



THE ISLAMIC CORPORATION FOR
THE INSURANCE OF INVESTMENT
AND EXPORT CREDIT

IsDB



مجموعة البنك الإسلامي للتنمية
Islamic Development Bank Group

Report on:

ICIEC's Performance for the Period 1st January 2022 to 30th June 2023

Prepared for Submission to
The 39th Ministerial Session of
the Standing Committee for Economic and
Commercial Cooperation of the Organization
of Islamic Cooperation (COMCEC)

Istanbul, Türkiye
December 2 - 5, 2023

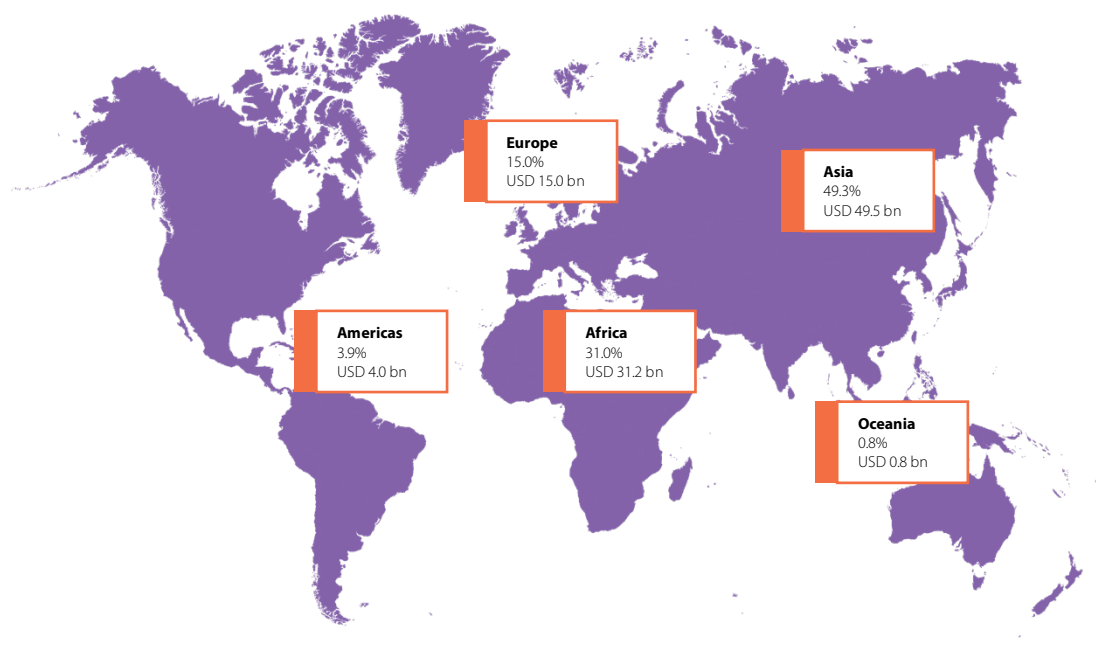
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Executive Summary

ICIEC Since its Inception

- ICIEC is the export credit and investment insurance arm of the IsDB Group. The Corporation has grown to be a significant institutional player in the global insurance market, enabling trade and investment flows for the sustainable economic development of its Member Countries (MCs) and beyond.
- Since inception over the past 30 years, ICIEC has facilitated cumulative Business Insured of USD 100.5 billion to more than 132 countries (including Member and non-Member States) by trade credit and investment insurance services towards the global developmental need and, the betterment of its ultimate stakeholders - the 1.9 billion citizens of its Member Countries. ICIEC has extended insurance cover to the tune of USD 1.5 billion in the Agriculture and Fishery products sector, USD 2.5 billion in Healthcare, USD 13.2 billion in Manufacturing support, USD 32.3 billion to the Energy sector, USD 6.5 billion related to Infrastructure, USD 5.3 billion to Services, USD 4.1 billion for the Mining and quarrying sector, USD 1.7 billion in Retail and Distribution sector and USD 33.4 billion across other sectors.



- The cumulative business insured in Asia totals a volume of USD 49.5 billion (49% of total business insured), followed by USD 31.2 billion in Africa (31%), USD 15.0 billion in Europe (15%), USD 4.0 billion across the Americas (4%), and USD 0.8 billion across Oceania (1%).
- The volume of intra-Organization of Islamic Cooperation (OIC) business insured totaled USD 47.8 billion: insured intra-OIC trade totaled USD 40.2 billion while investments totaled USD 7.6 billion, out of which USD 5.3 billion of investments was insured in Least-Developed Member States (LDMSs)/Low Income Member States (LIMSs), and USD 0.5 billion of exports insured from LDMSs/LIMSs.
- ICIEC has established more than 166 partnerships with national Export Credit Agencies (ECAs), Reinsurers, Banks, and Multilateral Development Banks.

ICIEC Introduction

The Unique Shariah-Compliant multilateral credit and political risk insurer in the world

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) serves as the official export credit and investment insurance arm of 'AAA' rated- the Islamic Development Bank (IsDB) to promote cross-border trade and Foreign Direct Investments (FDIs) across its Member States (MSs) through providing insurance services as risk mitigation tools. As a multilateral development institution, ICIEC has grown to be a significant institutional player in the global insurance market, enabling trade and investment flows for sustainable economic development in its Member Countries (MCs) and beyond by providing Shari'ah-compliant insurance and reinsurance services.

ICIEC plays a vital role as a preferred partner within the OIC region and globally to; (i) boost the capacity of national Export Credit Agencies (ECAs) of MCs through the provision of reinsurance and technical assistance, especially early on in their life, and (ii) increase Trade Credit and Political Risk Insurance (PRI) in more impoverished and relatively high-risk MCs by partnering with other international Insurers and Reinsurers.

