



**Standing Committee  
for Economic and Commercial Cooperation  
of the Organization of Islamic Cooperation (COMCEC)**

## **PROCEEDINGS OF THE 5<sup>th</sup> MEETING OF THE COMCEC TRADE WORKING GROUP**

**“IMPROVING THE ROLE OF EXIMBANKS/EXPORT CREDIT  
AGENCIES (ECAs) IN THE OIC MEMBER STATES”**



**COMCEC COORDINATION OFFICE  
April 2015**





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**PROCEEDINGS**

**OF THE 5<sup>th</sup> MEETING OF THE COMCEC TRADE WORKING GROUP**

**ON**

**“IMPROVING THE ROLE OF EXIMBANKS/EXPORT CREDIT AGENCIES (ECAs) IN  
THE OIC MEMBER STATES”**

**(March 26th, 2015, Ankara, Turkey)**

**COMCEC COORDINATION OFFICE**

**April 2015**

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## Introduction:

- The Fifth Meeting of the COMCEC Trade Working Group was held on March 26th, 2015 in Ankara, TURKEY with the theme of “Improving the Role of Eximbanks/Export Credit Agencies (ECAs) in the OIC Member States”.
- The Meeting was attended by the representatives of 17 Member States, which have notified their focal points for the Trade Working Group namely, Bangladesh, Cameroon, Indonesia, Iran, Iraq, Kyrgyzstan, Morocco, Mozambique, Oman, Pakistan, Palestine, Qatar, Saudi Arabia, Senegal, Sudan, Tunisia and Turkey (Please see Annex 1 for list of participants). Representatives of COMCEC Coordination Office, Islamic Centre for Development of Trade (ICDT), Islamic Development Bank Group (IDB/ITFC and ICIEC) and Berne Union have also attended the Meeting. At the outset, the representatives of the COMCEC Coordination Office (CCO) briefed meeting on the Trade Outlook 2014 which reviews recent patterns and trends in the global trade, trade between the OIC and the world, and intra-OIC trade.
- The Representatives of the Member States have shared their experiences, achievements and challenges in the Meeting. Moreover extensive deliberations were made on the ECAs/Eximbanks in the OIC Member States with a view to establish policy advises for both establishing well-functioning institution and improving effectiveness of the present structures.
- The Meeting has considered the Studies namely “Improving the Role of Eximbanks in the OIC Member States” commissioned by the COMCEC Coordination Office (CCO) and the "COMCEC Trade Outlook 2014-Revised Edition" prepared by the CCO.
- The presentations and deliberations made during the meeting highlighted the importance of having well functioning ECAs on increasing export of the Member Countries. In this vein, the Working Group elaborated on a draft Room Document which includes “Policy Advices” in the related session of the Meeting.

## 1. Opening Remarks:

- The Meeting has started with the recitation form Holy Quran. During the opening, Mr. Metin EKER, Director General of the COMCEC Coordination Office welcomed all participants to the Fifth Meeting of the COMCEC Trade Working Group and gave a brief account on the COMCEC, its Strategy and COMCEC Trade Working Group. He emphasized that the COMCEC Strategy aims at making COMCEC a knowledge based forum which will produce and disseminate knowledge and provide a platform for the Member States to share their experiences in the cooperation areas.

- Mr. EKER stated COMCEC Strategy has four main output areas for Trade namely; Trade Liberalization, Trade Finance, Trade Facilitation and Trade Promotion. He told that the main function of the Working Groups is to provide an opportunity for the technical experts of the Member States to meet at least twice a year in Ankara to produce knowledge, share experiences and develop a common understanding.
- He also expressed that one of the foremost responsibilities of institutions in charge of economy and trade is the promotion of exports. He added that financial constraints and payment risks pose significant challenges for most exporters. In this respect providing financial services to exporters is an important medium/tool to obtain export competitiveness. He expressed that Eximbanks or as a more broader/inclusive term Export Credit Agencies (ECAs) provide a variety of financing and guarantee options to public and private companies for their international trade transactions and operations.
- Mr. Syed Abdul HAMID, Managing Director and CEO of the Agrani Bank Limited of the Republic of Bangladesh was elected as the chairman of the Meeting. Mr. HAMID firstly thanked all delegates and the CCO for accepting his chairmanship.

