC PROGRESS REPORT ON ENHANCING  
INTRA-OIC TRADE***

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**ITFC Report submitted to the 33<sup>rd</sup> Session of COMCEC**

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## 1. INTRODUCTION

### *1. Brief about ITFC*

The International Islamic Trade Finance Corporation (ITFC) is an autonomous entity within the Islamic Development Bank (IDB) Group created with the purpose of advancing trade to improve the economic condition and livelihood of people across the Islamic world. ITFC has consolidated all the trade finance businesses that used to be handled by various windows within the IDB Group. It commenced operations in January 2008.

The consolidation of the IDB Group's trade finance activities under a single umbrella increased the Corporation's efficiency in service delivery by enabling rapid response to customer needs in a market-driven business environment. As a leader in Shari'ah-compliant trade finance, ITFC deploys its expertise and funds to businesses and governments in its member countries. Its primary focus is to encourage intra-trade among OIC (Organization of Islamic Cooperation) Member Countries (MCs).

Operating to world-class standards, the ITFC's mission, emanating from its mandate, is to be a catalyst for trade development among OIC member countries and beyond. Consequently, while improving Member countries access for funding by extending trade finance, on the other side, ITFC, with a view to develop its trade development arm, recently established the **Trade and Business Development Department**, which will provide trade related technical assistance to MCs but in an integrated approach and implement Trade Integrated Solutions (TIS), comprise of trade finance and trade development components. The main focus areas of the department will be trade promotion, trade facilitation, capacity development, trade mainstreaming and development of strategic commodities.

As a member of the IDB Group, ITFC has a unique access to government institutions in its member countries. The Corporation works as a facilitator to mobilize private and public resources towards achieving its objectives of fostering economic development through trade. The Corporation helps businesses in member countries by offering better access to trade finance and providing the necessary trade-related capacity building tools in order to help them compete successfully in the global market.

ITFC's 10 year strategic plan for 2017-2027 reflects its role and ambition to become a world class business enabler and trade facilitator, as well as the objective to become the leading trade provider of trade solutions for OIC member countries' needs. ITFC's Strategic Objectives are three broad areas, which ITFC will impact in order to fulfil the Vision. These are: 1) Contributing to expansion of Intra-OIC Trade, 2) Growth in Islamic Trade Finance, 3) Helping Member Countries Diversify their economies.

### *2. The Resolutions of the 32<sup>nd</sup> Session of COMCEC*

The 32<sup>nd</sup> Session of COMCEC approved following resolutions, whereby ITFC was requested to continue its efforts in contributing to trade and trade cooperation among OIC Member Countries.

- "Appreciates trade finance and trade promotion and development activities of ITFC and the mobilization of funds from the international market and development partners for funding the trade operations in the Member States, contributing towards the achievement of intra-OIC trade target of 25 percent."

- “Commends the efforts of ITFC in financing SMEs and Least Developed Member Countries and takes note of its efforts to diversify its portfolio and extend more financing for agriculture sector that has direct and prominent impact on improving productivity, job creation, increasing export revenues and alleviating poverty. “
- “Calls upon the Member States to complete their membership requirements for the institutions of the IDB Group (ITFC and ICIEC) so that the IDB Group implements its mandate successfully.”
- “Takes note of the trade promotion and capacity development initiatives being implemented by ITFC under its various flagship programs including Aid for Trade Initiative for Arab States (AfTIAS), Arab Africa Trade Bridge Program and Trade Knowledge Program.”
- “Also takes note of the efforts of the ITFC to organize a Trade Development Forum to raise awareness of the private sectors of the Member States on the trade financing facilities of the ITFC and encourages the private sector organizations of Member States actively participate in the Forum.”
- “Welcomes the official launch of the Special Program for Central Asia (SPCA), with its trade financing component, during the 41st Annual Meeting of the IDB Group Board of Governors and takes note of the preparatory efforts being undertaken by IDB Group (ITFC) for its effective implementation.”
- “Takes note of the efforts of the ITFC in implementing integrated Trade Programmes for commodity development through blending its trade finance facilities with its trade related technical assistance interventions and requests ITFC to develop similar programs for other strategic commodities.”
- Commends ITFC;s efforts for the diversification of Islamic Financial Instruments, supporting training programs on Islamic finance and promoting Islamic Finance solutions at international foras and welcomes the announcement of organizing a side event on Islamic Trade Finance during the next WTO Public Forum.”