ICIEC has created a stable and robust business centered on established relationships with Exporters, Banks, Reinsurers, MC ECAs, and global multilateral and regional Credit and Political Risk Insurance (CPRI) service providers. In so doing, the Corporation has served the interests of its MCs by insuring a very substantial volume of MC exports, inward investment flows, and strategic and project-related imports. The superior claim performance of ICIEC's exposures has created confidence in the Reinsurance market regarding the Corporation's underwriting standards. In recent years, ICIEC has reinforced its operating approaches and improved the profitability of its underlying Insurance Business.

ICIEC maintained the aggressive growth trend year-on-year; however, this was challenged in recent years by the triple C (Climate, COVID, and Conflict) crises with significant curtailment in trade and investments and consequent tightening of the Credit and Political Risk Insurance (CPRI) market. These forces are now shrouded by financial stability concerns as markets adjust to further policy tightening by central banks. Rapidly rising interest rates continue to put some banks under pressure - directly through higher costs of funding and indirectly by increasing credit risk. While sovereign spreads for investment-grade emerging markets have remained stable, those for frontier economies and high-yield emerging markets have widened.

ICIEC's operating environment has been impacted by these crises as the Corporation adopts measures to manage potential risks and maintain a solid position for the insurance and investment portfolios. Accordingly, the Corporation continues to take proactive measures by conducting a detailed analysis of the impact of the evolving crisis on its insurance portfolio, investment portfolio, and overall operations.

In this context, ICIEC has conducted a detailed review of its portfolio, risk appetite, and cover attitude on a regular basis. ICIEC continues to adopt remedial steps to tighten underwriting standards and create additional reporting, review, and monitoring activities. The use of quantitative modeling and exposure management tools shows that the Corporation is having downward pressure on risk profile, credit rating, counterparty limits as well as economic capital due to its modest capital base. Moreover, the Corporation has been involved in several synergy activities and shared initiatives at the IsDB Group level.

ICIEC's overall risk management strategy continues to strike a balance between business growth and sound portfolio health through optimum and prudent capital allocation and preservation to complement ICIEC's multilateral mandate.

Evolution of The Corporation

- ICIEC, established on August 1, 1994 (24 Safar 1415H) following a recommendation of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC), was created as an autonomous Multilateral Investment and Export Credit Insurance Institution and a member of the IsDB Group.
- ICIEC is owned 51% by the 'AAA' rated the IsDB, with the remaining 49% contributed by its 49 Member States.
- Since its inception, ICIEC has started by providing credit insurance for the exports of Member States. Later in 1999, the Corporation added to its services the PRI for FDIs into Member States. The Corporation currently offers credit insurance for domestic sales and imports of essential goods and capital equipment from Non-Member States.

Enhancing Developmental Impact



- ICIEC provides CPRI coverage to facilitate FDIs and global trade, which ultimately contribute to economic growth, poverty alleviation, and socio-economic development for MCs. As a significant financial sector, CPRI facilitates cross-border transaction and investment promotion by insuring relatively complex business and investment deals such as expanding PRI availability in fragile states and offering longer tenure of coverage, especially by multilateral institutions.

Trade and Investment Catalyst

- ICIEC has been serving as a vital catalyst for promoting exports and attracting FDIs to MCs. Since its inception, the Corporation facilitated more than USD 100 billion of trade and investments from and to its MCs. ICIEC's contribution to development was broad-based across the Muslim world and comprehensive in terms of industry and sectors.

Contributing towards Achieving SDGs

- ICIEC's support for trade and investment works to help MCs achieve the Sustainable Development Goals (SDGs) adopted by the United Nations (UN) for comprehensive and sustainable human development in three key ways. Firstly, ICIEC contributes to the IsDBG 10-Year Strategy (2015–2025), aligned with the SDGs. Secondly, ICIEC's mandate is to support sustainable economic development in its MCs by facilitating trade and investment flows and supporting MCs in achieving their development goals. Finally, ICIEC acts as a catalyst and facilitator to mobilize private sector capital towards the achievement of the SDGs.

Credit Enhancement Solutions

- ICIEC has expanded its credit enhancement products to cover Non-Honoring of Sovereign Financial Obligations (NHSFO) in recent years besides the traditional CPRI. As a Multilateral and given ICIEC's leverage on its MCs, it has a solid ability to resolve potential investment disputes. In addition, its preferred creditor status means that ICIEC has a low claims ratio which enables it to offer products at more affordable prices.

