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 34th 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 35th 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);

c. Provide advisory services including capacity building to MCs across the different maturity levels to drive business/credit intelligence impact across all members;

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

e. Establish a strong business model for the Center to ensure long-term sustainability and impact.

8. Enhancing the OIC's credit information ecosystem will impact positively on the following:

a. It could boost private-sector lending in the least developed OIC member states by an estimated $670 billion a year[1]. In addition, rates of non-performing loans could potentially be reduced by 7.75 percentage points;

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;

c. It will potentially reduce the rates of Non-Performing Loans By at least 7%;

d. Credit information systems boost lending by up to 50% of GDP, reduce costs substantially and 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

e. Other key benefits include financial inclusion of MSME's, FDI growth and Intra-OIC trade boost.

Target Audience/Beneficiaries:
− OIC Member Countries;
− Private and Public Stakeholders; and
− Business community.

Main Achievements:
− ICIEC and SESRIC have designed the Questionnaire described in Resolution No. 72 of the 35th Session and work is currently undergoing to send the survey out to concerned entities in Member Countries;[2]
− 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.[3]

Recommendations:
− SESRIC has offered to host temporarily the OBIC as OIC Programme;
− SESRIC will host temporarily the OBIC Technical Team;
− IsDB Group including ICIEC and SESRIC shall identify and approach the potential partners/donors from MCs.
− Private and public sectors shall be invited to co-fund the OBIC;
− 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;
− ICIEC in cooperation with SESRIC to discuss and devise the funding plan of the OBIC; and
− ICIEC and SESRIC to prepare and submit Implementation Roadmap of the OBIC as per the TORs of the established Committees (Executive & Technical).

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

[2] See enclosed Questionnaire.

[3] 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 37th COMCEC Follow Up Committee**:
   - Discus 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 37th Meeting of the COMCEC Follow-up Committee.

The Organization of the Islamic Cooperation
Business Intelligence Center (OBIC)

Questionnaire for Assessment of Business Information Systems
in the Member Countries of
the Organization of Islamic Cooperation

Institution Name: **Country:**

Address: **Contact Details:**

         Tel.:   Fax:

         E-mail: Website:

Business Activity: **Type: Public/Private**

Name of General Manager/CEO/Chairman: **No. of Years in Business:**

Part 1. For Business Information Providers

1.1.   **We would appreciate to have your feedback on the following statements. Please select <u>only one rating</u> by putting a check [X] mark under the relevant column.**

		Strongly Disagree 0	Somewhat disagree 1	Neither agree nor disagree 2	Some what agree 3	Strongly Agree 4
1	Credit Reporting Systems are mature in your country					
2	The existing rules and regulations in your country help in development of the credit reporting systems					
3	There is enough awareness about the importance of credit reporting systems among banks, financial institutions, exporters, importers … etc.					
4	Credit Reporting Institutions are facing difficulties during the collection of data					
5	Data collected from different sources is reliable and up-to-date					
6	It is easy to collect legal and financial information on entities for credit reporting purposes and there is always a sense of cooperation in this regard					
7	Government authorities are always cooperative when they are requested to provide information from official records					
8	One of the ways and means to improve Credit Reporting Systems in your Country is to build local/regional/international partnerships with other Credit Reporting Agencies					
9	The OIC is currently working on initiative for establishing a Business Intelligence Center to serve the business communities in its Member Countries. Please provide your opinion whether you agree/disagree on the importance of establishing this Center					

1.2. What types of Credit/Business Information Reports are you currently producing?

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1.3. In your opinion, what are the obstacles and challenges that face the Credit Reporting business in your Country?

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1.4. Please provide the details of the Regulatory Body that governs the Credit Reporting System in your Country:

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1.5. Which institutions in your country submit information to the credit registry or retrieve information from it?

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1.6. What is the minimum loan size (in local currency) that is included in your database, if any?

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1.7. For how long are historical data preserved in your database and distributed in credit reports?

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1.8. If you collect information on defaults or restructured debts and on arrears or late payments, after how long is this information erased from the credit report (immediately, never or after a certain period of time)?

