

**REPORT
TWENTY SIXTH MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC
(Antalya, 10-12 May 2010)**



**COMCEC Coordination Office
Ankara, May 2010**

REPORT TWENTY SIXTH MEETING OF THE FOLLOW-UP COMMITTEE OF THE COMCEC OIC/COMCEC-FC/26-10/REP.

REPORT



OIC/COMCEC-FC/26-10/REP

COMCEC
Standing Committee for Economic and
Commercial Cooperation of the Organization
of the Islamic Conference

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COMCEC Coordination Office
Ankara, May 2010

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R E P O R T

**TWENTY SIXTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE**

(Antalya, 10-12 May 2010)

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(Antalya, 10-12 May 2010)

1. The Twenty Sixth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Antalya on 10-12 May 2010.

2. Representatives of the following Member States of the Committee attended the Meeting:

- | | |
|---------------------------------|--|
| 1- Republic of Turkey | : (Chairman, Permanent), |
| 2- Kingdom of Saudi Arabia | : (Vice Chairman, Permanent Member), |
| 3- State of Palestine | : (Vice Chairman, Permanent Member), |
| 4- Republic of Senegal | : (Vice Chairman, Current Chairman of the
11 th Summit), |
| 5- State of Kuwait | : (Vice Chairman, Representing the Arab
Region), |
| 6- Islamic Republic of Iran | : (Vice Chairman, Representing the Asian
Region), |
| 7- Republic of Cameroon | : (Vice Chairman, Representing the
African Region), |
| 8- Islamic Republic of Pakistan | : (Rapporteur), |
| 9- State of Qatar | : (Member of the Previous Bureau), |
| 10- Republic of Indonesia | : (Member of the Previous Bureau), |
| 11- Republic of Sierra Leone | : (Member of the Previous Bureau). |

3. In addition, Representatives of the General Secretariat of OIC, Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRIC), Islamic Center for the Development of Trade (ICDT), Islamic Development Bank (IDB), Islamic Chamber of Commerce and Industry (ICCI), International Islamic Trade Finance Corporation (ITFC), and the Organization of the Islamic Ship-Owners Association (OISA) attended the Meeting.

4. Representatives of ECO and FAO have also attended the meeting.

(The list of participants is attached as Annex I.)

Opening Session (Agenda Item: 1)

5. Following the recitation from the Holy Qur'an, H.E. Dr. Cevdet YILMAZ, Minister of State of the Republic of Turkey, inaugurated the Meeting.

6. Message of H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of COMCEC, was read out by H.E. Kemal MADENOĞLU, Undersecretary of the State Planning Organization of Turkey. Emphasizing the importance of economic cooperation among the OIC Member States, H.E. Abdullah GÜL reminded that, on the occasion of its 25th anniversary, COMCEC reviewed the past and evaluated the issues which should be taken into consideration in our future endeavors.

7. H.E. Abdullah GÜL stressed the need to prioritize tourism, transport and agriculture sectors in COMCEC future actions. President GÜL also expressed his satisfaction with defining the 26th COMCEC's theme for the Exchange of Views Session as "Agriculture and Rural Development".

8. H.E. President GÜL welcomed intra-OIC trade has reached the level of 16.6% in 2008. President GÜL also underscored the importance of TPS-OIC in reaching the target of 20% increase in intra-OIC trade by 2015 set by the OIC Ten-Year Program of Action. H.E. GÜL stressed the importance of completion of the ratification process of the Rules of Origin for the enforcement of TPS-OIC. In this regard, H.E. GÜL called upon the member states who have not yet done so to sign and ratify the TPS-OIC Agreements as soon as possible.

9. H.E. Abdullah GÜL concluded his message with best wishes for the success of the Meeting.

(A copy of the text of the Message of H.E. President Abdullah GÜL is attached as Annex II.)

10. Following the message of H.E. President GÜL, H.E. Dr. Cevdet YILMAZ, Minister of State of the Republic of Turkey, addressed the Meeting. Welcoming the delegates, H.E. Dr. YILMAZ stressed the importance of the implementation of the resolutions of the OIC Economic Summit held in 9th November 2009 in Istanbul. H.E. Cevdet YILMAZ underlined the negative impacts of financial, energy and food crises intensified, deeply affecting all OIC Member countries and also shared some global

economic data such as the global unemployment rates which hovered around an average of 6,6 % in 2009 and its projections for 2010.

11. H.E. Dr. Cevdet YILMAZ emphasized that the global economy, which had shrunk by 0.6% in 2009 due to the impact of the crisis, is estimated to grow by 4.2% in 2010 and by 4.3% in 2011. In this context, H.E. Dr. YILMAZ noticed that trade promotion among OIC Countries forges as an underlying component of stable growth. As regards OIC Member Countries, H.E. Dr. YILMAZ stated that the intra-OIC trade which reached the level of 16.6% with a total of 275 billion USD as of 2008 may be sustained through diversification of products and markets in terms of exports. In the hope of sustaining this trend in the aftermath of the crisis, H.E. Dr. YILMAZ underlined that Turkey has been proceeding with operational activities to enhance its trade relations with OIC Member Countries.

12. Considering the importance of the poverty alleviation programs such as cotton action plan, food security, solidarity funds and agricultural and rural development, H.E. Dr. Cevdet YILMAZ stressed the importance of determining the following macro strategies: mobilization of local dynamics, utilization of regional potentials and especially alleviation of poverty in rural areas through enhancement of production and welfare in the OIC Member Countries.

(The text of the Statement of H.E. Dr. Cevdet YILMAZ is attached as Annex III.)

