



# itfc

## **Opportunities of Agri-Food Products in Arab and African OIC Countries**

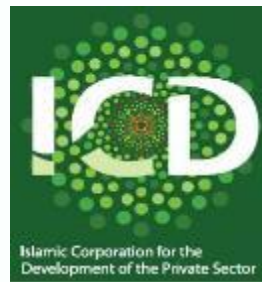




1981



1994



1999



2008

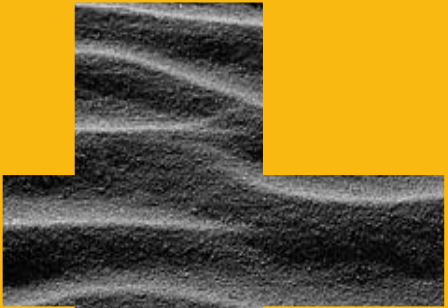


2015

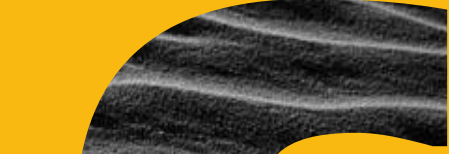
# ITFC



**Islamic Trade Finance is at the essence of what we do.**



**Trade development objectives aim to enhance intra-OIC trade cooperation**



**Financier of choice" is what we want to become**



**The Corporation was established with the purpose of advancing trade among OIC member countries**



# something about us

## Serving member And non-member countries.

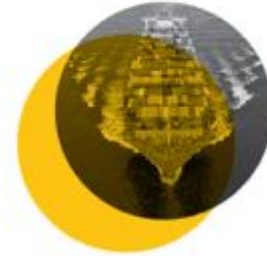
International Islamic Trade Finance corporation (ITFC) became operational in **January 2008**, with the purpose of advancing trade to improve the economic condition and livelihood of people across the world.

As a leader in Islamic Finance - compliant trade finance, ITFC deploys its expertise and funds to businesses and governments in its member countries.

As a member of the **Islamic Development Bank Group** ('AAA' rated by S&P, Fitch and Moody's), ITFC has provided more than **US\$ 51.3 billion** of trade financing to OIC Member Countries since 2008.

With a subscribed capital of US\$ 838.83 million, our primary focus is to encourage and act as a catalyst for intra-trade among OIC Member Countries.

ITFC is rated **A1/P-1** with Stable Outlook by Moody's since 2017.