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1.9. Is there a formal mechanism for borrowers to submit disputes or correct inaccuracies regarding the information in their credit report?

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1.10. Do banks and financial institutions have online access to your registry's data (through a web interface, system-to-system connection or both)?

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1.11. In the event of establishment of the Business Intelligence Center by OIC, how would your institution be interested in working with the Center as a Partner to provide/share Credit/Business Information on entities in your Country:
- o   Not at all interested
- o   Not very interested
- o   Neither interested nor uninterested
- o   Somewhat interested
- o   Extremely interested

1.12. Any additional information/comments you would like to add:

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Part 2. For Business Information End Users

2.1. We would appreciate to have your feedback on the following statements. Please select only one rating by putting a check [X] mark under the relevant column.

		Strongly Disagree 0	Somewhat disagree 1	Neither agree nor disagree 2	Some what agree 3	Strongly Agree 4
1	Credit Reporting Systems are mature in your country					
2	The existing rules and regulations in your country help in development of the credit reporting systems					
3	Your Clients are showing cooperation to provide data and details to Credit Information Reporting Agencies when they are contacted on your behalf					
4	Data and Reports you obtain from your Credit Information Suppliers are reliable and fully satisfying your requirements for risk assessment					
5	The infrastructure to link your Company with its Credit Information Supplier is advanced					
6	Credit Information Reporting Regulations in your Country fully observe the rights of the Clients					
7	Banks and financial institutions in your Country are always ready to provide complimentary information on Clients					
8	One of the ways and means to improve Credit Reporting Systems in your Country is to build local/regional/international partnerships with other Credit Reporting Agencies					
9	The OIC is currently working on initiative for establishing a Business Intelligence Center to serve the business communities in its Member Countries. Please provide your opinion whether you agree/disagree on the importance of establishing this Center					

2.1. What types of Credit/Business Information Reports are you currently obtaining from your Providers?

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2.2. In your opinion, what are the obstacles and challenges that face the Credit Reporting business in your Country?

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2.3. Is there any cost for borrowers to inspect their data?

2.4. Does your provider provide a sample credit report on its website with explanations on its components to help borrowers understand their own credit report?

2.5. Is there a formal mechanism for borrowers to submit disputes or correct inaccuracies regarding the information in their credit report?

2.6. Please provide the details of the Regulatory Body that governs the Credit Reporting System in your Country:

2.7. In the event of establishment of the Business Intelligence Center by OIC, how would your institution be interested in working with the Center as a Beneficiary to obtain/share Credit/Business Information on entities in your Country:

o   Not at all interested
o   Not very interested
o   Neither interested nor uninterested
o   Somewhat interested
o   Extremely interested

2.8. Any additional information/comments you would like to add:

RESOLUTION

Concerning the Establishment of Executive and Technical Committees for Devising a Roadmap for the Launch and Operationalization of the OIC Business Intelligence Centre (OBIC)

(Adopted on August 31, 2020)

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC),

AND

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC);

Having regard to:

– Article 25 of the Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC),
– Resolution No. 2/8-E adopted by the Eighth Islamic Conference of Foreign Ministers (ICFM), held in Tripoli in May 1977, establishing the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) as a subsidiary organ of the Organization of Islamic Cooperation (OIC);
– The 34th COMCEC Ministerial Session Resolution No 68 "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" (see enclosed Annex I),
– The 35th COMCEC Ministerial Session Resolution No 71 under which the Report on OIC Business Intelligence Center (the **"OBIC Report"**) was endorsed (see enclosed Annex II) and ICIEC and SESRIC were requested to complete the technical preparations for launching the program.

DECIDE:

1. To establish two committees to be called the Executive Committee for Validating and Approving the Roadmap and the Implementation Plan of OBIC (the **"Executive Committee"**) and the Technical Committee for Developing such Roadmap and Implementation Plan (the **"Technical Committee"**).