Takaful Model & Risk Dynamics

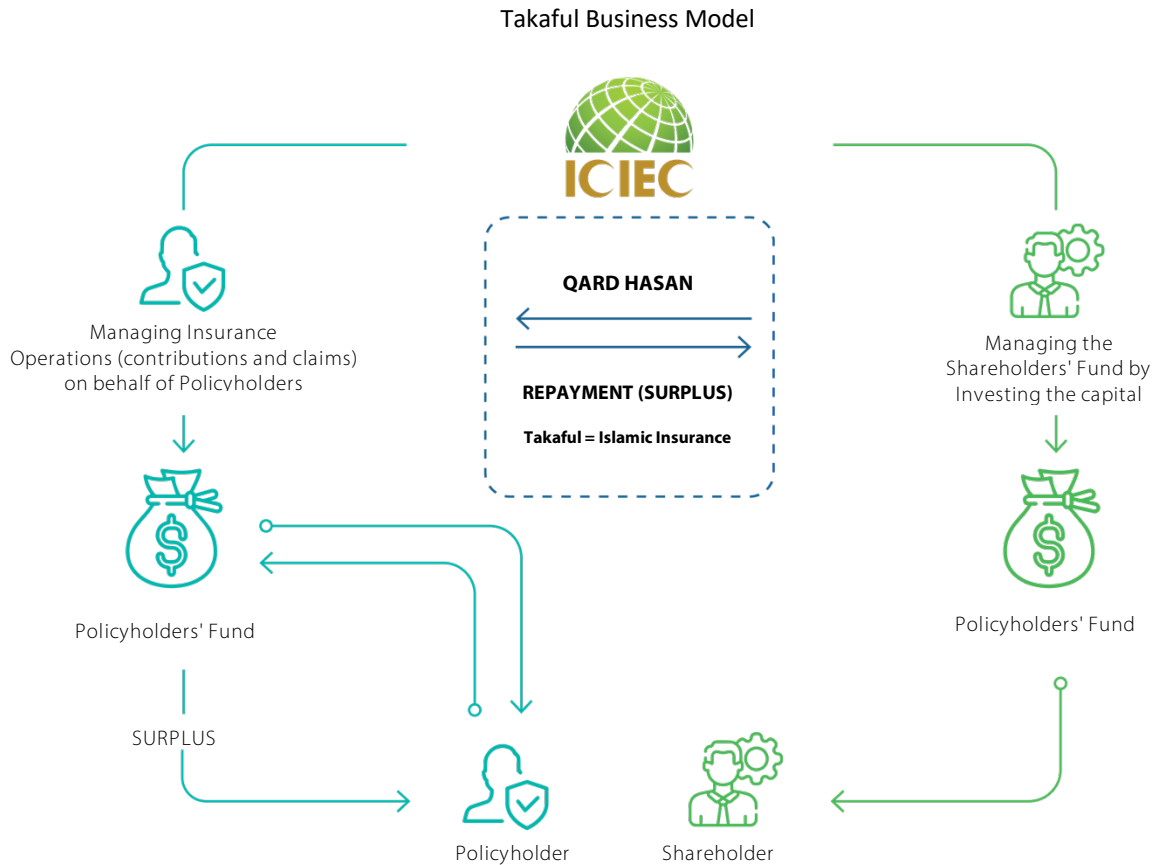
- ICIEC is the only multilateral institution promoting Shari'ah-compliant export credit and investment insurance solutions in the world. As one of the pioneers in providing Takaful insurance, ICIEC's commitment to Islamic finance is central to its operations and the Corporation's mandate.

Shariah Rulings

- In conformity with Shari'ah principles, the Articles of Agreement of the Corporation (**Article 28**) requires ICIEC to maintain two separate funds: a) The Policyholders' Fund (PHF) manages the insurance operations, and b) The Shareholders' Fund (SHF) contains the paid-up capital and accumulated reserves.

Salient Features

- All regulations, rules, policies, and related insurance instruments of ICIEC follow Islamic Shariah Principles. Thus, in carrying out its operations, the Corporation observes the following principles:



- Endeavors to achieve mutual co-operation of policyholders through their collective sharing of losses that any policyholder may suffer.
- Distributes the surplus that may accrue from the insurance and any reinsurance operations to policyholders after meeting statutory reserve obligations.
- Excludes cover of contracts for the sale of goods prohibited under Shariah, as well as interest accruing from export credit or investment loans.
- Removes or amends terms and conditions of insured agreements in case of contradictions with Shariah and invests its funds in accordance with Islamic Shari'ah Principles.



UN Sustainable Development Goals (SDGs) Impact:

- In 2023, ICIEC provided over USD 2 billion in insurance coverage to support LDMSs imports and exports as well as inward investment into labor-intensive industries. Additionally, it insured USD 51 million for the Agricultural sector, USD 264 million for the Healthcare sector, USD 379 million for Clean energy projects, and investments related to Infrastructure totaling USD 427 million. It has also established 164 partnerships with ECAs, Reinsurers, Banks, and Multilateral institutions.

Enhancing Resilience

- ICIEC undertook a technical study of its capital requirements and secured a capital increase, which has succeeded in enhancing capacity and its credit rating.

Enhancing Impact

- ICIEC signed an agreement with "Aware for Projects," a landmark online climate-risk screening tool to help the Corporation identify potential climate change risks and develop a consistent approach to assessing them.
- Within the IsDB Group Regional Hub, ICIEC opened a new regional office in Cairo, Egypt, in 2023. This presence is an important milestone as it will expand ICIEC's reach and better serve clients' needs in this region.

Enhancing IsDB Group Synergy

- During 2023, ICIEC supported IsDB Group FSRP through a pledge of USD 500 million in insurance capacity over three and half years (July 2023 to End-2025).

Enhancing Efficiency

- The Corporation is committed to providing a best-in-class client experience through various initiatives, including:
- A comprehensive update of the Operations Manual.
- Automating and streamlining the end-to-end business solution. This solution is expected to go live in Q3-2023.
- The Corporation's Goal is to provide clients with an efficient, optimized system that will enable them to maximize productivity while minimizing time spent on manual processes.

Propelling Partnership:



Asia:

- ICIEC signed a Memorandum of Understanding (MoU) with Nippon Export and Investment Insurance (NEXI) to combat the climate crisis.
- ICIEC concludes MoU with Central Bank of Iraq (CBI) to boost Credit and Political Risk Insurance (CPRI) deals in the country.
- Saudi EXIM Bank and ICIEC seal reinsurance agreements to help facilitate the flow of trade finance into and out of the Kingdom of Saudi Arabia
- Tabarak Investment Capital and ICIEC agree on insurance coverage for Shariah-compliant goods.
- Export Bahrain and ICIEC ink an MoU for export credit and investment insurance.
- ICIEC and Al-Rajhi International Investment Company signed an MoU for agri-food security to MSs.
- MoU signed with Islamic Chamber of Commerce, Industry, and Agriculture (ICCIA) to support trade and green finance in MSs tapping ICIEC de-risking solutions.
- ICIEC organized two high-level events at the IsDB Group Private Sector Forum in Egypt focused on 'Climate Action' and 'Digital Transformation.'