## 2. COMCEC Trade Outlook

- Ms. Vildan BARAN, expert in the COMCEC Coordination Office has presented some of the key findings of the COMCEC Trade Outlook 2014 (Revised Edition). In her presentation, Ms. BARAN focused on the recent trends and main characteristics of the trade between OIC Member States and the world and recent trends in intra-OIC trade.
- Concerning the trade between OIC Member states and the world, Ms. BARAN stated that total OIC trade recorded a steady increase until the global economic crisis. She told that in 2012, total OIC trade continued to grow but at a modest pace with 5.5 per cent. In 2013, due to the decline in total OIC exports by 3.2 per cent, total OIC trade grew only by 1.1 per cent. Ms. BARAN pointed out main factors contributed to the weakness of exports in 2013 including the sluggish pace of world demand growth, falling commodity prices, ongoing political instability in the Middle East and oil supply disruptions. Ms. BARAN also shared some figures about total OIC trade, share of OIC trade in global trade and the breakdown of total OIC exports and imports by countries and sectors.
- Ms. BARAN also stated that country and product concentration in total OIC exports is high which makes them vulnerable to external shocks that might result from decreasing demand in these countries and/or falling commodity prices. She said that

in the commodity composition of total OIC exports, the share of mineral fuels, oils and related products increased to 62 percent in 2013.

- Ms. BARAN also elaborated on the intra-OIC trade. She shared some figures about intra-OIC trade and commodity composition of intra-OIC exports. She expressed that 20 per cent intra-OIC trade target was surpassed by 28 member states by 2013.

### **3. Role of ECAs in International Trade and ECAs in the OIC Member States**

- Mrs. Diana SMALLRIDGE, President of International Financial Consulting Ltd., made a presentation titled “Improving the Role of Eximbanks and ECAs in the OIC Member States for increasing their Exports”.
- Mrs. SMALLRIDGE noted that ECAs are established to serve two main purposes: a) to diversify a country’s export base and export markets, by taking risks on new buyers, in new markets for new exporters, and b) To fill market gaps and address market disruptions, by identifying parts of the market that the private sector course of finance and insurance are unable to address, such as SMEs, or foreign buyer risks.
- Mrs. SMALLRIDGE expressed that ECAs benefit from bilaterally and multilateral cooperation both at the strategic and transactional levels. At the strategic level, there are a number of associations in which ECAs collaborate, including the Berne Union, Prague Club, Aman Union, G-NEXID, Asian EXIM Banks Forum, COFACE Partner Network. At the transactional level, ECAs cooperate through sharing of information on local buyers and assistance with debt collection, as well reinsurance or coinsurance on multi-sourced transactions.
- In terms of OIC ECAs’ contributions to trade, Mrs. SMALLRIDGE noted that this is relatively low at less than 2% compared to the rest of the world. Only 23 of 57 OIC Member States have ECAs, EXIM Banks or programs. More than 50% of OIC Member Countries do not have ECAs.

### **4. Best Global ECA Practices and Recommendations**

- In second part of her presentation, Mrs. Diana SMALLRIDGE discussed case studies in which she described certain best practices of ECAs, five from the OIC region, as well as three from non-OIC countries. Cases from OIC Region were; Nigeria, Malaysia, Turkey,

Lebanon and Indonesia while non-OIC cases were; New Zealand, Finland and Canada. Mrs. SMALLRIDGE shared following opinions regarding the OIC ECAs.

- She told that Nigerian EXIM has a sharp focus on specific SME non-oil export market, a segment of the market which commercial banks are not structured to service. She added that Nigerian EXIM has established a clear vision and mission statement to define a market space in which to focus and has up-to-date and reliable product information.
- She expressed that Malaysia EXIM seeks to link export oriented local businesses to global markets with a full product offering and a customer charter which keeps it focused on their needs.
- Mrs. SMALLRIDGE stated that Turkey's ECA is notable by virtue of its government financial back-stop, where losses incurred under TurkExim's programs due to political risks are covered by the Turkish Treasury and compensated appropriately.
- She told that Indonesia, with two ECAs – one lending and the other insuring – offers a flexible business model for today's markets where there is demand for Shariah-compliant products.
- Finally for Lebanon, Mrs. SMALLRIDGE said that export credit services are delivered exclusively by the private sector, through a local credit insurer, LCI, which covers a large amount of Lebanon's cross-border trade but still leaves significant market gaps.
- Afterwards, she examined three non-OIC ECAs of New Zealand, Finland and Canada. She told that in the New Zealand case, the ECA was inly established in 2001 and adopted a slow and careful approach in identifying and addressing the needs of exporters and relied on outsourcing its technical management.
- Mrs. SMALLRIDGE told that Finland was notable in its ability to follow and adapt to market disruptions, such as during the global financial crisis.
- Finally, for Canada, she expressed that its ECA offers full range of export credit and financing products including equity in order to support "integrative trade", thinking about global supply chains and how national companies fit.
- Mrs. SMALLRIDGE cautioned that best practices models are instructive, but should not be "cut and pasted". However, lessons can be adapted. Similarly, she argued that lessons about what not to do can also be drawn from unsuccessful ECAs. Some features that make an ECA ineffective include governance structure and business model that allows political interference leads to unsound decisions, absence of detailed market

knowledge and customer feedback leads to unsustainable products offerings and inability or reluctance of shareholders to provide necessary financial backing.