Composition and Responsibilities of the Executive Committee

2. The Executive Committee shall be composed of the following:

    – Br. Oussama A. KAISSI, CEO, ICIEC;
    – Br. Nabil Dabur, DG, SESRIC;
    – Br. Mohamud Khalif, Acting Director Insurance Operations, ICIEC;
    – Br. Fadi Farasin, Assistant Director General, SESRIC;
    – Br. Mohammad Al-Sayed, Manager IT, ICIEC; and
    – Br. Al-Tayeb Abbas Fadlallah, Associate Strategic Planning and Communication, ICIEC.

The CEO of ICIEC and DG of SESRIC shall mutually appoint the Chairman of the Executive Committee during the first meeting for the purposes of conducting and supervising the proceedings of the Executive Committee.

3. The Executive Committee shall have the responsibilities including

    – The Executive Committee shall be responsible for overseeing the preparation of the roadmap and implementation plan of OBIC by the Technical Committee.
    – The Executive Committee shall set vision, priorities, provide strategic orientation and direction, resolve any issues, and ensure adherence to the objectives provided in the OBIC Report. In this regard an overall guidance, direction and oversight shall be provided to the Technical Committee ensuring it remains within any specified constraints.
    – Ensure that the Roadmap and Implementation Plan is prepared in a manner to strictly comply the mission, vision and objectives of OBIC as stated in OBIC Report.
    – Provide deadlines for different tasks and sub-tasks and clearly set a timeframe to finalize the Roadmap and Implementation Plan of OBIC by Technical Committee.

- Conduct regular meetings to review and validate the progress reports and provide direction and recommendations to ensure that the agreed deliverables are produced by the Technical Committee satisfactorily according to plans;
- Ensure that all deliverables have been produced satisfactorily and review and validate the final Roadmap and Implementation Plan.

4. The Executive Committee may coopt the services of any staff member within IsDB Group and SESRIC to benefit from their relevant experience whenever the need arises. Such staff members may be made part of either of the Committees established here.

Composition and Terms of Reference of the Technical Committee

5. The Technical Committee shall be composed as follows:

- Dr. Atila Karaman, Director Statistics & Information Department, SESRIC;
- Br. Mohammad Al-Sayed, Manager IT, ICIEC;
- Br. Rao Farid Khan, Senior Legal Counsel, ICIEC;
- Br. Raphael Fofana, Underwriting Department, ICIEC;
- Br. Syed Tahir Mahmud, Researcher Statistics & Information Department, SESRIC; and
- Br. Al-Tayeb Abbas Fadlallah, Associate Strategic Planning and Communication, ICIEC.

The first meeting of the Technical Committee shall be convened in accordance with the instructions of the Executive Committee. The CEO of ICIEC and DG, SESRIC shall mutually appoint the Chairman of the Technical Committee during the first meeting of the Executive Committee for the purposes of conducting and supervising the proceedings of the Technical Committee.

6. Terms of Reference of the Technical Committee shall include:

- Develop and prepare OBIC Roadmap and Implementation Plan, and the budget in line with the organizational and strategic guidelines and priorities set by the Executive Committee;
- Review and analyze critical risks associated with the implementation of OBIC, and recommend possible countermeasures/management actions to address specific risks;
- The Roadmap and the Implementation Plan must ensure Member States' needs, and expectations are being met or managed, risks are being controlled, the OBIC project

remains viable, Internal and external communications are working, applicable IsDB rules and regulations are being observed, any legislative constraints are being observed,

— Ensure Executive Committee decisions are followed, and revisions are managed in line with the required procedures.

— Ensure that Quarterly Progress Reports are prepared and submitted to the Executive Committee on time, and according to standards in terms of format and content quality;

— The Technical Committee must at all times ensure the Roadmap and Implementation Plan adheres to the mission, vision and objectives of OBIC stated in the OBIC Report.

7. The Technical Committee shall ensure to finalize the Roadmap and Implementation Plan of OBIC within the timeframe set by the Executive Committee.

8. This Resolution shall become effective from the date hereof and the first meeting of the Executive Committee shall be called as soon as reasonably possible. Such meeting shall be followed by the meeting of the Technical Committee to devise a plan to develop the Roadmap and Implementation Plan of OBIC.

Oussama A. KAISSI
The Chief Executive Officer, ICIEC

Nabil Dabur
The Director General, SESRIC