13. Message of H.E. Professor Ekmeleddin İHSANOĞLU, Secretary General of OIC, was read out by Ambassador Hameed OPELOYERU, Assistant Secretary General of the OIC. In his message to the Meeting, H.E. Prof. İHSANOĞLU, the Secretary General of the OIC, outlined the various concrete economic measures on the agenda of the OIC in the domain of trade and investment, poverty alleviation, industrial and human capacity building, infrastructure development and enhancement of food security. He also urged the meeting to take stock of all these activities in a holistic manner with a view to determining the various steps necessary for the realization of the objectives of the Ten Year Programme of Action.

14. On the implementation of the trade preferential system of the OIC, the Secretary General recalled the importance of early ratification of the Rules of Origin and collaboration with the regional economic blocks and countries with considerable trade potentials. Calling on the OIC Member States, the OIC Institutions and the international community to establish the required partnerships to address the scourges

of poverty, hunger and deprivation in OIC Member States, the Secretary General expressed his commitment to continue to work for the realization of the noble objectives of poverty reduction and for the entire welfare of the peoples of the Muslim Ummah.

(A copy of the text of the message of H.E. Professor Ekmeleddin İHSANOĞLU is attached as Annex IV.)

15. The Meeting was then addressed by the Heads of Delegation of State of Kuwait, Republic of Senegal, Kingdom of Saudi Arabia and Republic of Sierra Leone. They expressed their thanks and appreciation to the President of the Republic of Turkey and the Government and people of Turkey for their continued support to economic and commercial cooperation among the Member States as well as for the warm welcome accorded and excellent arrangements made at the Meeting. The delegates expressed their views regarding the implementation of Ten Year Program of Action. They also underlined the importance of enhancing economic and commercial cooperation carried out under the umbrella of the COMCEC.

Working Sessions

16. The working sessions of the Meeting were chaired by H.E. Kemal MADENOĞLU, Undersecretary of the State Planning Organization of the Republic of Turkey.

17. After the adoption of the Agenda, the Meeting set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur, Mr. Dr. Yousaf JUNAID, Head of the Delegation of the Islamic Republic of Pakistan.

(A copy of the Agenda as adopted by the Committee is attached as Annex V.)

Review of the Implementation of the OIC Ten Year Program of Action (TYPOA) and the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States (Agenda Item: 2)

i) Improving the Implementation of TYPOA and OIC Plan of Action:

18. The Committee **took note** of the Background Report and the recommendations submitted by the OIC General Secretariat on the implementation of the OIC Ten Year Program of Action and **requested** the OIC General Secretariat to submit its recommendations in detail to the 26th Session of the COMCEC for consideration.

19. The Committee **called upon** the Member States to contribute to the implementation of the TYPOA through their full political, moral and financial support and encouraged Member States to consider, in coordination with the OIC General Secretariat and COMCEC Coordination Office, bringing their various current initiatives, projects and programs in line with the objectives of the TYPOA to the 26th Session of the COMCEC.
20. In line with the Istanbul Declaration adopted by the COMCEC Economic Summit, the Committee **requested** the IDB to cooperate with OIC General Secretariat and the COMCEC Coordination Office in developing a mechanism for its financial support and technical assistance to COMCEC programs and projects.
21. The Committee **requested** the OIC Institutions to actively participate in the mid-term review meeting of the Ten-Year Program of Action to be held in Istanbul on 28-30 July 2010 to define the obstacles faced in the implementation of Ten Year Program of Action and to work out ways and means to overcome these.
22. The Committee **requested** the OIC General Secretariat to distribute the results of the preparatory meeting to the Member States for their preparations for the Mid-term Review Session to be held during the 26th Session of the COMCEC.
23. The Committee **urged** Member States which did not do so to sign and ratify the agreements in the field of economic and commercial cooperation.
24. The Committee **requested** the Member States to increase coordination with the OIC General Secretariat and relevant OIC Institutions to realize the planned activities on the declared dates to ensure the active participation of the member states for the sake of enhancing economic and commercial cooperation.
25. The Committee **urged** the benefiting Member States to encourage the on-going multi-stakeholders' approach to pool multilateral financing and other technical support for OIC Dakar-Port Sudan Railway Line Project.
26. The Committee **appealed** to all Member States to take appropriate measures to effectively implement the OIC Framework Document on Tourism.
27. The Committee **welcomes** the offer of the Islamic Republic of Iran to organize in 2010 the 7th Session of the Islamic Conference of Tourism Ministers and **calls** on all Member States and concerned OIC institutions to participate at this Session.

(The report by the OIC General Secretariat on the Review of the Implementation of the TYPOA, and OIC Plan of Action is attached as Annex VI.)

ii) Project Proposals for Enriching the Agenda of the COMCEC

28. The Committee **requested** the OIC Institutions to take into consideration of the project proposals that are related to the ongoing cooperation programs and projects.

29. The Committee **requested** the IDB Group in cooperation with the OIC General Secretariat, COMCEC Coordination Office, ICDT and ICCI to work on the project proposal of “Creating a Mechanism to Settle Intra-OIC Trade and Investment Disputes” and submit a draft work plan to the 26th Session of the COMCEC.

iii) Work of the Sessional Committee:

30. The Committee **adopted** the report of the Sessional Committee and **welcomed** the positive developments regarding the implementation of the projects in the agenda of the Sessional Committee.

31. The Committee **requested** the interested Member States to actively participate in implementation process of the projects in the agenda of the COMCEC.