## ***B. ITFC TRADE FINANCE OPERATIONS FOR DEVELOPMENT***

ITFC fulfills its mandate through two main lines of business: 1) Trade Finance, and 2) Trade Development. On the trade finance side, ITFC extends financing for funding trade to sovereign governments, private sector companies, and Small & Medium Enterprises (SMEs) through lines of financing extended to local and regional Banks.

ITFC’s achievements since its inception in 1429H have been remarkable in both trade financing and trade development arenas. Total cumulative approvals and disbursements reached US\$38.6 billion and US\$28.8 billion, respectively. On the other hand, total cumulative funds mobilized from partner banks and financial institutions reached US\$26.9 billion, reflecting ITFC’s critical role as a catalyst to attract funding for large-ticket trade transactions for the benefit of Member Countries. Furthermore, ITFC continued to extend financing to a number of Member Countries under the multi-year framework agreements in place for many of the large-ticket sovereign clients. Regional initiatives such as the Africa Initiative continued to make noticeable progress.

Regarding the trade development area, and within its newly adopted strategy 2016-2025, ITFC offer integrated program based interventions, combining trade finance with trade development & capacity building, multiply their impact on addressing some of the trade development challenges of its Member Countries. In this regard, ITFC blends its trade development interventions, including its Trade Related Technical Assistances (TRTAs), with its trade finance solutions in designing and implementing thematic and regional trade development programs.

Examples include, among others, (i) the Indonesian Coffee Export Development Program, and (ii) Arab Africa Trade Bridge Program which have both trade development and trade finance components to address twin challenges of the sectors and countries such as limited access to finance and international markets, development of sectoral and regional competitiveness trough implementation of capacity development programs and trade facilitation measures.

### ***1. Contributing to Energy Security in Member Countries***

Sustainable access to energy is a key driver of economic and social development. Energy services have multiple impacts on productivity, people's health, education, and food security. According to estimates, 3 billion people around the world are lacking access to electricity, the majority being in Sub-Saharan Africa (SSA) and developing Asia. Lack of infrastructure and access to energy sources are the main reasons for the sector's underperformance in those countries.

Therefore, improving access to energy sources is crucial to unlocking the potential for faster economic and social development. It is in this context that ITFC considers supporting the energy sector as one of the main pillars of its strategy in its interventions in Member Countries. As such, ITFC remains a historical partner for providing financing to secure fuel oil in order to maintain stability for electricity generation reaching large number of the disadvantaged population.

In many Member Countries where there are limited financiers who can fund energy transactions which often require sizable funding, ITFC's support plays a catalyst role in which it mobilizes resources from international markets to fund these large-ticket syndicated energy deals.

ITFC's financing provided for the energy sector is characterized by the following:

- In 2016 (1437H ), energy products financing represented about 60% of total approval, balanced between crude oil and petroleum products financing;
- The bulk of the energy-related financing are for countries in Asia and MENA followed by countries in Sub-Saharan Africa;

### ***2. Supporting Agricultural Exports of Key Commodities***

ITFC's interventions in agriculture continue to cover commodities that help create jobs, improve productivity, alleviate poverty, and bolster food security. It is worth mentioning that ITFC provides significant support to food security in Sub-Saharan Africa where a large portion of the trade finance portfolio is allocated to the agricultural sector, which has strong impact on enhancing food security for farmers. In fact, agriculture accounts for the largest share (54%) of ITFC's trade financing portfolio for Sub-Saharan Africa.

Although agriculture financing is primarily for cash crops (namely cotton and groundnuts), it, nonetheless, helps boost food security as farmers use part of the agricultural inputs funded by the financing to grow their food crops. In addition, the funding allows farmers to receive timely payments for their crops, thereby enhancing their household income. Furthermore, there are financing operations, albeit small, specifically designated for food security. This amounted to USD17 million in 1437H-1438H (2016) and was for the Government of Mali (cumulatively USD42 million).

In addition to the interventions in SSA, ITFC also extended funding to Coffee (Indonesia) and wheat (Kazakhstan), both of which contribute to enhancing the incomes and livelihood of farmers. The following are some of the measures taken to enhance food security and further the support to the agriculture sector:

- Synergy & partnership with IDB Agriculture Department to collaborate on boosting financing to the agriculture sector in Member Countries;
- Partnership with the new OIC Islamic Food Security Organization;
- Linking of producers directly with buyers in Member Countries; and
- Working in a targeted manner to pursue financing that enhances food security in Member Countries.