- As a conclusion of her presentation, Mrs. SMALLRIDGE gave a series of recommendations for governments, existing ECAs and new ECAs.

General Recommendations for the governments:

1. Give the ECA a clear mandate, statutory functions and a sound governance structure
2. Define the nature and extent of government financial support, and properly plan for this in the national budgeting process
3. Constantly monitor and review the ECA's activities and portfolio
4. Circumscribe the role of the government in the ECA's activities
5. Undertake regular, external independent evaluations

Recommendations for improving existing ECAs

1. Establish a clear vision and mission to define a market space in which to focus
2. Understand not only the nature of the market gaps but why they exist
3. Understand the export market and exporters' contribution to global supply chains
4. Conduct extensive research to ensure up-to-date knowledge about the needs of national industries and evolving trade flows, in order to design the products and facilities that best suit the export landscape
5. Consult with the private sector sources of finance and insurance with a view to maximizing their contribution
6. Create links to international partners and players
7. Seek client input and feedback
8. Continuously review and improve internal technical and management systems
9. As a financial institution, ensure financial sustainability through robust planning and risk management

Recommendations for new ECAs, prior to establishment

1. Conduct research and undertake consultations
2. Define and analyze the market gap
3. Validate analysis and identify policy options
4. Consider a variety of business models and the fiscal and financial implications
5. Consider options for the preferred corporate form and related governance arrangements
6. Develop a business plan
7. Establish a detailed implementation plan

## 5. Policy Options for Establishing Well Functioning ECAs in the OIC Member Countries

- The Meeting began with a policy debate for the possible policy actions to be taken to approximate member state policies in the field of Export Credit Agencies (ECAs) and Eximbanks in the afternoon session.
- Delegate of TURKEY, Ms. Banu ERKOK moderated the session. Discussions were made on topics included in the Room Document which was circulated to delegates prior to the Meeting (please see Annex 3). The Room Document will be revised based on Member Countries' views and suggestions in the related Session and revised Room Document will be sent to delegates in following weeks via e-mail for their approval. Approved Room Document will be then submitted to 31<sup>th</sup> Ministerial Session of the COMCEC.
- Ms. ERKOK firstly gave the floor to Mr. Ahmet OKUR, Expert in the COMCEC Coordination Office for his presentation. Mr. OKUR made a presentation about the questionnaire circulated to the Member Countries in previous weeks in order to collect data for drafting the Room Document. He briefed participants about the answers of the Member Countries to the questionnaire and then shared the draft Policy Advices.
- Following after the presentation, Ms. ERKOK expressed the rationale for each of the policy advices. She also mentioned that COMCEC Trade Working Group, COMCEC Project Funding Mechanism and Capacity Building Activities are some of the instruments to realize the Policy Advices. Ms. ERKOK also asked opinions of delegations for each policy advices. After two hours of fruitful deliberations, participants agreed upon the following Policy Advices:
  - ***Policy Advice I: Member States are encouraged to examine and assess the financing needs of their exporters***
  - ***Policy Advice II: Member States are invited to enhance transactional cooperation among their ECAs***
  - ***Policy Advice III: Member States are encouraged to review the soundness of their ECAs with the aim of improving the overall performance of the ECA***
  - ***Policy Advice IV: Member states are called on to promote public-private dialogue within the ECA context***