## **our vision**

**ITFC is the leading provider of trade solutions for OIC member countries' needs**



## **our mission**

**ITFC is a catalyst for trade development among OIC member countries and beyond**

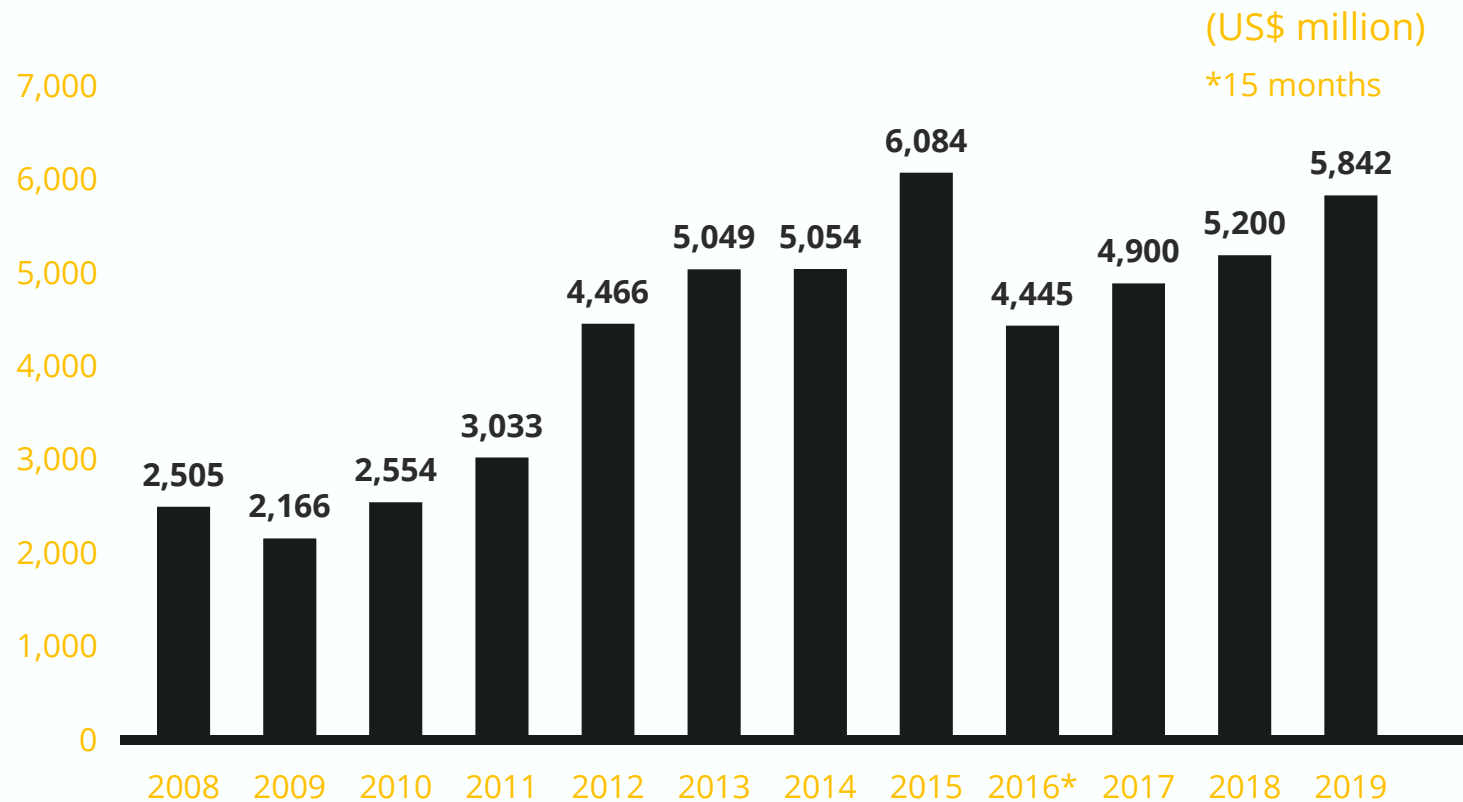
# Where we operate



**57**  
member  
countries

# Trade approvals

## 2008 - 2019



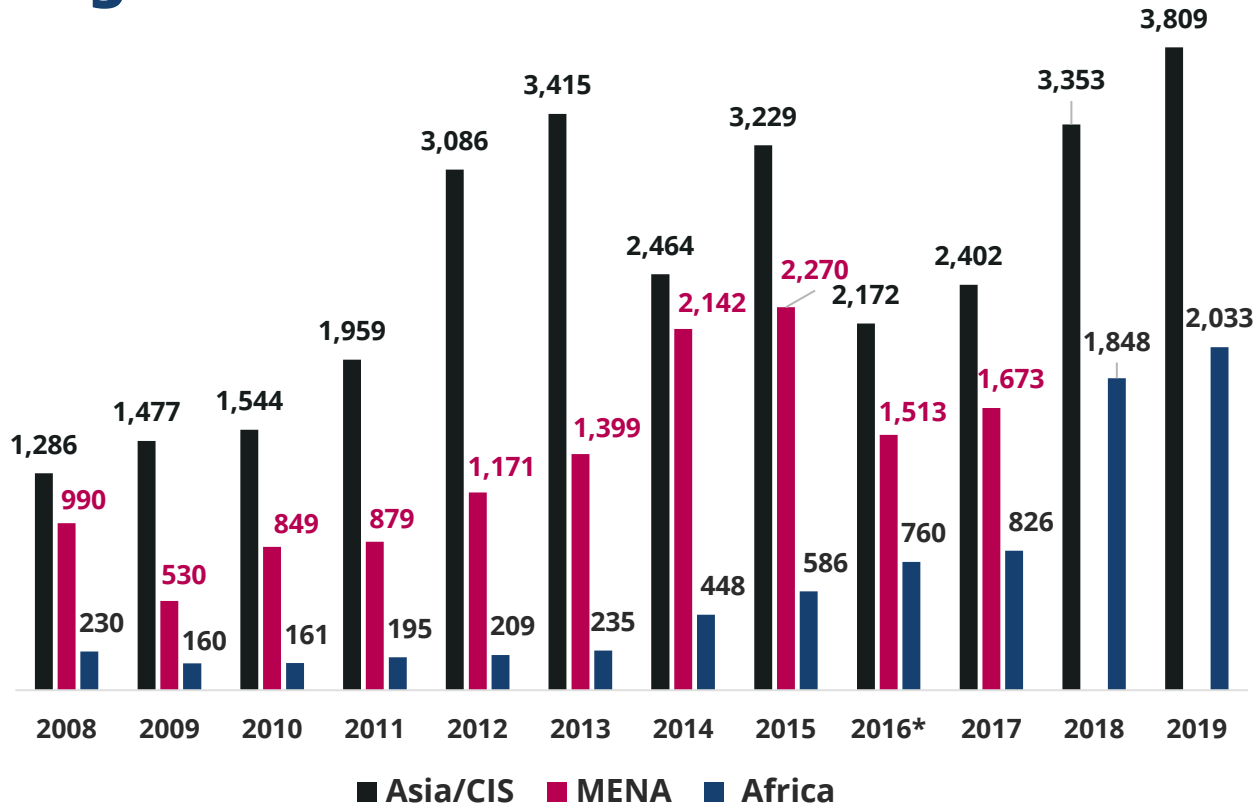
**US\$ 5.8 billion**  
Total approvals in 2019