32. The Committee **called on** Member States and International Financial Institutions to render necessary support for the implementation of the projects requiring financial and technical support in the agenda of the Sessional Committee.

(The report of the 16th Sessional Committee Meeting is attached as Annex VII.)

Promotion of Intra-OIC Trade (Agenda Item: 3)

i) TPS-OIC

33. The Committee **welcomed** the entry into force of the Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS) on 5th February 2010.

34. The Committee **called on** the Member States which have ratified PRETAS to notify the Trade Negotiating Committee Secretariat, at the earliest convenience, their specific annual installments of reduction along with the list of products and the MFN applied rate applicable on October 1st, 2003, which is the base rate of the tariffs to be used for reduction.

35. The Committee **called on** the Member States which have already signed the TPS-OIC Rules of Origin to finalize its ratification at their earliest convenience, in order to make the TPS-OIC operational.

36. The Committee also **called on** the Member States which have ratified the Rules of Origin to complete the necessary internal legislative and administrative measures, such as printing TPS-OIC Certificate of Origin and providing specimen impressions of stamps to the Trade Negotiating Committee Secretariat in order to make the TPS-OIC operational.

37. The Committee **urged** the Member States who have not yet signed or ratified TPS-OIC Agreements to do so at their earliest convenience to making the TPS-OIC implemented.

ii) Road Map for Enhancing Intra-OIC Trade

38. The Committee **took note** of the ICDT's 2010 Annual Report on "trade among the OIC Member States" and **welcomed** the progress achieved for the implementation of the Executive Program of the Road Map for Achieving Intra-OIC Trade Targets.

39. The Committee **requested** the OIC Institutions to carry out their activities according to the Executive Program and **requested** the IDB to provide necessary financial contribution for the achievement of the activities and projects included in the Executive Program.

40. The Committee **urged** the Member States to lend necessary support to the OIC Institutions for the implementation of the Executive Program and to actively participate in those activities.

41. The Committee **requested** the OIC Institutions to actively participate in the 2nd Consultative Meeting to be held in Casablanca on May 31st – June 1st 2010 and in the Meeting to be held in Bakü on 21-22 June 2010 to improve the Road Map;

42. The Committee **requested** the relevant OIC Institutions to carry on holding Consultative Meetings on a regular basis so as to take stock of the progress, to enhance coordination and to avoid duplication.

43. The Committee **requested** the Member States to keep on providing the ICDT with data relating to trade and investment statistics and regulations and **entrusted** ICDT with following on the issues of intra-OIC trade expansion and reporting to the COMCEC and to other OIC fora.

(The Follow-up Report of the Executive Program of the Road Map is attached as Annex VIII.)

iii) WTO Related Technical Assistance

44. The Committee **underlined** the importance of an early conclusion of the Doha Development Agenda (DDA) with the objective of fully realizing its developmental components.

45. The Committee **called on** IDB and ICDT to enhance coordination of their efforts to reinforce the human and institutional capacities of OIC Member States so as to facilitate their full integration into the multilateral trading system on an equitable and fair basis.

46. The Committee **called on** IDB and ICDT and other related institutions to keep on extending their technical assistance to the Member States on issues related to WTO.

iv) Trade Finance Activities

47. The Committee **urged** Member States to increase their support, coordination and cooperation with the IDB Group to attain greater achievements in these areas.

48. The Committee **requested** the ITFC to review the mark-up rates and the terms of its trade finance programs in order to make them competitive with the other international or national finance resources.

49. The Committee **requested** the ITFC to develop special programs designed to meet the needs of the private sector in shock and crisis periods and respond to the demands of its customers in a timely manner.

(The report by ITFC on Trade Promotion Activities is attached as Annex IX.)

Cooperation Among The Private Sector (Agenda Item 4)

i) Islamic Trade Fairs

50. The Committee **requested** the ICDDT within the framework of the regulations adopted by the COMCEC to carry on organizing Islamic Trade Fairs and sector-specific exhibitions concurrently with the Private Sector Meetings to the maximum extent possible.

51. The Committee **urged** the Member States to encourage their private sector to participate actively in the First “Building and Real Estate Exhibition of the OIC Member States” (OIC Building Expo) to be held in Dakar from 24th to 27th June 2010 and in the “First OIC Health Expo” to be held in Tunis from 24th to 27th February 2011.

52. The Committee **urged** the OIC Member States to actively participate in the 2nd Tourism Fair of OIC Member States to be held in Cairo, Arab Republic of Egypt from 10th to 13th December 2010 and in the 13th Trade Fair of OIC Member States to be held in Sharjah, State of United Arab Emirates from 24 to 29 April 2011.

53. The Committee **requested** the ICDDT to submit a progress report on the Trade Fairs of Islamic Countries which will include information on the problems and achievements of Trade Fairs, Tourism Fairs and other specialized exhibitions to the 26th Session of the COMCEC.

ii) Private Sector Meetings

54. The Committee **welcomed** the initiatives of the Islamic Chamber of Commerce and Industry (ICCI) on concentrating its activities for the private sector of the African region and in the area of economic empowerment of businesswomen.

55. The Committee **called on** the Member States to facilitate issuance of visa for business people to promote exchange of goods and services to foster enhanced economic and commercial cooperation amongst the OIC Member States.

56. The Committee **called on** Member States to organize Business Forums for OIC Member States to mobilize private sector participation in the current efforts at increasing intra-OIC trade;

57. The Committee **welcomed** the initiative of the ICCI and ICDT in collaboration with the United Arab Emirates to organize the 14th Private Sector Meeting concurrently with the 13th Islamic Trade Fair.

