Brief Note on OIC Business Intelligence Center

*(The OIC Institutions are expected to 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 feedback 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. During the 36th Session of the COMCEC (25-26 November 2020), the following resolutions were adopted, which read as follows:
   - *69- Takes note of the Report prepared by ICIEC on the OIC Business Intelligence Programme and requests the ICIEC and SESRIC to complete the technical preparations for launching the Programme at the earliest.*
   - *70- Also requests ICIEC in cooperation with SESRIC to finalize the 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, and submit the outcomes to the 37th meeting of the COMCEC Follow-up Committee and 37th COMCEC Ministerial Session.*

8. 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.

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

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

11. Key Developments To-date:
   ▪ SESRIC has allocated the necessary office space in its premises for hosting temporarily the OBIC as an OIC Programme, and host the OBIC Technical Team;
   ▪ ICIEC and SESRIC have formed two Committees i.e. the Executive Committee and the Technical Committee, under a Resolution issued on 31 August 2020 in this respect by the CEO, ICIEC, and the DG, SESRIC. The Resolution has named the members from each institution, along with Terms of Reference (ToRs) for each Committee, and a number of meetings were held by both Committees during the past few months to discuss the current status of the initiative and the way forward.
   ▪ A Questionnaire was designed by ICIEC and SESRIC as requested by Resolution No. 72 of the 35th Session;
   ▪ *The Questionnaire was sent out starting 23 December 2020, to 26 Public and Private entities involved in the collection and production of credit/business information, located in 19 Member Countries of Tiers A and B. Despite several reminders made, only 8 responses were received to date, and they were from recipients located in 8 Countries i.e. Kyrgyzstan, Oman, Maldives, Malaysia, Algeria, UAE, and Saudi Arabia.*

12. OBIC's Launch Implementation and Phasing Strategy:
   a. Phase I: (November 2021 to November 2022)
   ▪ The focus will be on funding and starting up pilot projects from the shortlist prioritized potential OBIC hubs. This Phase will also witness the implementation of the Capacity Building Programme for the End Users of the OBIC, with partnership from ICIEC, SESRIC and ICDT.

   b. Phase II: (December 2022 to November 2023)
   ▪ The focus will be more on finalizing the hubs, the main composition of OBIC, along with an extended drive to secure the funding if not met in Phase I.

---

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

c.   Phase III: (November 2023 to November 2024)
- The focus will be on the creation of a database for credit bureaus, testing and deploying of registry technology system, credit reporting events for OBIC and for the credit providers of the countries, and producing a manual of procedures for the operation of the registry and a user guide for End Users culminating in OBIC official launch.

****

Draft Resolutions

- **Welcomes** the mutual arrangements between ICIEC, SESRIC, and ICDT regarding the officialization of the activities of the Executive Committee and the Technical Committee formed in August 2020 for implementation of the OIC Business Intelligence Center (OBIC), and the decision made later to involve and benefit from the expertise of ICDT.
- **Requests** ICIEC, SESRIC, and ICDT to proceed with the implementation of the Capacity Building Programme for the End Users of the OBIC.
- **Also Takes note** of the efforts made by ICIEC, SESRIC, and ICDT in finalizing the Implementation Plan for the OBIC and urges the 3 institutions to closely monitor the implementation of the Plan, especially the marketing and funding phases, and prepare a report for presentation to the 39th Meeting of the COMCEC Follow-up Committee.