**US\$ 51.3 billion**  
ITFC's cumulative funded  
financing Since inception  
in 2008

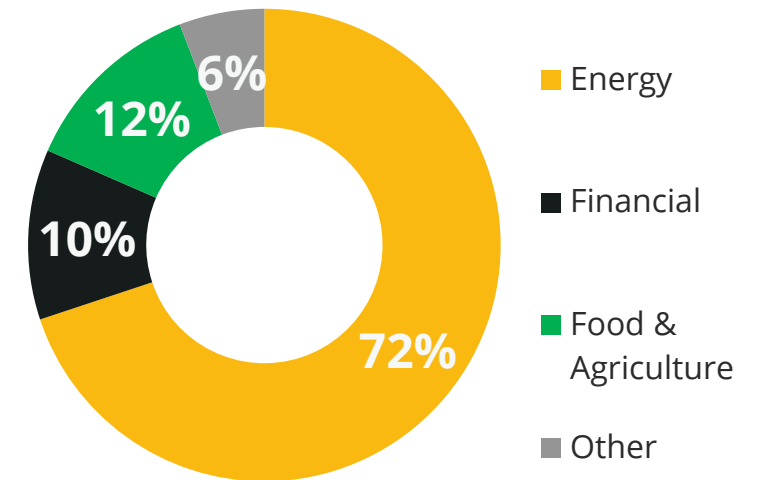
**784**  
Operations Since inception

# Trade approvals 2008-2019

## By region



## By Sector



**In 2018** ITFC merged the Asia/CIS and MENA portfolios.

### Food & Agriculture:

- Total Approval: \$6.2b since 2008
- Africa: \$1.2b in 2019 (59%)



# ITFC Flagship Programs



Created to develop trade & Investment linkages between the Arab and African Countries, to increase economic opportunities and support inclusive and sustainable growth across the Arab and sub-Saharan countries of the OIC.



A combined capacity building and trade finance program to enhance capacity of selected SMEs and partner banks to achieve a better approval rate and generate more income to ITFC through better utilization rate of ITFC's lines of finance placed at partner banks

## ❑ Other Capacity Building Programs in the agricultural sector:

- ❖ **Cotton Trade Development Program:** link Sub-Saharan Cotton producers to end buyers in South Asian's Member Countries
- ❖ **eBolero Platform:** trade document digitalization solution which allows faster shipping documents circulation and avoid error and fraud
- ❖ **OCP School Lab (Senegal):** traveling caravan that performs soil analysis and trains farmers on good agricultural practices.
- ❖ **OCP Agri-Boster (Cote d'Ivoire):** initiative to boost agricultural production in Côte d'Ivoire and develop the skills of 20,000 farmers.