Europe:

- ICIEC and Compania Espanola de Seguros de Credito a la Exportacion, S.A. Compania de Seguros y Reaseguros SME (CESCE) ink reinsurance agreement.
- ICIEC joined the InsuResilience Global Partnership (IGP) for climate disaster risk finance and disaster solutions, positioning itself at the forefront of its peers to meet the Climate Action needs of its MSs.
- ICIEC and IGP convene a high-level forum during COP27 to stress the importance of Partnerships in accelerating climate action, mitigation, adaptation, and finance, including de-risking credit and political risk solutions.

Africa:

- ICIEC and Elsewedy Electric accelerate climate action.
- ICIEC, African Development Bank (AfDB), African Trade Insurance Agency (ATI), African Union Development Agency (AUDA-NEPAD), GuarantCo, and Afreximbank partnered to boost trade.
- ICIEC and the Federation of Egyptian Industries (FEI) signed a cooperation MoU for Egyptian industries.
- ICIEC, the Ministry of Trade and Industry, Egypt, and the Arab Africa Trade Bridge (AATB) program ink a partnership agreement to boost growth.
- ICIEC and the Federation of Afro-Asian Insurers and Reinsurers (FAIR) agree on new cooperation in trade and investment.
- ICIEC and Commercial International Bank (CIB) hosted a COP27 panel discussion on climate adaptation and food security.
- ICIEC signed a landmark cooperation MoU with Africa Finance Corporation (AFC) to Promote the Origination, Financing, and Execution of Climate Action Projects in African MSs.
- ICIEC partnered with AFC to convene Timely Forum at COP27 in Sharm El Sheikh on the roles of renewable energy projects and credit and political risk insurance in climate change mitigation.
- ICIEC hosted three fireside chats with high-level speakers during COP27 discussing Renewable energy, clean energy transition, the Middle East Green Initiative, and the Role of technology and finance. Guests included Mr. Paddy Padmanathan (Vice Chairman and CEO of ACWA Power – KSA), Lord Adair Turner (Chair of the Energy Transitions Commission and Chairman of Chubb Europe – UK), and HH Noura Turki Al Saud and HH Mashal Alshalan (Funding Partners of AEON Strategy - Saudi Arabia).

2022 Highlights

USD 11.64 billion

Support for trade and investments

USD 9.62 billion

Support for trade

USD 2.02 billion

Support for foreign direct investments

ICIEC coverage provided to its

49 Member States

H1- 2023 Highlights

In H1-2023, ICIEC outperformed many of its ambitious targets in terms of business insured and its international profile. This strong performance was made possible through initiatives undertaken to improve operational performance and enhance capital strength, reflected in the Corporation's solid credit rating (Aa3). In particular, the shareholders demonstrated their support for ICIEC's strategic growth plans by approving a substantial increase in capital of ID 600 million (about USD 805 million) at its 29th Annual Meeting held in Egypt in June 2022. This capital increase represents a 150% increase in the authorized capital of ICIEC to bring it to ID 1 billion (about USD 1.35 billion), being the largest in the Corporation's history.

Based on this approval for a capital increase, the subscribed capital will be increased by 168% from ID 297 million (about USD 398 million) to ID 797 million (about USD 1.08 billion). In addition, a Special Share Class comprising ID 100 million (about USD 135 million) was allocated for subscription by financial institutions owned by the Member States of ICIEC.

The approval of the capital increase underscored the strong support enjoyed by ICIEC from its MSs and demonstrated their endorsement of its strategic growth plans in delivering sustainable development objectives to its Member States. Moreover, the approval highlighted the diversification of capital resources, including financial institutions, while prioritizing the mandate to Member States.

For a multilateral insurer like ICIEC, the capital increase is significant because it determines its ability to underwrite more business and boost reinsurance capacity in support of MSs to carry out their developmental mandates more effectively. Furthermore, the capital increase scales up ICIEC's financial strength, enhances its loss-bearing equity resources, and improves its competitive position in the marketplace and its internal capital generation capacity, thus strengthening its credit fundamentals.

ICIEC contributed to the implementation of the SPRP, in cooperation with the IsDB Group, providing cover amounting to USD 1.4 billion in support of MS's pandemic recovery efforts. These include USD 528 million for the healthcare sector, USD 824 million for supporting imports of essential commodities, and USD 62 million to support SMEs from the economic fallout following the pandemic. Furthermore, ICIEC also contributed to the IsDB Group's FSRP – endorsed by a USD 10.5 billion package aimed at supporting MSs – by pledging USD 500 million in insurance capacity from July 2023 to December 2025. As of H1 2023, ICIEC total approvals reached USD 573 million towards the FSRP by extending Credit and Political Risk Insurance solutions.

There were also key ESG-related infrastructure projects supported by ICIEC in Senegal, Uganda, Türkiye, and Turkmenistan, which will be key to accelerating climate mitigation and promoting sustainability. Landmark events also took place at COP27 between ICIEC and InsuResilience, and Egypt's most prominent and leading private sector bank, CIB, in ICIEC's bid to move the dial on the race to net zero.