In 1437H-1438H (2016), overall approvals for the agriculture sector reached 13% of the portfolio, which received the third largest allocation after energy. During the year, ITFC approved 16 operations for the agriculture sector in eight Member Countries. The following are the key features of ITFC's financing in this segment:

- The majority of the financing is allocated to support key export commodities, such as cotton and groundnuts in the agricultural sector;
- Africa and MENA accounted for the largest share in this portfolio with Cameroon, Burkina Faso, Cote d'Ivoire, The Gambia and Senegal being the main beneficiaries.

### ***3. Promoting Islamic Banking while serving SMEs in Member countries***

In its efforts to reach a larger number of Small and Medium Enterprises (SMEs) in Member Countries, ITFC provides Murabaha Financing to local financial institutions and commercial banks, which, in turn, extend the financing to SMEs and private sector clients. This not only contributes to creating badly needed access to finance, but it also helps promote Islamic Banking as partner banks are introduced to Islamic financing instruments.

### ***4. Mobilizing resources for funding Trade***

The year 1437H-1438H (2016) was not a normal year for ITFC in terms of funding of trade finance operations. The low commodity prices, fragility of some Member Countries, deterioration of creditworthiness of some clients, and increasing cost of capital and interest rates, all presented a number of challenges that restricted the ability of ITFC to raise the targeted funding volume from its partners. This translated into less number of syndicated transactions, and drop in volume of mobilized funds from ITFC's partners.

Despite the challenges, the partnership network proved to be resilient and as strong as it has been in previous years. ITFC had been successful this year to continue on its grand goal of expanding its network of partners by adding new ones from financial institutions and banks. Working with the

existing and new partners, ITFC was able in 1437H-1438H (2016) to mobilize USD2,432 million in 22 syndicated operations in favor of 15 Member Countries.

This level of mobilized funds represents about 56% of the total trade financing provided by ITFC to its clients this year. The year 1437H-1438H (2016) was also a significant year for collaborating with IDB's funds and entities, as the total funding from IDB has reached a record USD897 million.

Building on this network of partners, ITFC will continue to sustain and maintain the growth of its network by maintaining and strengthening its relationship with its current partners, and building new ones focusing on international and regional multilateral development banks.

## ***5. Enhancing Support & Collaboration through Field Presence***

ITFC, in partnership with the IDB Group and its members, embarked on a decentralization and enhancement of regional presence initiative with the goal of delegating authorities and responsibilities to the field. Increased regional presence brought ITFC closer to clients, which enabled it to serve its member countries' needs. Moreover, by being in the field, the risks arising from increasing challenges of the operating environment and uncertainty in global markets can be better assessed.

The IDB Group 'one group' approach in field presence intends to ensure: (i) harmonized 'branding' of IDB Group services; (ii) Group synergy in business development and intervention; and (iii) economies of scale and cost sharing.

As a strategic priority, ITFC decided to relocate a number of client-facing staff to the Regional Offices and Country Gateway Offices. To date, ITFC has collaborated with IDB Group members in the Dakar Regional Office (Senegal, covering 11 countries in the West Africa region) and in Country Gateway Offices located in Dhaka (Bangladesh), Istanbul (Turkey), Jakarta (Indonesia). Besides, ITFC has joined other IDB Group members in the Regional Office in Rabat in 2017 and assigned professional staff from the Headquarter.

The decentralization and enhancement of regional presence strategy is already yielding significant benefits in improved client relationship, greater regional visibility, and increased business volume and approvals. There are significant positive outcomes to be gained from ITFC's presence in the regions, in establishing a Regional Office in Dakar, ITFC gained easy access to West Africa. Establishing a local presence in Dakar has increased efficiency with significantly increased disbursement throughout West Africa.

Indonesia is the largest economy in Southeast Asia and is one of the largest emerging market economies of the world, and coffee plays an important socioeconomic role. Through the Jakarta Country Gateway Office, ITFC was able to work on establishing the Indonesian Coffee Export Development Program, with the purpose of improving crop yields and overcoming the lack of financing in the market. Bangladesh is among the world's top 12 developing countries and one of the largest markets in Southeast Asia. Having a local presence in Dhaka has improved relations with the Bangladeshi government and helped ITFC gain greater access to the private sector, which in turn has increased disbursements.

One of the most active ITFC portfolios, Turkey's market is showing strong growth despite recent political upheaval. The regional presence in Istanbul has resulted in significantly increased approvals of USD 860 million in 1437H-1438H (2016), which represent 19.21% of total approvals in ITFC. This trend is expected to continue over the next three years. ITFC's decentralization of authority and

responsibility to the field strategy is key to enhancing ITFC’s visibility and activities in the field. ITFC will continue to decentralize and enhance regional presence over the next three years.