# SUCCESS STORIES IN THE AGRICULTURAL SECTOR **in Sub-Saharan Africa**

- ITFC's agriculture financing has expanded significantly over the past years, targeting critical areas of the value chain, from farm input to processing, pre-export, and export.
- **ITFC's interventions cover commodities that help the Member Countries to create jobs, improve productivity, alleviate poverty, and bolster food security.**
- **Case Studies:**
  - In the **Fertilizers sector** in ECOWAS with EBID & OCP
  - In the **Cotton sector** in Burkina Faso with Sofitex
  - In the **Groundnut sector** in The Gambia with NFSM-PC



# ITFC West Africa Cotton Program:

## SOFITEX (Burkina Faso) Case Study

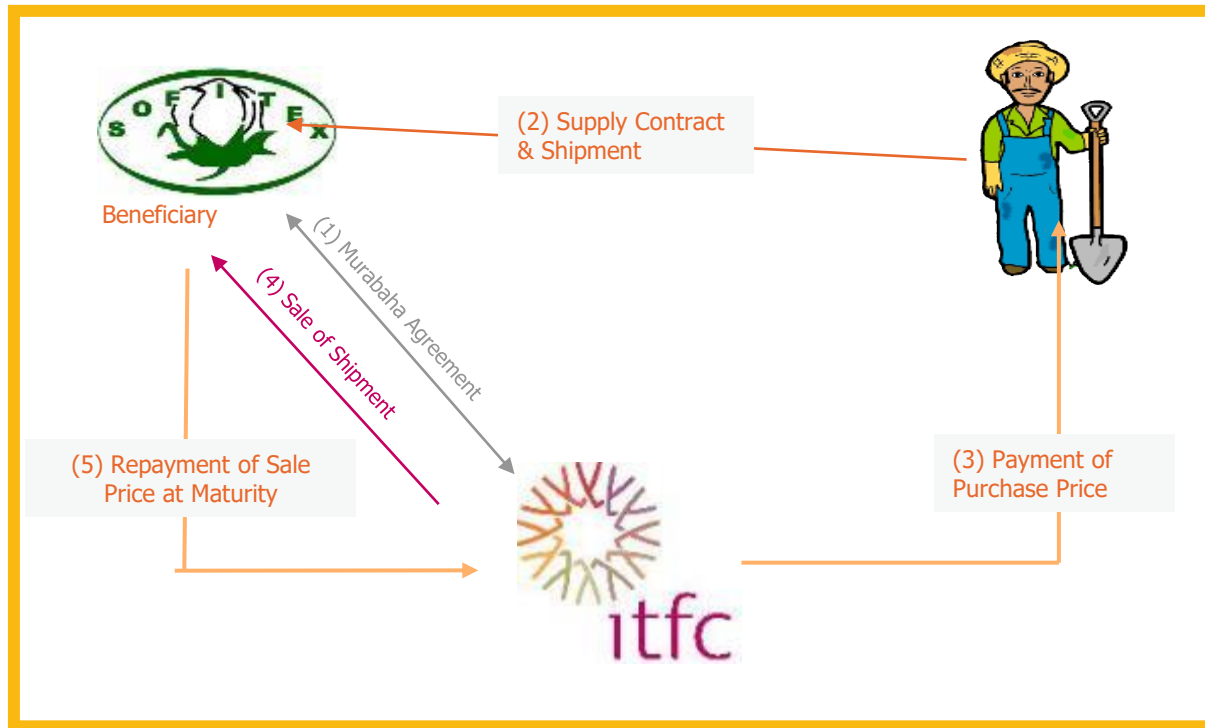
1. **Burkina Faso** is a land-locked country located in West Africa with almost **20% of its active population** engaged in farming (**2 million people**).
2. Cotton is one of the few export crops cultivated as a **cash crop** and known as “**white gold**”.
3. As of June 2020, ITFC has approved a total of **USD 854 million** for the cotton sector in Burkina in partnership with **SOFITEX (vs. USD 1.6 billion in West Africa)**.
4. In 2019-2020 season, about **150,000 cotton producers** were impacted and 245,000 MT of cotton purchased.
5. ITFC financing contributes to support **farmers income** by providing a timely payment for their production. It is therefore contributing to **SDG 1 (No Poverty)** and **SDG 2 (Zero Hunger)**.
6. ITFC deals with Sofitex won in **2017 the IFN Deal of the year**