58. The Committee **requested** the ICCI to hold sector specific Private Sector Meetings and submit a report on these meetings to the COMCEC Sessions.

59. The Committee **requested** the ICCI, ICDT and other OIC Institutions to further encourage the participation of the private sector in economic and commercial cooperation activities.

60. The Committee **called on** the Member States to encourage the private sector for their participation in the International Business Forum and MUSIAD Fair to be organized by MUSIAD on the sidelines of the 26th Session of the COMCEC.

(Report by ICCI on the activities of the Chamber is attached as Annex X.)

**Poverty Alleviation and Economic /Technical Assistance to OIC Countries
(Agenda Item: 5)**

j) ISFD

61. The Committee **called on** Member States to contribute more financial resources and in kind contribution to ISFD to reach its capital amount of US\$ 10 billion.

62. The Committee **urged** the countries who have pledged to the ISFD to fulfill their commitments to enable it to finance more poverty alleviation projects in Member States and Muslim Communities.

63. The Committee **welcomed** the initiative of H.E. Abdoulaye WADE, President of the Republic of Senegal to establish an Eminent Persons Group to work on speeding up the ISFD to reach its capital amount of US Dollar 10 billion.

64. The Committee **called on** all Member States, Donor Countries and International Development Agencies to mobilize resources to cover the estimated US\$8 billion gap in the SPDA between contributions by the Islamic Development Group and the total amount of US\$12 billion proposed for the SPDA.

65. The Committee **requested** the Member Countries in East, Central and Southern Africa to actively participate in the Second Ministerial Forum of SPDA for the East, Central and Southern African Countries, to be held in Yaoundé, Republic of Cameroon on 8-9 June 2010.

66. The Committee **requested** the IDB to submit report on the implementation status of the ISFD and SPDA regularly to the COMCEC Sessions.

(Report of IDB on Implementation Status of ISFD is attached as Annex XI.)

ii) Review of the Implementation of the "Action Plan for the OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011)"

67. The Committee **called upon** the project owner Member States to submit their project proposals adopted by the Project Committee in 2009, through appropriate official channels to the IDB for its consideration for financial support.

68. The Committee **called upon** the IDB as the chair of the Project Committee and other concerned financial institutions to consider financing the pending projects adopted in 2009 by the Project Committee, so that the implementation of the projects can start as soon as possible.

69. The Committee **called upon** the concerned Member States and the OIC Institutions to give informative contribution to the cotton web portal (www.oic-cotton.org) through the OIC General Secretariat in order to enhance the communication and cooperation among themselves.

70. The Committee requested the ICDT and IDB to organize the Steering Committee and the Project Committee meetings in Casablanca, Kingdom of Morocco in September 2010 before the 26th Session of the COMCEC.

iii) Cooperation among Development Cooperation Institutions (DCI's) of the Member States

71. The Committee **welcomed** the decision of the 2nd Meeting of the Development Cooperation Institutions (DCI's) on continuing their activities within the framework of the OIC Development Cooperation Forum (OIC-DCF), and **requested** DCI's of the Member Countries to expand their cooperation through exchanging their experiences and joint programs in the Member Countries, particularly in the least developed ones.

iv) OIC-VET Program

72. The Committee **expressed its appreciation** to the SESRIC for its efforts towards the implementation of OIC-VET and **welcomed** the launching of pilot projects to be implemented in 2010 in coordination with National Focal Points of the Member States and concerned OIC Institutions.

73. The Committee **called upon** the Member States that have not done so, to designate their National Focal Points (NFPs) for the OIC-VET Programme in order to facilitate the communication between SESRIC and the relevant Member State and **urged** the Member States to actively participate in the implementation process of the OIC-VET.

74. The Committee **welcomed** IDB's proposal to SESRIC to establish a Task Force with the participation of IDB, SESRIC and COMCEC Coordination Office to work on a sub program of the OIC-VET, comprising trade, economy and finance, and **requested** the Task Force to submit a draft work programme to the 26th Session of the COMCEC for adoption.

75. The Committee **expressed** its appreciation to SESRIC for organizing the Second Meeting of the Monitoring and Advisory Committee of the OIC-VET on 11 May 2010 in Antalya, Republic of Turkey, which discussed the proposed pilot projects by the national focal points.

Financial Cooperation among the OIC Member States and Enhancing Intra-OIC Investment Flows (Agenda Item: 6)

i) Cooperation among the Stock Exchanges of the OIC Countries

76. The Committee **took note with appreciation** the progress achieved in the cooperation among Stock Exchanges of OIC Member States.

77. The Committee **also requested** the Stock Exchanges and the Central Banks to coordinate their cooperation activities.

78. The Committee **welcomed** the offer of the Republic of Turkey to host the 4th Meeting of the OIC Stock Exchanges' Forum on 2-3 October 2010 in İstanbul, Republic of Turkey.

ii) Cooperation among the Central Banks

79. The Committee **emphasized** the importance of cooperation in the area of Islamic Banking and **welcomed** the invitation of the Republic of Senegal to the African Ulema Conference to be held on 7-9 June 2010 and Islamic World Ulema Conference to be held in first quarter of 2011 in in Dakar, Republic of Senegal.

80. The Committee **welcomed** the offer of the Republic of Turkey to host the 10th meeting of Member Countries' Central Banks or Monetary Authorities in İstanbul on 26-27 September 2010 and **requested** the Member States to actively participate in the meeting which will focus on, among others on exchange of experiences in Islamic banking system.