## ***C. TRADE & BUSINESS DEVELOPMENT***

### ***1. Platforms of Cooperation for Enhanced Regional Economic Integration***

#### ***1.1. Aid for Trade Initiative for Arab States (AFTIAS)***

With a view to enhance the trade cooperation & integration among Arab States and with the rest of the World, ITFC has taken the initiative to design and implement a Regional Trade Development Program with a particular focus on “enhancing regional integration” to fuel the economic growth and development. The Aid for Trade Initiative (AFTIAS) Programme was prepared and launched in December 2013. More specifically, AFTIAS Program objectives are:

- Enhance regional competitiveness through trade policy reforms and strengthening Trade Support Institutions (TSIs) institutional capacities;
- Strengthen trade supply side and value chain integration;
- Strengthen regional and sub-regional trade cooperation organizations’ capacity to better administer trade integration policies & programs.

Five UN Agencies (ILO, ITC, UNCTAD, UNDP and UNIDO), The League of Arab States (LAS), the Permanent Missions of Arab Countries in Geneva, the Arab Regional Organizations, Islamic Corporation for Private Sector Development (ICD), Foreign Trade Training Center of Egypt are project implementing agencies of the Program. Under AFTIAS Program, many different Trade Related Technical Assistance Projects are being implemented by project partners that aim to help MCs to develop their national export strategies, improve their institutional and human capacities in the area of trade promotion, and implement trade facilitation measures.

Besides, sector specific capacity development projects such as “Development of Dates Sector in Madina”, and “Lebanon Export Competitiveness Development Project for ICT and Nut” are being implemented along with sector diversification projects for Tunisia, Algeria to improve sector competitiveness of strategic sectors and commodities of the beneficiary countries. The program implementation is expected to be completed by the mid-2018, which will be followed by an external program evaluation and assessment exercise.

#### ***1.2. Special Program for Central Asia (SPCA)***

IDBG has prepared a Special Program for Central Asia (SPCA) in 2016 to address some of the development challenges faced by Central Asian Member States. As part of its complementary roles in supporting IDB Group efforts to enhance regional integration among the Member countries, ITFC has closely worked with Country Programming Department of IDB during the preparation of the Program Document. Trade development and promotion of regional trade integration is one of the main focus areas of the program.

The trade component of the initiative has two sub-focus areas. The first area aims at improving regional economic integration among Central Asian Member countries of OIC by implementing various trade facilitation measures at national and regional level. The second area aims at improving trade competitiveness of agri-food industries in SPECA Countries and their possible integration to the Global Value Chain.

As part of its effort in the implementation of the program, ITFC and UNDP will organize two regional training workshops for government authorities and TSIs on the following subject, which will lay the ground for further activities as envisaged by the program. These training programs will be followed by national workshops and seminars related to trade/export financing to enhance human and institutional capacities in the Member countries.

### ***1.3. Arab Africa Trade Bridge Program (AATB)***

The intra-regional trade between Arab States and African Member countries of OIC does not reflect the trade potentials between both regions. As a result, ITFC, Saudi Export Program (SEP), Arab Bank for Economic Development in Africa (BADEA), Islamic Corporation for the insurance of the Investment and Export Credit (ICIEC), agreed to form a partnership platform to address this issue by developing a regional trade promotion program to boost intra-trade between the two regions.

The launching Forum of the Arab-Africa Trade Bridge Program was organized in cooperation with Ministry of Commerce, Industry, Investment and Digital Economy in Rabat, the Kingdom of Morocco during 22-23 February 2017.

This program, developed by ITFC in coordination with national, regional and international institutions and authorities, aims promoting and increasing trade flows between the Arab and SSA countries and provide and support trade finance and export credit insurance, as well as bridging the economies through the development of logistical platforms and enhancing existing capacity building tools related to trade in order to increase and diversify trade and partnership opportunities among the two regions. Program focus areas includes :

- Supporting development of institutional capacities of trade support institutions and exporting SMEs through providing training programs related to exports and international trade,
- Supporting organization of specialized business forum, B2B Meetings, international exhibitions, establishing on-line business-information platform for companies,
- Supporting preparation of studies, reports related to cross-border trade, logistics, trade potentials, etc.
- Providing trade finance and export insurance facilities for companies from both regions.