ICIEC was also honored in the insurance industry Global Brand Awards 2022 as the inaugural winner in the category 'Best Multilateral Insurance Corporation Brand – Global' by Global Brands Magazine. This year's award demonstrates how ICIEC's market engagements enable public and private enterprises to enhance credit and close the financial gap.

Note: ID = Islamic Dinar, the unit of accounting of the IsDB Group: One ID = One SDR (Special Drawing Right) of the International Monetary Fund): One SDR = USD1.33 on 31 December 2023:

2022 Key Results

Aa3 Insurance Financial Strength Credit rating
by **Moody's** for the 15th consecutive year

USD 11.64 billion
Business Insured

Business Insured by Sector Since Inception till End of H1 2023



Agriculture
USD 1.5 billion



Health
USD 2.5 billion



Energy
USD 32.3 billion



Construction
USD 4.0 billion



Manufacturing
USD 13.2 billion



Mining and Quarrying
USD 4.1 billion



Distribution and Retail
USD 38.9 billion





Others
USD 4.0 billion

Business Insured by Region – from Inception to End of June 2023

Africa USD 31.2 billion	Asia USD 49.5 billion	Europe USD 15.1 billion
Americas USD 4.0 billion	Oceanic USD 0.8 billion	

Financial Performance - 2022

 Corporate net results USD 10.9 million	 Technical results USD 3.4 million
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New Member State



ICIEC welcomes Azerbaijan
as its 49th Member State

Key Results (Cumulative Since Inception)



Agriculture
USD 1.5 billion



Health
USD 2.5 billion



Mining and Quarrying
USD 4.1 billion



Energy
USD 32.3 billion



Construction
USD 1.9 billion



Others
USD 13.2 billion

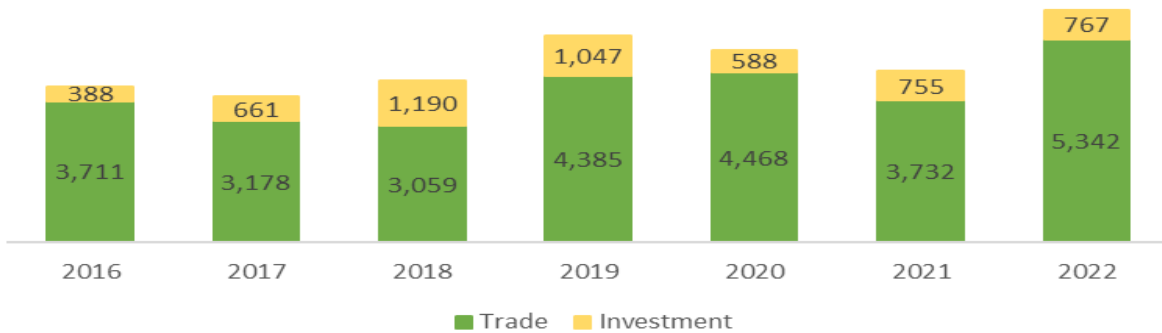


Manufacturing
USD 13.2 billion



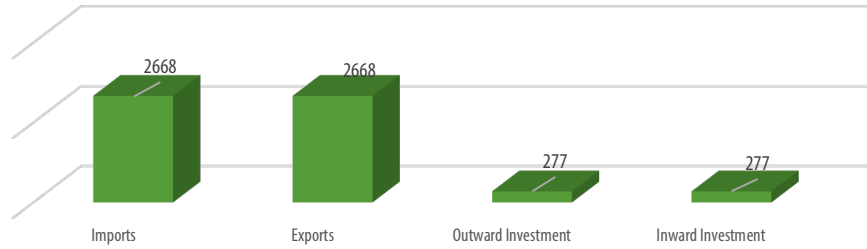
Distribution and Retail
USD 38.9 billion

Intra-Trade and Intra-Investment Facilitated for OIC Member States (USD Million) (2016-2022)

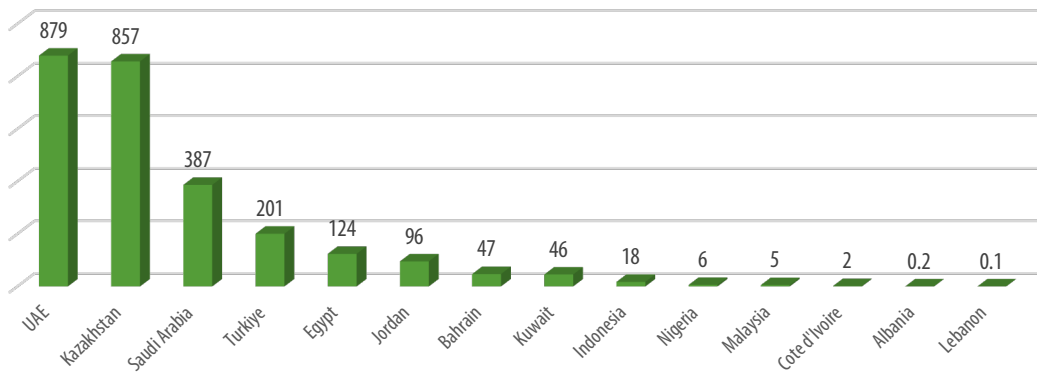


A key mandate of ICIEC is supporting intra-trade and intra-investment among OIC Member States. The volume of intra-Organization of Islamic Cooperation (OIC) exports totaled USD 40.2 billion: insured intra-OIC investments totaled USD 7.6 billion, USD 5.3 billion of investments insured in Least-Developed Member States (LDMSs)/Low Income Member States (LIMs), and USD 0.5 billion of exports insured from LDMSs/LIMs.2023