Agriculture and Rural Development (Agenda Item: 7)

i) Preparations for the Exchange of Views Session

81. The Committee **requested** the OIC General Secretariat, IDB and COMCEC Coordination Office to hold consultations in order to organize a workshop on "Agriculture and Rural Development" as a preparation for the exchange of views to be organized during the 26th Session of the COMCEC.

82. The Committee **requested** the workshop to take into consideration the results of the exchange of views session organized during the 25th Session of the COMCEC.

83. The Committee **urged** the Member States to develop project proposals to be discussed in the workshop and requested the workshop to focus on the specific cooperation projects that can be implemented among the OIC Member States including regional partnership and cooperation projects.

84. The Committee **took note** of the following proposals as possible themes for the exchange of views sessions to be held during the subsequent COMCEC Sessions.

Theme 1: The impact of exchange rate policies and currency harmonization on intra-OIC trade.

Theme 2: Development of financial architecture in OIC Member States.

Theme 3: Islamic Banking in the new financial system.

Member States are welcome to submit any new theme for discussion in the session.

85. The Committee **requested** the SESRIC to circulate a questionnaire to the Member States to explore their views on the above themes and report to the 26th Session of the COMCEC.

ii) Food Security Program

86. The Committee **took note with appreciation** of the progress report submitted by the COMCEC Task Force on Food Security and **called on** the Member States to extend the required support to the Task Force in the implementation of the activities mentioned in the progress report.

87. The Head of Delegation of the Republic of Sierra Leone informed the Committee about their projects on Food Security submitted to the IDB and OIC General Secretariat for necessary funding. The Committee **requested** the Task Force to evaluate these projects for possible funding.

88. The Committee **requested** the Republic of Sudan to announce the exact dates of the Ministerial Meeting on Agriculture to be held in the last quarter of 2010.

89. The Committee **welcomed** the offer of the Republic of Turkey to host the meeting of high level officials on Food Security at the end of September 2010 in Izmir, Turkey.

(Progress Report of the COMCEC Task Force on Food Security is attached as Annex XII.)

Development of the OIC Halal Food Standards and Procedures (Agenda Item: 8)

90. On the issue of Halal Food Standards, the Committee **took note** of the para 65 of the 25th Session of the COMCEC and **requested** the OIC General Secretariat to circulate the report of the SEG to the Member States for any additional comments and report to the 26th Session of the COMCEC for adoption.

91. The Committee **requested** the Member States to sign and ratify the Statute of the Standard and Metrology Institute of Islamic Countries (SMIIC) which would play a key role in harmonizing standards in the OIC Member States.

E-government Applications and their Economic Impact on the OIC Member States (Agenda Item: 9)

92. The Committee **took note** the recommendations of the Conference organized by SESRIC on 9 December 2009 in Antalya on e-government applications.

93. The Committee **welcomed** the efforts of SESRIC for establishment of an information portal which will include relevant information such as an e-government Experts Database, an OIC e-Practice community, initiative of ICT fellowship programme, etc.

Activities of the Statistical Working Group (Agenda Item: 10)

94. The Committee **requested** the Member Countries to actively participate in the activities in the area of statistics.

95. The Committee **noted** with appreciation that IDB will organize the 3rd Meeting of Statistical Working Group Meeting in its Headquarters in Jeddah during the Second half of 2010 to review the activities and renew task arising from the Istanbul Declaration which was adopted by the Meeting of National Statistical Offices of the OIC Member States on 23 March 2010.

96. The Committee **requested** SESRIC and IDB in collaboration with the national statistical organizations of the Member Countries to work on developing a road map for cooperation in the area of statistics as well as a web portal as a source for exchanging information in the area of statistics.

Draft Agenda of the 26th Session of the COMCEC (Agenda Item: 11)

97. The Committee **decided** to submit the Draft Agenda to the 26th Session of COMCEC with some amendments.

98. The Committee **recommended** the COMCEC Coordination Office to consider simplifying the agenda of the COMCEC, and propose a set of principles to the 26th Session of the COMCEC in this regard.

(A copy of the Draft Agenda of the 26th Session of the COMCEC, as amended by the Committee, is attached as Annex XIII.)

Renewal of the Bureau Members (Agenda Item: 12)

99. The Committee **requested** the General Secretariat, to notify the Member States presently representing the three geographical regions on the Bureau, as Vice Chairman, namely Republic of Cameroon, the Islamic Republic of Iran and State of Kuwait, to conduct consultations with the Member States in their regions for nominations of the new Bureau members.

Thanks and appreciation

100. The Committee **thanked and appreciated** the efforts of the Republic of Turkey as host country, Member States, OIC General Secretariat, COMCEC Coordination Office, IDB, SESRIC, ICDDT, ICCI, ITFC, OISA and all other cooperating partners that have carried out the activities stated in the "Working Sessions" section of this Report.

Closing Session

101. At its closing session chaired by H.E. Kemal MADENOĞLU, Undersecretary of the State Planning Organization of the Republic of Turkey, the Committee adopted its Report together with its Annexes. The Committee requested the COMCEC Coordination Office to circulate the Report among Member States, and to submit it to the Twenty Sixth Session of the COMCEC.

102. Mr. Imran Ahmad SIDDIQUI, Counselor at, Consulate General of Pakistan to Jeddah, proposed to send a message of thanks to H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of the COMCEC for his most enlightening message sent to the Meeting. The proposal was unanimously approved by the Committee.