Following official launch of the program in February, the emphasize was given to establish a sound governance structure at IDBG level to integrate different programs and initiatives of the Group Members under this program. Besides, ITFC is now exerting efforts implementation of various projects, and activities, which include organizations of B2B Meetings, preparation of capacity building programs for trade support institutions and SMEs, Reverse Linkage Programs. The following activities are given as examples. Other activities are being designed to be implemented in the coming period:

- Sectoral B2B Meeting for Pharmaceuticals and Medical Equipment
- ECOWAS – Agadir Technical Unit (ATU) Business Forum;
- Africa SME Trade Development Project
- Reverse Linkage Initiative in Guinea “Recovery of the Private Sector in Guinea”

### ***1.4. Trade Development Forum***

Another flagship program of ITFC is the Trade Development Forum, which is an attempt to establish a private-public platform of partnership. The Forum aims to bring together trade policy makers and

businesspersons. The purpose is to elaborate on trade related issues and policies with a view to agree on common solutions to address common challenges of OIC Member countries, share experiences and best practices in trade development, while providing businessmen opportunities to establish trade partnerships through match-making events. Another purpose is to provide an educational opportunity through selected capacity building event. ITFC is in final stage of concluding a partnership agreement with the host country, where the first edition of the Forum will take place.

## ***2. Partnership for Trade Capacity & Knowledge Development***

### ***2.1. Youth Training and Employment for International Trade***

“Training Program for Export and Employment-TREE”, which is being implemented under the AFTIAS Program is one of the example of How ITFC design long-term sustainable capacity development program with its partner. This program is being implemented by Foreign Trade Training Center (FTTC) and co-financed by the Industrial Training Council (ITC) of Egypt. The training program aims at improving knowledge and skill sets of youth and certify them as Export Specialist that will enable them to find competitive jobs in international trade and establish its own business. . The training program will enhance export culture among the companies and improve their knowledge in matters related to international quality, standardizations, multilateral trading rules, export marketing, branding, and product & quality development.

A series of training courses will be given to 1000 university fresh graduates. The project is under implementation since March 2016. In one year, 6 training programs were organized, and 150 youth successfully completed the training programs. Almost one third of the trained youth were already employed by the companies, which are partnering with FTTC. Under the program, 1000 youth are targeted to receive training. ITFC envisages the replication of this training program in other Member countries if the recipient countries contribute to the budget of the project.

### ***2.2. The International Trade Capacity Building and Market Access Support Program in Senegal***

The training Trainers program is now being prepared in cooperation with Trade Facilitation Office (TFO) of Canada to support development of human capacity in the domain of international trade. Partnership Agreement with TFO Canada was signed on 23<sup>rd</sup> January 2017 in Dakar, Senegal. Implementation of the project started in March 2017. The fact finding mission to identify participating SMEs and their training needs was conducted by TFO in July 2017. As result, customized training program will be design and implementation will be given start in November 2017.

The first component, a training the trainers component, aims to establish an exporter training platform implemented through ASEPEX and other Trade support institutions (TSIs) in Senegal. With this component, ASEPEX and associated TSIs will develop their technical skills in the field of international trade and will be equipped with the capacity to deliver trade training and support services to Senegalese exporters and potential exporters from various sectors in a manner that will help these firms grow their export activities and contribute to the sustainable economic development and poverty alleviation in Senegal.

The second component of the proposed initiative will be focused on preparing and strengthening the capabilities of Senegalese SMEs and their products in order to count with all the necessary tools and knowledge that could contribute to introduce in an efficient and effective way their products into the

Canadian market, in order to achieve a significantly positioning against other competitors and be also prepared to take advantage of new export opportunities that could be generated.

### ***2.3. Reverse Linkage Initiative In Guinea: “Recovery of the Private Sector”***

Reverse Linkage is IDBG’s Technical Assistance design and delivery modality, whereby IDBG facilitates knowledge, and experience transfer from one Member Country to another one. Tunisia with its decades experiences in supporting private sector development through various government policies and program is chosen as provider country, which will be represented in this project by Tunisian Agency of Technical Cooperation (ATCT). The Reverse Linkage Initiative ITFC is designing now with IDB Capacity Development Department will have four components.

- **Component I :** Institutional support/ aiming to assist local professional organizations providing services to the local economic operators,
- **Component II:** Product development and quality/ with the objective to provide assistance to some selected producers and exporters for the adaptation of their export offer to external markets, in different areas.
- **Component III:** Trade infrastructure and environment aiming to provide technical support to Ministries, port and freight forwarding companies and exporters ‘organizations for the facilitation of trade and upgrading the trade operations efficiency.
- **Component IV:** Facilitating access to trade finance through the necessary Trade-Related Capacity Building notably for the Small and Medium-Sized Business (SMEs).