**SYNDICATED MURABAHA  
FINANCING FACILITY  
FOR THE PURCHASE OF  
SEED COTTON FROM  
LOCAL FARMERS**



<b>Arranger</b>	International Islamic Trade Finance Corporation (ITFC)
<b>Beneficiary</b>	Government of Burkina Faso, Sofitex as Executing Agent
<b>Total Amount approved since 2008</b>	USD854 million up to 12 months
<b>Number of operations with SOFITEX</b>	10 operations
<b>Purpose of Financing</b>	To finance seed cotton, a critical cash crop and foreign currency source for Burkina Faso

# cotton financing (standard murabaha)



01

A Murabaha financing agreement is signed between ITFC and the beneficiary. Other parties may co-sign the agreement

02

Beneficiary signs supply contract (on behalf of ITFC) and goods are shipped

03

ITFC makes payment of purchase price directly to the Supplier.

04

ITFC sells the goods to the beneficiary (Title Transfer)

05

The beneficiary repays the sale price directly to ITFC on due date.

# FROM THE FIELD



# ITFC West Africa Groundnut Program: NFSPMC (Gambia) Case Study

1. Groundnut is the principal export crop in the Gambia, constituting **60% of the earnings from agricultural exports**.
2. ITFC's support is made through an **Integrated Trade** Solution combining Trade Financing & Capacity Building.
3. The **"Aflatoxin Mitigation Program"** aims at eradicating the aflatoxin, a **toxic fungus**, that is affecting the quality of the groundnut, preventing The Gambia to export its groundnut, and it also affects the health of local consumers of groundnut. This program allows Gambian's exporters to export to the EU for a price per ton **30% higher** compared to 2016 prices.
4. For 2019-2020 groundnut season, about **150,000 farmers** benefitted from the operation with a target of **80,000 MT** of nuts to procured.

## FINANCING FOR THE GAMBIAN GROUNDNUT SECTOR



<b>Arranger</b>	International Islamic Trade Finance Corporation (ITFC)
<b>Beneficiary</b>	The Government of the Gambia, with NFSP-MC as Executing Agent
<b>Total Amount approved since 2008</b>	US\$178 Million
<b>No. of Operations</b>	10
<b>Purpose of Financing</b>	To enable NFSPMC to purchase nuts from farmers for export to European and Asian markets, and thereby enhance the livelihood of thousands of Gambians



Executing Agency

AGENT™



(1) Murabaha Agreement

(8) Offer the Purchase the Goods

(9) Acceptance from ITFC to sell the Goods

(6) Termination of the Wakala

(10) Release of the Goods to the EA

(7) Appointment of the Executing Agency

(5) Storage of the Goods in a warehouse

(11) Shipment to Off-takers

(3) Purchase the Goods from the Farmers

(4) Delivery of the Goods to the Agent

(2) Wakala Agreement

# FROM THE FIELD





# ITFC Lessons Learned & Ways Forward for Agriculture

- ❑ Major source of employment (238m people in OIC MCs)
- ❑ Source of income for farmers (51% of OIC pop in rural areas)
- ❑ Vital source of economic growth poverty alleviation
- ❑ Fosters Food Security
- ❑ Significant FX Provider
- ❑ High Trade Cost (high tariffs and non-tariff measures)
- ❑ Low contribution of OIC to global agri exports (8.0%)
- ❑ Cash is not enough
- ❑ Capacity building is essential (water management, mechanization, fertilize use, productivity)
  - ❑ Integrated Trade Solutions
  - ❑ Digitization
  - ❑ Connectivity (SNTL Project)
  - ❑ Harmonization & Certification (halal)
  - ❑ Industrialization (Agribusiness)
  - ❑ Freer Markets (AfCFTA)
  - ❑ Alternative Finance (Salam)

# where we are

## Headquarters

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## Regional Hubs

### Istanbul- Regional Hub

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Fax: +90 212 234 81 53

### Dhaka - Regional Hub

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### Rabat – Regional Hub

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### Jakarta- Regional Hub

35C, Office 8. Lot 28 SCBD  
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### Dakar – Regional Hub

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18 boulevard de la République  
BP 6253 Dakar - Étoile -Sénégal  
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**thank**

**you**