

## Brief Note on OIC Business Intelligence Center

*(The OIC Institutions are expected prepare one-page brief notes regarding the main programs/activities (limited to 2 pages) in line with the sample template)*

### **Brief Description of the Programs/Activities:**

1. Taking into account the specific mandate of The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) as mentioned in its Articles of Agreements “The objective of the Corporation shall be to enlarge the scope of trade transactions and the flow of investments among Member States”, ICIEC has embarked on initiating a study on the possibility to create an OIC Credit Information Bureau where the main goal was to replicate the success story of the Aman Union’s database.
2. After multiple internal and external consultations with stakeholders, ICIEC has decided to widen the initial scope of Credit Information so to include the setting up of an OIC Business Intelligence Centre where it will tackle, across the OIC region, the deficiencies in the availability of Business Intelligence Data to enabling Decision Making..
3. The COMCEC’s Follow Up Committee (08-10 May 2018, Ankara, Turkey) took note of the First Interim-Report on the OBIC and recommend to ICIEC to submit the said Interim-Report to MCs in order to enrich the document with their feedbacks by July 30, 2018.
4. Comments and inputs from distinguished MCs and OIC organs, among them, Turkey, Sudan, Egypt, Brunei and Azerbaijan, which commended the ICIEC’s proposal as well as the Interim Report and they provide us with guiding principles and technical updated information captured in the Report and Resolutions in front of the Distinguished Representatives from MCs.
5. During the 34<sup>th</sup> COMCEC Ministerial Meeting (29 November 2018), the following ministerial resolution was adopted and which reads as follows “ *Takes note with appreciation of the IDB Group’s initiative called “OIC Business Intelligence Center” led by the ICIEC and requests the IDB Group, in particular the ICIEC, to start operationalization of this initiative as an OIC Program under one of the IDB Regional Hub, in close partnership with SESRIC and other relevant OIC institutions as required”*
6. During the 35<sup>th</sup> Session of the COMCEC (25-28 November 2019), the following resolutions were adopted, and which read as follows:
  - *“70- Welcomes the mutual arrangement between IsDB Group, in particular ICIEC and SESRIC regarding the allocation of space location and other relevant resources by SESRIC for technical instruments for the OIC Business Intelligence Programme.”*
  - *“71-Takes note of the Report prepared by ICIEC on OIC Business Intelligence Programme and requests the ICIEC and SESRIC to complete the technical preparations for launching the Programme at the earliest.*
  - *“72-Also requests ICIEC in cooperation with SESRIC to conduct a survey for assessing the commercial data and credit information sharing systems of the Member Countries in order to ensure the operationalization of the Programme in line with the priorities and regulations of the Member Countries.*
7. The main objectives of the OBIC:
  - a. Build best-in-class business intelligence ecosystem development capability to serve all OIC MCs (regulatory guidelines, data collection, security, consumer/creditor rights, cross-border data flow frameworks, PPP, Industry Association, other);
  - b. Develop a best-in-class business intelligence database/digital platform that covers cross-border credit registry and linked credit bureau services (OIC wide with potential Hub & Spoke model);