103. Ambassador Hameed A. OPELEYERU, Assistant Secretary General of the OIC read out the message of H.E. Prof. Ekmeleddin İHSANOĞLU Secretary General of the OIC. In his message H.E. Prof. İHSANOĞLU, expressed his thanks to the Government of Turkey and particularly to the COMCEC Coordination Office for the excellent arrangements made for the Meeting and for the warm welcome and generous hospitality extended to all participants. H.E. the Secretary General underlined the importance of this 26th Meeting of the Follow-up Committee of the COMCEC which adopted important decisions for the implementation of the OIC Ten-Year Programme of Action and defined ways and means to face the challenges and prepared the Agenda of the 26th Session of the COMCEC. H.E. the Secretary General reiterated the support of the OIC to the activities of the COMCEC and his readiness to give full support to all activities which will contribute to the progress of the Islamic Ummah.

104. The Head of Delegation of the Republic of Cameroon, H.E. IYA TIDYANI Ambassador of Cameroon in Saudi Arabia made a statement on behalf of the delegates. H.E TIDYANI emphasized the importance of the implementation of the resolutions adopted in the area of economic and commercial cooperation and underlined the vital role of active participation of Member States, OIC Institutions and private sector for enhancing cooperation. H.E. TIDYANI expressed his sincere thanks to the Government and people of Turkey for the warm welcome and excellent hospitality extended to the delegates during their stay in Antalya . He also thanked the

Chairman of the Meeting, and all the supporting staff for the excellent arrangements made for the Meeting.

105. In his closing statement, H.E. Kemal MADENOĞLU, Undersecretary of State Planning Organization of the Republic of Turkey, expressed his thanks to delegates for their valuable contributions and spirit of cooperation. H.E. MADENOĞLU, also thanked the OIC General Secretariat, and the subsidiary and affiliated institutions of the OIC for their valuable assistance. Referring to the deliberations and ensuing recommendations of the Follow-up Meeting, he expressed his satisfaction that concrete progress has been made in trade related issues, Halal Food Standards, implementation of the OIC Cotton Action Plan etc. Finally, H.E. MADENOĞLU wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. Kemal MADENOĞLU is attached as Annex XIV.)

A N N E X E S

ANNEX

I

Original: English

**LIST OF PARTICIPANTS
OF THE TWENTY SIXTH MEETING
OF THE FOLLOW-UP COMMITTEE OF THE COMCEC
(Antalya, 10 – 12 May 2010)**

A. MEMBER STATES OF THE OIC

REPUBLIC OF CAMEROON

- H.E. IYA TIDJANI
Ambassador of Cameroon to Saudi Arabia
- Mrs. MBAJON MARTHE CHANTAL
Senior Adviser Presidency of the Republic of Cameroon
- Mr. BOUBA AOUSSINE
Deputy Director for the Commercial Exchanges, Ministry of Commerce
- Mrs. TASHA MBUR ANNA BNINLA
Director in the Ministry of External Relations
- Mr. NDOH NDZIE JOSEPH
Research Officer at the Ministry of Economic,
Planning and Development of the Territory
- Mr. NOUGA MAHOP BASILE
Head of Studies and Conflicts Office at the Ministry of Commerce

REPUBLIC OF INDONESIA

- Mrs. ANDANTE WIDI ARUNDHATI
Counsellor, Embassy of the Republic of Indonesia, Ankara
- Mr. MOHAMMAD MUSTAGHFIRIN AMIN
Official of DTVE-MONE Indonesia

ISLAMIC REPUBLIC OF IRAN

- Mr. AHMAD JAMALI
General Director, Ministry of Economy and Finance Affairs
- Mr. REZA BAJOULVAND
Deputy Direct General, Research and Planning

- Mr. MORTEZA KHANSARI BOZORGI
Expert, Ministry of Foreign Affairs
- Mr. MOHAMMAD ALISHAHI
Expert, International Affairs

STATE OF KUWAIT

- Mr. ISHAQ ABDULKARIM
Director of the International Economic Co-operation Department,
Ministry of Finance
- Mr. SAAD ALRASHIDI
Head of OIC Affairs Division, Ministry of Finance
- Mr. SALEM ALBATHER
Economic Researcher, Ministry of Finance

ISLAMIC REPUBLIC OF PAKISTAN

- Dr. YOUSAF JUNAID
Consul General, Consulate General of Pakistan to Turkey
- Mr. IMRAN AHMAD SIDDIQUI
Counsellor, Consulate General of Pakistan to Jeddah

STATE OF PALESTINE

- Mrs. SAIDAH SHOBAKI ABBAS
Director of International Relations

STATE OF QATAR

- Mr. AHMED SALEH AL MOHANNADI
Head, Arab and Islamic Affairs Section
- Mr. AHMED MOHD AL MARZOUQI
Head of International Organization Section

KINGDOM OF SAUDI ARABIA

- Mr. ABDULLAH BIN ABDULWAHAB AL-NAFISAN
Director General, Ministry of Commerce and Industry
- Mr. NASER MOHAMMED AL-MOTLAQ
Economic Researcher, Ministry of Finance

- Mr. FARES BIN SULAIMAN AL-MADOUJ
Foreign Ministry Delegate
- Mr. HUSEEN BIN EAD AL-RASHEED
Economist, Ministry of Commerce and Industry
- Mr. KHALED BIN ABDOLLAH AL-JAMIAH
Economist, Ministry of Commerce and Industry

REPUBLIC OF SENEGAL

- H.E. MOUHAMADOU DOUDOU LO
Ambassador of Senegal to the Kingdom of Saudi Arabia
- Mr. ISMAILA DIOP
Director of Cabinet, Ministry of Trade
- Mr. VINCENT BADJI
Second Counselor of the Senegal Embassy in Ankara