## 6. Member Country Presentations

- Representatives of IRAN, PAKISTAN and TURKEY made presentations regarding their country's experience and perspectives for Export Credit Agencies in the related session.
- Representative of IRAN, Mr. Kamran REZVANI Head of Department of the Export Development Bank of Iran shared some basic information about his institutions with the participants. He stated that Project Finance, Investment Finance, Trade Finance (Pre-shipment finance: Suppliers' Credit / Post-shipment finance: Buyers' Credit), Bonds, Guarantees, LCs, Documentary Collection and Underwriting of securities are some of the services they provide. He informed that main fields of the Export Development Bank of Iran are as follows; Water and sewage operations, Road, Dam, power plants and power transmission lines constructions, Housing, Industry and Mining sectors, Exportation of machineries and consumable commodities. Mr. KAMRANI also named some of the main challenges they face with such as; lack of liquidity, budgetary implications, Extensive and intensive margins of export.
- Representative of PAKISTAN, Ms. Tayaba BATOOL, Senior Research and Evaluation Specialist in the Ministry of Commerce of Pakistan made a presentation titled "Exim Bank Pakistan". She shared a brief history of the bank with the participants. She expressed that EXIM Bank Pakistan aimed at reducing cost of borrowing for exporting sectors on short, medium and long term basis and helps to reduce the risks of exporters through export credit guarantees and insurance facilities. She told that currently available credit facilities are; Export Finance Scheme for ST credit provided by banks and refinanced by the State Bank, MT and LT financing for purchase of machinery and Credit facility for export sales on down payment in foreign currency.
- Representative of TURKEY, Ms. F. Zehra SAYAR, Coordinator in the Türk Eximbank made a presentation regarding her institutions's work. Ms. SAYAR firstly provided some information on history, capital base and organizational structure of the bank. She then gave detailed information on Türk Eximbank's products namely working capital loans, insurance products and international loans. Ms. SAYAR also mentioned Türk Eximbank's international operation. She told that they have categorized countries in 7 different categories based on risk evaluation and they provide financing within the maximum limits of USD 750 million and USD 350 million (respectively for category 1 and 7). She stated that as of 2014, their total support reached USD 31.1 billion. Ms. SAYAR also expressed that Türk Eximbank have very strong relations with IDB going back to early 1990s and they are the agent of IDB products in Turkey. She concluded her presentation by telling that they have signed over 30 Agreements with counterparts around the world which includes cooperation regarding recovery-debt

collection following claims payment, reinsurance/parallel insurance in third countries, bilateral economic relations, staff training / exchanging knowledge, information and expertise.

## 7. International Institutions' Perspective

- Representatives of the Berne Union, the Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC) and International Islamic Trade Finance Corporation (ITFC) made presentations for sharing their institutions' perspectives on export financing and insurance services.
- Mr. Fabrice MOREL, Deputy Secretary General of the Berne Union described the importance of risk mitigation tools in the form of credit and investment insurance to support international trade in his presentation. He shared credit insurance business trends as observed in Berne Union statistics, and explained their link to world economic events. Mr. MOREL started with a brief reminder about basic principles of credit insurance by telling that credit insurance protects suppliers of goods and services against the risk of non-payment by a buyer after delivery. He added that banks themselves can also be insured against the risk of default by foreign borrowers, thus enabling them to extend loans to foreign entities, purchasing goods and services from national exporters. Many international trade and export transactions would not take place without the support of Berne Union members and other credit insurers.
- Mr. MOREL continued his presentation by providing more information on Berne Union. He stated that the Berne Union includes basically all government-backed Export Credit Agencies (ECAs) worldwide as well as the largest private market insurers. Jointly, Berne Union members insured \$1.9 trillion worth of cross border transactions, thereby facilitating 10% of international trade. He added that in the group of the OIC countries, the largest short term credit limits of the Berne Union, are to be found on Turkey, the UAE, Saudi Arabia and Indonesia, with amounts between \$10 and \$15 billion each.
- Mr. MOREL told that globally, Berne Union members have paid out \$27 billion in insurance claims since 2009, mitigating the financial consequences of defaults for exporters and investors. Moreover, while international trade globally collapsed by more than 20% in 2008/2009, the volume of credit insurance offered by members of the Berne Union reduced only by 10%, showing the support given to exporters and investors to continue trading in difficult times.