As result, the project is expected to upgrade business and marketing capacities of selected SMEs, by offering them quality and product development support on the one side, and also sharing Tunisian experiences and know-how in SMEs support services and programs offered by the Tunisian Trade Support Institutions.

This project is one of the first example of IDBG trade related technical assistance interventions to be implemented under Arab Africa Trade Bridge Program, which is in line with overall objective of the program of facilitating establishment of new trade and business partnership among the countries of the targeted region.

### ***2.4. Agricultural Commodity Development Programs; Coffee, Cotton, Dates***

The livelihoods of millions of poorest people in developing countries, and in particular in the least developed countries, are dependent on agricultural commodities. Commodities are backbone of their economies and accounting for the bulk of export earnings, GDP and employment. Similarly, agriculture sector accounts for an average of 11.5% of GDP in IDB MCs; reaching as high as 50 to 60% of GDP in many of these MCs, particularly in LDMCs. Agriculture sector represents more than 40% of the total work force, in some countries, it reaches up to 85%.

Therefore, ITFC, since its inception, has been very keen in supporting MCs’ strategic commodities by extending its whole value chain financing facilities. Now, in order to assist MCs in addressing challenges they face all along the commodity value chains, ITFC blends it trade financing facilities with its technical assistance support for trade development.

One of its integrated commodity development program was designed to support Indonesian Coffee Sector. ITFC's Indonesian Coffee Export Development Program (ICEDP) addresses the twin challenges faced by the Indonesian Coffee Industry. Access to financing is one of these challenges that will be tackled by ITFC's trade finance facilities. Within the scope of the program, ITFC will extend US\$100 million financing to exporting SMEs in 3 years period that will enhance their competitiveness in global markets and make cash ready for small farm holders as return for their crop.

In 2017, ITFC worked closely with its local partners to prepare "Five Years Business Plan for Coffee Farmers Training Center", which is based on the stakeholder consultation phase conducted by a contracted local NGO. Validation workshop for the Business Plan of the Training Center will be organized in the last quarter of 2017 in cooperation with local partners.

The Training Center will be A Center of Excellency in coffee farming with its coffee plantation garden and coffee plantation farm, where farmers will have opportunity to develop hands on experiences based on field trainings. Besides, farmers will have in class training on coffee cultivation covering different aspects of farming. The Training Center will provide additional services such as offering coffee seedlings, soil and plant tests etc. The center will be connected to Farmers Field Schools, whereby lead farmers will replicate the trainings they receive in the Center.

Furthermore, ITFC will organize business-matching events to provide direct access to some new export destinations, mainly from OIC Member countries. In the mid-terms, ITFC plans to design a Farmers Cooperatives (FCs) Capacity Development Program to enable FCs to play an active role in the input purchase, direct coffee marketing/exporting, undertaking post harvesting processes and managing training centers.

West Africa, as a region, is the world's 2<sup>nd</sup> largest cotton exporter, after USA. Since its inception, ITFC provided value chain financing for African Cotton amounting US\$ 938 million. On the other hand, some OIC MCs, namely, Bangladesh, Turkey and Indonesia are among the top 5 cotton-importing countries. However, direct trade linkage between MCs are weak but has high potential to establish.

In this direction, with its local partners from West Africa, African Cotton Association and Textile Mill and Cotton Association from Bangladesh and Indonesia, ITFC organized cotton B2B meetings in Dhaka, Bangladesh and Jakarta, Indonesia in first half of April 2017. These meetings will facilitate establishment of new and direct business partnership between West African Cotton Ginning Companies and Bangladeshi and Indonesian Textile and Cotton Industry. Within this program, ITFC plans to deliver some technical assistance programs to address some issues faced by farmers and traders in farming and ginning, particularly related to cotton contamination. Such technical assistance programs will also target yield and quality increase in cotton farming.

Third active agricultural commodity development program, ITFC engaged since April 2017 is for Development of Dates Sector in Madina Al Mukarrame, KSA. Total dates production of Madina Region is around 1.1 million ton. The project aims at helping farmers and SMEs to establish a cooperative(s) to upgrade the quality and their marketing capabilities to add more value to their production. The project also aims supporting Madina Dates image and develop a brand identity for it, improving SMEs compliance to standardization, quality requirements of international and regional markets.

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