ICIEC Support provided to its Member States in H1 2023 (USD Million)

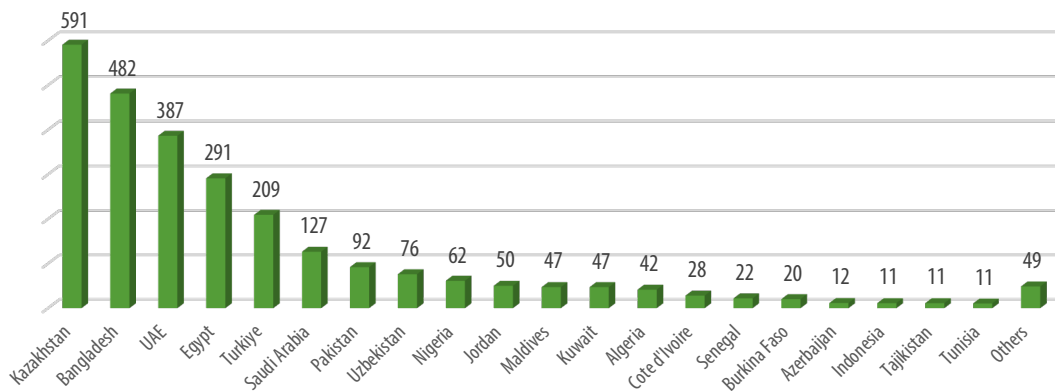


Major Member States by Export Business Facilitated in H1 2023 (USD Million)



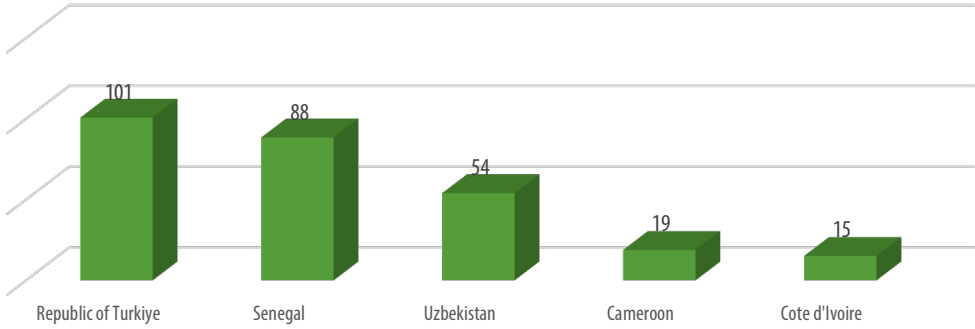
Most of the export business facilitated in H1 2023 came from UAE, Kazakhstan, Saudi Arabia, Türkiye, Egypt, and Jordan.

Major Member States by Import Business Facilitated in H1 2023 (USD Million)



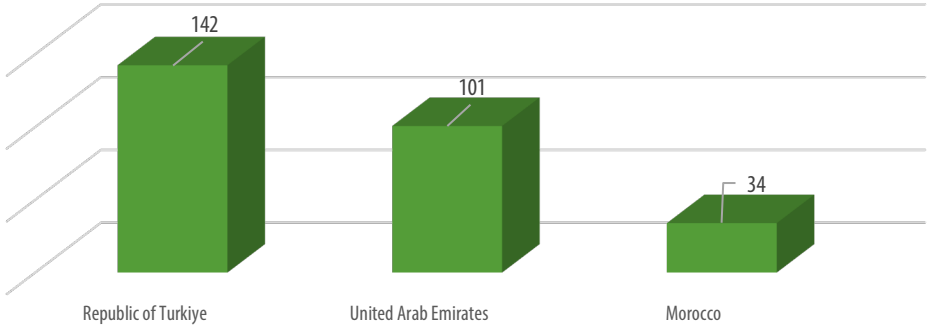
The larger share of countries in import business facilitated in H1 2023 was Kazakhstan, Bangladesh, UAE, Egypt, Türkiye, and Saudi Arabia.

Major Member States by Inward Investment Facilitated in H1 2023 (USD Million)



The primary beneficiaries of the inward investment coverage in H1 2023 were Türkiye, Senegal, Uzbekistan, Cameroon, and Cote d'Ivoire.

Major Member States by Outward Investment Facilitated in H1 2023 (USD Million)



In H1 2023, ICIEC supported outward investments, predominately in Türkiye, UAE, and Morocco.

ICIEC COVID-19 Response

The economic fallout from the COVID-19 pandemic across OIC states was amplified by the war in Ukraine in 2022. ICIEC and its partners have been charting a sustainable course and strategic direction to maneuver the unforeseen global developments as political risk and instabilities rise – particularly in ICIEC's MSs. In short, the pandemic and heightened geopolitical instability will further increase the demand for risk mitigation solutions for MSs to restore trade and investment flows.

To better serve its Member States, ICIEC is working with IsDB Group entities to assist them in recovering from COVID-19. ICIEC provides credit and political risk insurance to ensure the importation of vital products.

Business Continuity Management F

ICIEC and the IsDB Group implemented Business Continuity Management measures to ensure the safety of ICIEC staff and the seamless continuity of operations through remote and allied means.

New Measures

ICIEC introduced new measures, including regular Member State vulnerability tests and portfolio stress tests, tracked over dues at the portfolio level, exchanged early-warning exposure experiences amongst IsDB Group entities, and implemented a cautiously responsive operational approach, coupled with a defensive investment strategy.

Strategic Preparedness and Response Program

ICIEC contributed to the implementation of the Strategic Preparedness and Response Program (SPRP) in cooperation with the IsDB Group, providing insurance coverage amounting to USD 1.4 billion to support the efforts of Member States in combating the pandemic.