- Mr. Hussein JAMA, Advisor to CEO of the Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC) made a presentation on ICIEC's activities in the area of trade investment and insurance.
- Mr. JAMA firstly introduced ICIEC by expressing that the ICIEC is owned by the Islamic Development Bank Group in addition to 43 member countries from Asia, Africa and Europe and it is the only Export Credit Agency in the world that provides export credit & Investment insurance in compliance with the Islamic Shariah. He also mentioned that ICIEC's mandate has four targets namely; To encourage exports from Member Countries to the rest of the World, To encourage the flow of capital and investment from the World to Member Countries, Helping Member Counties' import of strategic and capital goods from the world and finally Covering domestic sales inside member countries.
- Mr. JAMA shared some graphs and tables illustrating ICIEC's products and operations. He said that Export & Domestic Credit Insurance, Trade Finance and Investment Insurance, Trade Credit Insurance and Political Risk Insurance are the main areas they provide products. Mr. JAMA also showed some graphs illustrating ICIEC's transactions between different stakeholders.
- In final part of his presentation, Mr. JAMA briefed participants on AMAN Union which was formed in 2009, under the leadership of ICIEC and DHAMAN. He stated that AMAN Union aims at strengthening cooperation between ECAs in the OIC Member Countries. He added that Aman Union currently includes 17 ECAs from the OIC Member Countries, 3 Associate and 11 observer ECAs.
- Mr. Ahmed Şuayb GÜNDOĞDU, Manager in International Islamic Trade Finance Corporation (ITFC) made a presentation regarding ITFC's products for trade financing namely; Direct Murabaha, Two-Step Murabaha Line of Financing, Disbursement under Documentary Collection, Two-Step Murabaha for ECA Export Financing, Assignment of Export Receivable, Restricted Mudaraba. He shared several graphs with participants to better explain transactions under each product type.

## 8. Utilizing the COMCEC PCM

- The last presentation was made by Mr. Enis YILDIRIM, Expert at COMCEC Coordination Office (CCO) on the COMCEC Project Funding introduced by the COMCEC Strategy.
- Mr. YILDIRIM began his presentation with elaborating on what COMCEC Project Funding was and where it stood in the COMCEC Strategy in order to open a good

ground for participants to have a better understanding regarding the project funding process of the COMCEC.

- After demonstrating the audience the basic logical framework and the mechanism to be followed during the process, Mr. YILDIRIM highlighted the procedures and financial framework of the mechanism in general.
- Regarding the submission of the projects, Mr. YILDIRIM informed the participants that only member countries registered to the Working Groups and OIC Institutions can submit the projects to the CCO.
- He expressed that all project proposals must have direct compliance with the principles of the COMCEC Strategy which are enhancing mobility, strengthening solidarity and improving governance. He also mentioned that the nature of the projects would be always of soft nature related to technical cooperation and capacity building such as study visits, trainings programs, exchange of experts, needs assessments and impact analysis, visibility/publicity/promotional activities, conferences and workshops.
- After underlining the possible activities, three key actors and their responsibilities during the whole process were identified; Project Owner (Project Submission and Implementation); the CCO (Program Management) and the Intermediary Bank (Project Monitoring and Financing). Moreover, the roles of these key actors throughout the project application, implementation and financing process were defined.
- With respect to the financial framework, Mr. YILDIRIM emphasized that the funds are grant in nature and would be provided by the COMCEC Coordination Office for the 2013-2015 period. He said that Member Countries could submit a project with a budget up to USD 250.000 with the condition that they would cover at least %10 of the total budget (cash or in kind) whereas for the OIC Institutions, this amount would be USD 100.000 and at least %25 should be covered by the project owner.
- Mr. YILDIRIM also touched upon some recent developments in terms of improving PCM mechanism. He listed some of the new developments as; the independent appraisal of project proposals, revised durations for project submission periods, upper limit for Project Coordinator's and Project Expert's fees. He also underlined that as a new criteria, projects within the same sectoral themes of Working Group Meetings will have a higher chance for selection. He stated that the sectoral themes in the trade cooperation which are listed in the project implementation guidelines.

- Lastly, Mr. YILDIRIM invited the all participants to apply for next call for project proposals which will be announced in September 2015.

## 9. Closing Remarks

- The Meeting ended with closing remarks of Mr. Metin EKER, Director General of the COMCEC Coordination Office.
- Mr. Metin EKER thanked all the representatives for their attendance and precious contributions. Mr. EKER expressed that they had a fruitful day of discussion with very valuable participation of the member countries as well as the institutions. He also underlined that the policy debate session was highly beneficial since it was agreed upon several policy options which would not only improve current situation in the OIC Countries but also would serve to policy approximation among the brotherly Member Countries.
- Mr. EKER informed the august house that the next meeting, 7th Meeting of the COMCEC Trade Working Group will be held on September 17th, 2015 in Ankara with the theme of “Establishing Well-Functioning National Trade Facilitation Bodies in the Member States”. He stated that a research report will also be prepared on this theme and will be shared with the focal points and other participants at least one month before the meeting.
- Mr. EKER concluded his remarks by thanking to all participants and expressed his hope to see them in the next meeting of the Trade Working Group.