<ul style="list-style-type: none"> <li>c. Provide advisory services including capacity building to MCs across the different maturity levels to drive business/credit intelligence impact across all members;</li> <li>d. Deliver an optimal operational model with key strategic partnerships and potential regional offices network and adoption model that serves all MCs at various maturity levels; and</li> <li>e. Establish a strong business model for the Center to ensure long-term sustainability and impact.</li> </ul> <p>8. Enhancing the OIC’s credit information ecosystem will impact positively on the following:</p> <ul style="list-style-type: none"> <li>a. It could boost private-sector lending in the least developed OIC member states by an estimated \$670 billion a year<sup>1</sup>. In addition, rates of non-performing loans could potentially be reduced by 7.75 percentage points;</li> <li>b. It will boost the OIC Intra-Trade from its current level of US\$ 539 bn which represents 19.9% share of total OIC Trade;</li> <li>c. It will potentially reduce the rates of Non-Performing Loans By at least 7%;</li> <li>d. Credit information systems boost lending by up to 50% of GDP, reduce costs substantially and can financially assimilate the 2 billion unbanked, with an observable impact on FDI. In 2016, OIC countries had \$ 96.3 bn in FDI (only 6.6% of global FDIs); and</li> <li>e. Other key benefits include financial inclusion of MSME’s, FDI growth and Intra-OIC trade boost.</li> </ul>
<p><b>Target Audience/Beneficiaries:</b></p> <ul style="list-style-type: none"> <li>– OIC Member Countries;</li> <li>– Private and Public Stakeholders; and</li> <li>– Business community.</li> </ul>
<p><b>Main Achievements:</b></p> <ul style="list-style-type: none"> <li>– ICIEC and SESRIC have designed the Questionnaire described in Resolution No. 72 of the 35<sup>th</sup> Session and work is currently undergoing to send the survey out to concerned entities in Member Countries;<sup>2</sup></li> <li>– SESRIC and ICIEC have met and agreed on formation of two Committees i.e. the Executive Committee and the Technical Committee and a Resolution was issued on 31 August 2020 in this respect by the CEO, ICIEC and the DG, SESRIC to name the members and Terms of Reference (ToRs) for each Committee.<sup>3</sup></li> </ul>
<p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>– SESRIC has offered to host temporarily the OBIC as OIC Programme;</li> <li>– SESRIC will host temporarily the OBIC Technical Team;</li> <li>– IsDB Group including ICIEC and SESRIC shall identify and approach the potential partners/donors from MCs.</li> <li>– Private and public sectors shall be invited to co-fund the OBIC;</li> <li>– ICIEC and SESRIC will develop a communication strategy toward Tier A Group so to ensure buy-in by OIC MCs as well as a proper regional presence of the OBIC across the OIC region;</li> <li>– ICIEC in cooperation with SESRIC to discuss and devise the funding plan of the OBIC; and</li> <li>– ICIEC and SESRIC to prepare and submit Implementation Roadmap of the OBIC as per the TORs of the established Committees (Executive &amp; Technical).</li> </ul>

<sup>1</sup> Based on applying credit information to private sector loan correlation evidence by a World Bank & Harvard University study of OIC countries.

<sup>2</sup> See enclosed Questionnaire.

<sup>3</sup> See enclosed Resolution.

**Follow up actions & Timeline:**

**September 2020 -April 2021**

**1. Review and update the following pending items that were not implemented due to the COVID-19:**

- Finalize the OBIC Implementation Roadmap and funding strategy.
- Review and Update the Budget and Business Plan for the next 5 years;
- Discuss and recommend the OBIC future headquarters as well as the location of regional hubs across Tier A, Tier B, Tier C, and Tier D categories
- Discuss and submit the OBIC Governance Structure (including Board of Executive Directors and Board of Executive Management);

**May 2021- September 2021**

**1. Discuss and recommend the following for the 37<sup>th</sup> COMCEC Follow Up Committee:**

- Discuss and submit the Legal Documents such as Articles of Agreements between the States Parties namely MCs, IsDB, ICIEC and SESRIC as well as Charter including operating procedures and operations regulations and Delegation of Authority (DOA); and
- Provide a study and RFP documents for cost-effective IT solution architecture and implementation of the OBIC Platform.

**October 2021- December 2021**

- Discuss and recommend the date for the Official launching of the OBIC

## Draft Resolutions

- **Welcomes** the mutual arrangements between ICIEC and SESRIC regarding the issuance of a Resolution for the formation of an Executive Committee and a Technical Committee for implementation of the OIC Business Intelligence Center (OBIC).
- **Takes note** of the Questionnaire prepared by ICIEC and SESRIC for conducting a survey for assessing the commercial data and credit information sharing systems of the Member Countries in order to ensure the operationalization of the Project in line with the priorities and regulations of the Member Countries.
- **Also requests** ICIEC and SESRIC to continue and ensure delivery of the Questionnaire to maximum number possible of entities in Member Countries and analyze the replies received in order to prepare a report, with findings and recommendations for presentation to the 37<sup>th</sup> Meeting of the COMCEC Follow-up Committee.