REPUBLIC OF SIERRA LEONE

- H.E. WUSU MUNU
Ambassador of Republic of Sierre Leone to Saudi Arabia
- Mr. IBRAHIM SINEH YILLA
Minister Counselor of Republic of Sierre Leone to Saudi Arabia

REPUBLIC OF TURKEY

- H.E. Dr. CEVDET YILMAZ
Minister of State
- Mr. KEMAL MADENOĞLU
Undersecretary of State Planning Organization
- Mr. AHMET YAMAN
Deputy Undersecretary of State Planning Organization
- Mr. İSMAİL KALENDER
General Director, Ministry of Industry and Trade
- Mr. OSMAN ASLAN
Assistant Director General, Export Credit Bank of Turkey
- Mr. SALİH MUTLU ŞEN
Consul General of Turkey to Jeddah

- Mr. MUSTAFA İMİR
Head of Department, Ministry of Agriculture and Rural Affairs
- Mrs. ÇİĞDEM KILIÇKAYA
Head of Department, Undersecretariat of Foreign Trade
- Mr. A. RIDVAN AĞAOĞLU
Principal Clerk, Ministry of State
- Mr. İHSAN ÖVÜT
Director of International Relations, Turkish Standards Institutions
- Mrs. DENİZ BERBER
Acting Head of Section, Ministry of Agriculture and Rural Affairs
- Dr. ERALP POLAT
International Relations Director, İstanbul Stock Exchange Chamber
- Dr. ABDULHAMİT YAĞMURCU
Expert, State Planning Organization
- Mr. BAHADIR KARA
Expert, Ministry of Tourism and Culture
- Mrs. CAHİDE EKİZ
Expert, Turkish Standards Institutions
- Mrs. ESRA HATİNOĞLU
Architect, Ministry of Industry and Trade
- Mr. GÜRDAL GEDİK
Group Editor for International Cooperation, Turkish Statistical Institutions
- Mr. TEOMAN ATAİNCİ
Press and Public Relations Counselor
- Mr. MEHMET SERHAT AKGÜL
Expert, Central Bank of the Republic of Turkey
- Mr. YUSUF YÜKSEL
Adviser of Undersecretary of State Planning Organization
- Mrs. NERMİN CAN
Attache, Ministry of Foreign Affairs

- Mr. ABDULLAH BAYRAK
Assistant Expert, Undersecretariat of Treasury
- Mrs. GAMZE KÜSMEN
Assistant Expert, Central Bank of the Republic of Turkey

Sessional Committee

- Prof. Dr. MUSTAFA CAVCAR
Director, University of Anatolia
- Mr. YUSUF ŞENGÜR
Research Assistant, University of Anatolia
- Mr. NURİ GÖKÇEK
Assistant Expert, State Planning Organization
- Mrs. AYNUR ODAMAN
Director of International Relations,
Small and Medium Enterprises Development Organization (KOSGEB)
- Mrs. FÜSUN ATASAY
Head of Section, Turkish Patent Institute

B. THE OIC GENERAL SECRETARIAT

- H. E. Amb. HAMEED A. OPELOYERU
Assistant Secretary General for Economic Affairs
- Mr. CHEIKH OUMAR T. SOW
Director General of the Economic Affairs Department
- H. E. Amb. THIerno NABIKA DIALLO
Adviser to the Secretary General on Economic Affairs
- Mr. HASAN OKER GÜRLER
Adviser to the Secretary General on Economic Affairs
- Mr. JAKHONGIR KHASANOV
Professional Officer in the Economic Affairs Department
- Mr. ABDUNUR SEKINDI
Professional Officer in the Cabinet

C. OIC SUBSIDIARY ORGANS

STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING CENTER FOR ISLAMIC COUNTRIES (SESRIC)

- Mr. NABIL DABOUR
Director of Research Department
- Mr. M. FATİH SERENLİ
Director of Technical Cooperation Department
- Mr. MURAT İLKİN
Researcher
- Mr. NADER ABDULHAMID
Researcher

ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

- Mr. EL HASSANE HZAINÉ
Director of Studies and Training Department
- Mr. MAMOUDOU BOCAR SALL
Head of Studies Department

D. SPECIALIZED ORGANS OF THE OIC

ISLAMIC DEVELOPMENT BANK (IDB)

- Mr. OSMAN MAHGOUB ELFIEL
Division Manager, Agriculture and Rural Development Department
- Mr. AFTAB AHMAD CHEEMA
Expert/Senior Economist Cooperation Department

INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC)

- Mr. ABOU JALLOW
Assistant General Manager

E. AFFILIATED ORGANS OF THE OIC

ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)

- Mrs. ATTIYA NAWAZISH ALI AYAZ
Assistant Secretary General

ORGANIZATION OF ISLAMIC SHIPOWNERS ASSOCIATION (OISA)

- Mr. MOHAMMAD ZAFAR BHATTI
Director Finance

F. OTHER INTERNATIONAL INSTITUTIONS

ECONOMIC COOPERATION ORGANIZATION (ECO)

- Mr. Fatih ÜNLÜ
Deputy Secretary General

FOOD AND AGRICULTURE ORGANIZATION (FAO)

- Mrs. AYŞEGÜL AKIN
Assistant Representative for FAO in Turkey
- Mrs. BARBARA HUDDLESTON
Resource Person, FAO