## **Annex I: List of Participants of the Fifth Meeting of the COMCEC Trade Working Group**

### **A. INVITED STATES**

#### **PEOPLE'S REPUBLIC OF BANGLADESH**

- Mr. SYED ABDUL HAMID  
Managing Director and Ceo, Agrani Bank Limited

#### **THE REPUBLIC OF CAMEROON**

- Mr. AOUSSINE BOUBA  
Chief Inspector, Ministry of Trade

#### **THE REPUBLIC OF INDONESIA**

- Mr. PUDJIYANTO  
Division Head of UN and Non UN Bodies, Ministry of Trade
- Mr. YUDHI TRILAKSONO  
Financing Division Head, Indonesia Eximbank
- Mr. SARI HANDINI MUHTI  
Foreing Trade Policy Analyst, Ministry of Trade
- Mr. RANDY RAHMATULLAH  
Relationship Manager, Indonesia Eximbank

#### **ISLAMIC REPUBLIC OF IRAN**

- Mr. KAMRAN REZVANI  
Head of Department, Export Development Bank of Iran

#### **THE REPUBLIC OF IRAQ**

- Mr. RAAD KASHASI SINAM  
Ministry of Trade
- Mr. AYAD MOHAMMED

#### **THE KYRGYZ REPUBLIC**

- Mr. MEERIM MOMUNZHANOVA  
Head of Division/Sector of External Trade,  
Ministry of Economy of the KR

### **THE KINGDOM OF MOROCCO**

- Mr. MAJIDA ELJAAFARI  
Head of the Competitiveness Support and Strategic Watch

### **THE REPUBLIC OF MOZAMBIQUE**

- Mr. CECILIA EMILIO CANDRINHO  
Export Promotion Institute

### **THE SULTANATE OF OMAN**

- Mr. SALIM AL HAJRI  
Economic Researcher, Supreme Council For Planning
- Mr. IMAAD AL HARTHY  
Operation Manager, ECGA of Oman

### **ISLAMIC REPUBLIC OF PAKISTAN**

- Ms. TAYABA BATOOL  
Senior Research and Evaluation Specialist,  
Ministry of Commerce

### **THE STATE OF PALESTINE**

- Mr. AZMI ABU GHAZALEH  
Economic Counsellor, Embassy of the State of Palestine

### **THE STATE OF QATAR**

- Ms. HAJAR AL HAJRI  
Export Development Officer, Qatar Development Bank
- Mr. NAYEF AL HAJRI  
Head of Foreign Trade Dev. Section,  
Ministry of Economy and Commerce
- Mr. MOHAMMED AL-MANSOURI  
Relationship Manager / Qatar Development Bank

### **THE REPUBLIC OF SENEGAL**

- Mr. AMINATA KANE  
Commissioner

### **THE REPUBLIC OF SUDAN**

- Mr. EBTİHAL MOHAMED OSMAN BAHSİR  
First Secretary Embassy of Sudan

### **THE KINGDOM OF SAUDI ARABIA**

- Mr. SAOUD AL MOHEISIN  
Export Finance Consultant, Saudi Fund for Development

### **THE TUNISIAN REPUBLIC**

- Mr. ANIS HAJRI  
Counsellor, Embassy of Tunisia

### **THE REPUBLIC OF TURKEY**

- Mr. KAMİL KAAAN SÜRMEĻİ  
Head of Department,  
Union of Chambers and Commodity Exchanges of Turkey
- Ms. ŐEHLA ALİ HASAN  
Expert, Union of Chambers and Commodity Exchanges of Turkey
- Mr. TALAT KAYA  
Chief of Department, Ministry of Economy
- Ms. AYŐEGÜĻ DEMİREL  
Foreign Trade Expert, Ministry of Economy
- Mr. HASAN YALÇIN  
Deputy Director General, Ministry of Economy
- Mr. MEHMET AHMET DEMİR  
Foreign Trade Assistant Expert, Ministry of Economy
- Ms. BANU ERKOK  
Manager, Export Credit Bank of Turkey
- Mr. MEHMET YEŐİLYAPRAK  
Head of Department, Export Credit Bank of Turkey
- Ms. F. ZEHRA SAYAR  
Coordinator, Türk Eximbank
- Ms. AYŐE FERDAĞ TEKİN  
Foreign Trade Expert, Ministry of Economy