Synergy-Based Initiatives

ICIEC collaborated with the IsDB - the Islamic Solidarity Fund (ISFD), to develop an initiative, the ICIEC-ISFD COVID Emergency Response Initiative (ICERI).

The **ICERI** – which is prioritized for import-dependent IsDB Member States to preserve the flow of essential imports to OIC Countries – has contributed to meeting the health, food, and energy needs of LDMSs. Based on the ICERI program, ICIEC enabled competitive financing rates to LDMSs for procuring medical items and essential food and energy commodities. ISFD has allocated a grant to ICIEC to support up to USD 400 million to procure urgent product needs. A total of USD 271 million in emergency trade transactions were approved under efficient collaboration from ISFD.

ICIEC IMPACT

Sustainable Development Goals Impact

The United Nations Sustainable Development Goals (SDGs) have been a central tenet of ICIEC operations since their introduction in 2015. ICIEC believes that trade and investment facilitation is an effective vehicle for achieving the SDGs.

ICIEC contributes to the achievement of the SDGs in three key ways. First, it contributes to the Islamic Development Bank Group's (sDBG) 10-Year Strategy (2015–2025) and its alignment with the SDGs. Second, the ICIEC mandate is to support sustainable economic development in its Member States by providing its services. Third, ICIEC acts as a catalyst for mobilizing private sector capital and is directed towards achieving the SDGs.



The Corporation's dedication to supporting sustainable development is shown through the projects and transactions ICIEC chooses to insure – from ESG-related schemes in Uganda across water, health, and social Infrastructure – the events the Corporation participates in, such as COP27 and the COMCEC Sessions, Work Groups and Committees, the corporate initiatives it pursues, and the products and services it provides. ICIEC also ensures that its commitment to reaching the SDGs is thoroughly embedded in everything it does, both internally and externally.

The Corporation most prominently supports six SDGs with its activities, namely SDGs 2-Zero Hunger: 3-Good Health and Well-being: 7-Affordable and Clean Energy: 8-Decent Work and Economic Growth: 9-Industry, Innovation, and Infrastructure: and 17-Partnerships for the Goal.

2-Zero Hunger

Committed to achieving food security in its Member States through strategic partnerships and supporting the imports of essential agricultural commodities, imports of modern agricultural machinery, and access to financial services.

In H1-2023, ICIEC supported over USD 36 million in trade and investment in the agricultural sector.

3-Good Health and Well-being

Responding to urgent healthcare needs exacerbated by the global pandemic through ensuring foreign investments in health infrastructure and providing cover for the import of strategic health commodities, otherwise deemed too risky.

In H1-2023, ICIEC insured upwards of USD 181 million in trade and investment in the health sector.

7-Affordable and Clean Energy

Expanding insurance support for developing modern and sustainable energy services through mitigating political and commercial risks associated with required infrastructure investments and exports.

In H1-2023, ICIEC supported USD 3,386 million in trade and investment related to the clean energy sector.

8-Decent Work and Economic Growth

Advancing economic growth, increased economic productivity, and employment creation by facilitating strategic investments in the LDMSs and promoting export businesses to grow internationally.

In H1-2023, ICIEC insured over USD 1,082 million for imports, exports outward, and inward investment in the least-developed Member States and USD 227 million in labor-intensive industries.

9-Industry, Innovation, and Infrastructure

Mobilizing funds for large capital-intensive infrastructure projects in the Member States, such as building bridges, airports, and state-of-the-art medical facilities. Improving access to finance for SMEs and encouraging infrastructure investments through risk mitigation instruments for banks and medium/long-term financing.

In H1-2023, ICIEC supported USD 190 million in trade and investment related to the infrastructure sector

17-Partnerships for the Goal

Collaborating with Member States, banks, investors, corporates, national ECAs, and other development finance institutions. Transactions that would otherwise be deemed too risky are realized through ICIEC's strong network of partners.

In H1-2023, ICIEC established more than 164 partnerships with national ECAs, reinsurers, banks, and other multilateral institutions.

PARTNERING FOR ISLAMIC FINANCE IMPACT: ICIEC

ICIEC's role in supporting trade and investment has helped its Member States in their ambitions to achieve long-term sustainable development. ICIEC catalyzes impact by supporting transactions and projects contributing to the 17 SDGs adopted by the United Nations in 2015. Through these SDGs, a call to action has been established to eradicate poverty, protect the environment, and improve the lives of everyone on Earth. ICIEC is prominently committed to six goals directly related to its mandate.

As the only Shariah-compliant multilateral credit and investment insurer in the world and a member of the IsDB Group, ICIEC plays a crucial role in Islamic Impact Finance. For instance, Green Finance and Green Bonds/Sukuk are vital. ICIEC's Green Sukuk Insurance Policy (GSIP) allows issuers to attract capital for 'green' projects better. The GSIP is valuable for issuers in low-income and developing Member States, which are below investment grade rated and, consequently, attract less private capital for climate action. In short, Islamic finance will be paramount to promoting and realizing the SDGs across MSs as Shariah-complaint facilities become critical tools to corporate exporters' and importers' financial toolkits.

ICIEC serves as a transformative catalyst for promoting trade and investment into its MSs and has supported exports, imports, and foreign direct investments with a cumulative amount of USD 95.4 billion. Of this figure, USD 80.3 billion represents support for trade, while USD 15.1 billion is for foreign direct investments. ICIEC cover has been provided to the benefit of its 49 MSs, enhancing their economic prosperity, development, and diversification. ICIEC's support for

intra-OIC trade and investment was highlighted in the OIC/COMCEC's implementation strategy in 2022 in its bid to build an interdependent Islamic world.