- Ms. DUYGU BEYOĞLU  
Foreign Trade Assistant Expert, Ministry of Economy
- Mr. NURULLAH ASIM AKBULUT  
Assistant Foreign Trade Expert, Ministry of Economy
- Mr. İBRAHİM ÖZKAYA  
Expert, Ministry of Economy

## **B. INVITED INSTITUTIONS**

### **BERNE UNION**

- Mr. FABRICE MOREL  
Deputy Secretary General

### **THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT (ICIEC)**

- Mr. JAMA HUSSEIN K  
Advisor to the CEO

### **ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)**

- Mr. MAMOUDOU BOCAR SALL  
Head of Department, Studies and Training

### **INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC)**

- Mr. AHMET ŞUAYB GÜNDOĞDU  
Manager

## **C. CONSULTANT**

- Ms. DIANA SMALLRIDGE  
President, International Financial Consulting Ltd

## **D. COMCEC COORDINATION OFFICE**

- Mr. M.METİN EKER  
Director General, Head of COMCEC Coordination Office
- Mr. MUSTAFA TEKİN  
Head of Department
- Mr. SELÇUK KOÇ  
Head of Department
- Mr. FATİH KAYA



Head of Department

- Mr. AHMET OKUR  
Expert
- Mr. KAÇAN AKDOĞAN  
Expert
- Ms. VİLDAN BARAN  
Expert
- Mr. ENİS YILDIRIM  
Expert
- Ms. HANDE ÖZDEMİR  
Coordination of Registration Office
- Ms. HAVVA KÖSEOĞLU  
Coordination of Registration Office
- Ms. EMİNE DEMİREL  
Coordination of Documentation Center
- Mr. OZAN LİF  
Coordination of Documentation Center
- Mr. KEMAL ARSLAN  
Coordination Meeting Rooms
- Mr. ALİ VURAL  
Coordination Meeting Rooms
- Mr. ERCAN İBİK  
Coordinator of Transportation
- Ms. LEYLA AŞK  
Social Program
- Mr. NİHAT AKBALIK  
Protocol Relations

## Annex II: Programme of the Fifth Meeting of the COMCEC Trade Working Group



**PROGRAMME  
OF THE  
5<sup>TH</sup> MEETING OF THE COMCEC TRADE WORKING GROUP**  
(March 26th, 2015, Crowne Plaza Hotel, Ankara-Turkey)

*“Improving the Role of Eximbanks/Export Credit Agencies (ECAs) in the OIC Member States”*

**08.30-09.00 Registration**

**09.00-09.15 Opening Remarks**

**09.15-09.45 COMCEC Trade Outlook**

- Presentation: *Ms. Vildan BARAN*  
*Expert*  
*COMCEC Coordination Office*

- Views and Comments

**09.45-11.00 Role of ECAs in International Trade and ECAs in the OIC Member States**

- Presentation: *Ms. Diana SMALLRIDGE*  
*President*  
*International Financial Consulting*

### Questions for Discussions

- What is the importance of ECAs and what is their impact on international trade?
- What are the general characteristics including institutional structures and operations of ECAs in the OIC Member Countries?



**11.00-11.15 Coffee Break**

**11.15-12.30 Best Global ECA Practices and Recommendations**

- Presentation: *Ms. Diana SMALLRIDGE*  
*President*  
*International Financial Consulting*

Questions for Discussions

- What are the best ECA practices worldwide, and common success factors?
- What measures can be taken to establish well-functioning ECAs and what could be done to improve effectiveness of existing ECAs in the OIC Member Countries?

**12.30-14.00 Lunch**

**14:00-16:00 Policy Options for Establishing Well Functioning ECAs in the OIC Member Countries**

**Policy Debate**

*There will be a policy discussion under this agenda item. The discussions will be based on the Analytical Study and responds to the Policy Questions circulated by the CCO.*

**16.00-16.15 Coffee Break**

**16.15-17.00 Member Country Presentations**

- Views and Comments

**17.00-18.00 International Institutions' Perspective**

- Presentation: *Mr. Fabrice MOREL*  
*Deputy Secretary General*  
*Berne Union*
- Presentation: *Mr. Hussein JAMA*  
*Advisor to CEO*  
*The Islamic Corporation for the Insurance of Investments*  
*and Export Credit (ICIEC)*
- Presentation: *Mr. Ahmed Şuayb GÜNDOĞDU*  
*Manager*

*International Islamic Trade Finance Corporation (ITFC)*

Questions for Discussions

- What opportunities do international institutions provide to ECAs?
- How Member Countries can benefit from international cooperation?