ICIEC's impact in supporting key sectors to realize the SDGs and ESG compliance can be seen by the scale and range of cover. The total business insured in trade and investment in H1 2023 reached USD 5.52 billion, reflecting a marginal increase of 1% compared to H1 2022, with new commitments at USD 1.52 billion compared to USD 2.02 billion in H1 2022. In 2023, ICIEC supported agriculture to the tune of USD 0.04 billion: distribution and retail with USD 0.07 billion: energy to USD 3.09 billion, health to USD 0.18 billion: manufacturing with USD 0.35 billion: mining and quarrying with USD 0.08 billion: Services with USD 0.12 billion: and others with USD 1.59 billion.

The need for out-of-the-box thinking involving partnerships and risk mitigation solutions such as credit and political risk insurance has become increasingly important. The supply chain disruptions due to the continuing conflict in Ukraine have seriously impacted the food security of grain-importing countries in the OIC Member States, especially in Africa, and on structural Energy Poverty globally.

ICIEC has thus contributed to the IsDB Group's Food Security Response Program by pledging USD 500 million in insurance capacity over three and a half years (July 2022/YE-2025). And on the climate mitigation front, ICIEC held key events at COP27 in November: the first was a panel organized with CIB to discuss impactful projects and climate mitigation: and the second was with Bonn-based InsuResilience Global Partnership to highlight the importance of partnerships in accelerating climate action, mitigation, adaptation, and finance, including de-risking credit and political risk solutions and the third was with AFC where the event spotlighted on the role of renewable energy in climate change mitigation and the experiences of multilateral financial institutions investing in such projects and how ICIEC's risk mitigation strategies can support them.

Enhancing Impact

Product innovation, membership growth, strengthening of ESG and partnerships, and systemizing development effectiveness monitoring have enhanced ICIEC's impact across MSs. For instance, ICIEC has been working diligently to help the OIC Member States meet their climate agenda goals. One of the innovative initiatives taken by ICIEC is its Green Sukuk Insurance Policy, which provides a unique way for Sukuk issuers to attract capital for green projects.

ICIEC is developing a Climate Change Policy and ESG Guidelines Change policy that will institutionalize its commitments to climate action and green finance while also welcoming two new Member States over the past two years, including Azerbaijan, at the beginning of 2023 and the Maldives in 2022.

ICIEC has also signed an agreement with "Aware for Projects," a landmark online climate risk screening software solution. This new tool will help the Corporation identify potential climate change risks and develop a consistent approach to assessing them.

New Regional Offices

Within the IsDB Group Regional Hub, ICIEC opened a new regional office in Astana, Kazakstan, in 2023. The Corporation has established six additional offices across the OIC region since 2015. Member State-based business development officers were recruited at each hub. ICIEC pursues the Strategy of increasing its local staff members. Through their local knowledge, ICIEC seeks to develop solutions targeted to the specific needs, requirements, and circumstances of host and neighboring MSs.

Enhancing Efficiency

Advancements in Technology

Trends in technology continue to be highly favorable for ICIEC's growth outlook, as technological innovation and implementation have the potential to improve ICIEC's reach and operations vastly. Adopting certain technologies, such as the increased automation of business processes from end-to-end, lowers the cost of business transactions while increasing efficiency and effectiveness, particularly in the underwriting process and claims management. ICIEC has been exploring ways to implement the latest industry technology to enhance operational efficiency.

Business Process Optimization and Automation

Recently the Corporation undertook a comprehensive update of its Operations Manual and is currently automating and streamlining its end-to-end business solution. The system is expected to go live in Mid-2024.

From an operational perspective, ICIEC is exploring opportunities to integrate InsurTech with ITS as well as its scope, coverage, cost, and benefits to deliver more value in business development, customer relations management, underwriting, and underwriting reinsurance, claims management, exposure management, and pricing.

Enhancing Resilience

Strengthen enterprise risk management processes, grow reinsurance capacity, consider alternative reinsurance treaty structures, undertake a technical study of capital requirements, establish a contingency funding plan, and enhance its profitability and credit rating. The Strategy identifies tangible short and medium-term actions and addresses opportunities for shared services, upstream programs with IsDB Group entities, and a heightened focus on LDMSs.

IsDB Group Synergy

The Strategy identifies tangible short and medium-term actions and addresses opportunities for shared services, upstream programs with IsDB Group entities, and a heightened focus on LDMSs. ICIEC is also aligned with the IsDB Realigned Strategy 2023-2025. ICIEC has also contributed to the IsDB Group's FSRP by pledging USD 500 million in insurance capacity over three and half years (July 2023/ YE-2025).

Draft Resolutions

- **Takes note with appreciation** of the initiatives taken by ICIEC to lessen the impact of the COVID-19 pandemic on the Member States, specifically, the launching of the ICIEC-ISFD Emergency Response Initiative (ICERI) and the COVID Guarantee Facility (CGF).
- **Takes note with appreciation** the outstanding performance of ICIEC operations, which resulted in USD 11.6 billion as business insured during 2022, compared to USD 9.8 billion in 2021, in addition to USD 5.52 as business insured during H1 2023, bringing the cumulative amount of business insured since inception to USD 100.5 billion.
- **Acknowledges** ICIEC's role in supporting USD 47.8 billion of intra-OIC business insured since inception till the end of H1 2023 (USD 40.2 billion of intra-OIC trade and USD 7.6 billion of intra-investment) and involving 37 countries.
- **Congratulates** ICIEC on achieving six SDGs, namely SDG 2, SDG3, SDG7, SDG 8, SDG9, and SDG 17.