**18.00-18.20 Utilizing the COMCEC PCM**

-Presentation: Mr. Enis YILDIRIM  
*Expert*  
*COMCEC Coordination Office*

- Views and Comments

**18.20-18.30 Closing Remarks**

## Annex III: Room Document Circulated Prior to the Meeting for the Policy Roundtable Session

### ROOM DOCUMENT FOR THE POLICY ROUNDTABLE SESSION

A policy debate session will be held during the 5<sup>th</sup> Meeting of the Trade Working Group regarding the possible policy actions to be taken to approximate member state policies in the field of Export Credit Agencies (ECAs) and Eximbanks. The items to be discussed at this session were identified by taking into consideration the analytic study titled “Improving the Role of Eximbanks in the OIC Member States”, as well as the responses of Member States to the policy questions sent by the COMCEC Coordination Office specifically for this meeting.

#### **Policy Advice 1: Member States are encouraged to examine and assess the financing needs of their exporters**

##### ***Rationale:***

Exporters need a variety of financing and risk management products at various stages in the exporting cycle. Some of these needs are met through their day-to-day banking relationship while others represent risks and requirements beyond what a commercial bank would normally be willing to service, such as providing cover for foreign buyer risk. Understanding and assessing such needs of exporters is an important policy action to be taken by governments.

#### **Policy Advice II: Member States are invited to enhance transactional cooperation among their ECAs**

##### ***Rationale:***

Because of the nature of international trade, ECAs are naturally driven towards collaboration with each other. In the instance where production may be in one country and the supply of inputs can come from many countries, this can mean that exporters or contractors have to negotiate financing with a range of ECAs to put together a multi-sourced package. Over the past many years, some ECAs of developed countries have recognized this difficulty and have agreed to a series of co-operation/reinsurance agreements between themselves.

The trend towards this kind of cooperation is increasing as global value chains proliferate. Such cooperation models could serve as inspirational examples for the OIC Member States.

However, there have been a number of examples of such arrangements of OIC ECAs with ICIEC but not between national OIC ECAs.

**Policy Advice III: Member States are encouraged to review the soundness of their ECAs with the aim of improving the overall performance of the ECA.**

**Rationale:**

An effective ECA is operationally and financially sustainable. Its expertise is well-recognized and sought after, its portfolio is actively managed and its internal processes are not bureaucratic. Moreover, an effective ECA balances a range of stakeholder needs and interests, including the government, exporters and private sources of financing and insurance. Therefore, a “sound” export credit system implies that the ECA itself is well managed and that it is working with the existing private sources of finance and insurance. In addition, as a public policy vehicle on behalf of the government, the ECA must strike a balance between – at times – conflicting objectives, i.e. meeting policy and developmental objectives and being financially sustainable.

Periodic reviews to look at the relevance of the institution’s operations will help the ECA and its guardian authority to identify particular areas of focus and allow the institution to take corrective action, where applicable. Such assessments will enable ECA management and operational staff to re-evaluate policies, approaches and offerings to more effectively serve exporters.

**Policy Advice IV: Member states are called on to promote public-private dialogue within the ECA context**

**Rationale:**

Many ECAs see their role as working in partnership with private sector financial institutions in order to help them take risks that they would otherwise not be willing to take. An ECA can be an effective catalytic financial instrument to draw in existing commercial banks to fund export transactions and to share risks. The advantage in such a strategy is that not only does the ECA fill an existing market gap, but it also facilitates the private sector to develop and become more able and willing to meet the needs of the market in the future. Understanding possible alternative methods/products to address the problem may suggest potential for partnering with the private sector. Thus, consulting with them throughout project design and preparation is needed in order to develop a structure that will maximize their involvement and best leverage official resources, as well as meet exporter needs.

The best ECA is one which strikes an appropriate balance between a) minimizing the risk position of the government; b) optimizing the involvement of the commercial banks and private financiers and c) meeting the needs of exporting companies.

***Instruments to Realize the Policy Advice:***

**COMCEC Trade Working Group:** In its subsequent meetings, the Working Group may elaborate on the above mentioned policy areas in a more detailed manner.

**COMCEC Project Funding:** Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects each year. With the COMCEC Project Funding, the Member Countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For the above mentioned policy areas, the Member Countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparing of analytical studies, needs assessments and training materials/documents, etc.

**Capacity Building Activities:** With the COMCEC Coordination Office's resources and Member Countries' own resources, some capacity building and technical assistance programs on the aforementioned policy areas can be organized in the Member Countries. These programs and activities may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparing of analytical studies, and other similar activities.