G. COMCEC COORDINATION OFFICE

- Mr. FERRUH TIĞLI
Director General,
Head of COMCEC Coordination Office
- Mr. EBUBEKİR MEMİŞ
Head of Department
- Mr. METİN EKER
Expert, Organisation Coordinator
- Mr. METİN GENÇKOL
Expert, Drafting
- Mr. AHMET BAŞAK KAYIRAN
Expert, Press Relations
- Mr. ORHAN ÖZTAŞKIN
Protocol Relations
- Dr. NAZIM GÜMÜŞ
Protocol Relations
- Mr. MURAT DELİÇAY
Expert, Drafting

- Mr. ALP TOLGA ŞİMŞEK
Expert, Drafting
- Mr. GÖKTEN DAMAR
Expert, Drafting
- Mr. ALİ İŞLER
Expert, Drafting
- Mrs. AYLİN ŞENOL GÜN
Assistant Expert, Drafting
- Mrs. MÜKERREM ÖZKILIÇ
Coordinator of Registration Office
- Mrs. BİGE HAMURDAN
Social Program
- Mr. KEMAL ARSLAN
Coordinator of Meeting Rooms
- Mr. ERCAN İBİK
Assistant Coordinator of Meeting Rooms
- Mrs. SEHER KURUGÜL
Coordinator of Documentation Center
- Mrs. Z. LEYLA AŞK
Assistant Coordinator of Documentation Center
- Mrs. ŞERİFE MENGİ
Executive Secretary

**H. DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL AFFAIRS
OF THE STATE PLANNING ORGANIZATION**

- Mr. YASAR GÜLSOY
Head of Department
- Mr. MEVLUT YASAR
Coordinator of Transport Relations
- Mr. NURETTİN AYDIN
Coordinator of Accommodation

- Mr. SEYFİ UYANIK
Press Relations
- Mr. CAFER ERDOĞAN
Stock Coordinator
- Mr. TAYFUR YÜKSEL
Protocol Relations
- Mrs. MERAL ALPASLAN
Executive Secretary
- Mr. ÖMER BIYIK
Technician
- Mr. GÜRKAN YAHYA
Driver

ANNEX

II

Original: Turkish

**MESSAGE OF H.E ABDULLAH GÜL,
PRESIDENT OF THE REPUBLIC OF TURKEY AND
CHAIRMAN OF COMCEC**

**Twenty Sixth Meeting of the
Follow-up Committee of the COMCEC
(Antalya, 10 May 2010)**

Honorable Chairman,
Distinguished Members of the Follow-Up Committee,

We are much pleased to see in our country all the representatives attending the 26th Follow-up Meeting of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC).

You have come together to discuss numerous important economic and trade cooperation topics and enhance our cooperation in these fields.

Distinguished Delegates,

Last year, we celebrated together the 25th anniversary of COMCEC. This was not only an occasion to commemorate but also an opportunity for us to review the past and evaluate issues that should be taken into consideration in our future endeavors.

For the sake of enhancing our cooperation, I would like to take this opportunity to once again highlight our shared goals such as strengthening of COMCEC's institutional structure, exploration of sources of financing, development of viable projects, and display of a stronger political will, and unfailing pursuance and determination by the member countries.

Honorable Chairman,
Distinguished Delegates,

I believe that tourism, transportation and agriculture should be prioritized in our future actions. These prioritized areas have been endorsed at the COMCEC Economic Summit held in the course of the 25th anniversary of COMCEC. The activities we plan to undertake in these fields will help accelerate our cooperation.

Besides its economic contribution to our countries, I attach great importance to Tourism in terms of further qualities which will bring closer our peoples who share history and a common set of cultural values, and even enrich our cultures through acknowledgement of our differences. I appreciate the activities carried out in the field of tourism under COMCEC and I hope that such activities will be developed into concrete projects.

Transportation is one of the most crucial sectors for our economic cooperation. Rapid changes and technological improvements in the world advance opportunities for cooperation in this area. We need to develop the physical and legal infrastructure of our countries in the fields of transportation and logistics. We also need to popularize multilateral and bilateral agreements, remove and settle border problems and work on co-investments in order to integrate into the world.

Despite developmental differences among our countries, agriculture, with the strategic significance it involves for all member countries, constitutes yet another field that should be given priority. In the area of agriculture, we should attach importance to modernization of production stages, enhancement of productivity, leveraging of value added and marketing of agricultural products. I call on all member countries to actively participate in food security programs initiated within the framework of COMCEC.

In this perspective, designation of “Agriculture and Rural Development” as the theme of this year’s exchange of views session is an appropriate choice.

Esteemed delegates,

We have aimed to increase intra-OIC trade volume to 20% by 2015 under the Ten-Year Plan of Action we had adopted in 2005.

In this respect, we welcome the increased share amounting to 16.6% in 2008 of intra-OIC trade in the total foreign trade volume of OIC Member Countries.

Giving effect to Trade Preferential System among the Member States of the OIC as soon as possible will carry us much further towards the enhancement of intra-OIC trade. In this regard, implementation, at the earliest convenience, of the OIC Trade Preferential system is of paramount importance. I am pleased that the trade agreement

of the Trade Preferential System namely, protocol on Preferential Tariff Scheme (PRETAS) has entered into force with an adequate number of ratifications. We will reach the goal of operationalizing the Trade Preferential System by immediately completing the ratification process of the Rules of Origin which is the supplementary agreement of PRETAS.

In this regard, the Rules of Origin Agreement, ratified by six countries, needs to be ratified by at least four more countries. I would like to reiterate the call for member countries to finalize necessary procedures for signing and ratifying the TPS-OIC Agreements at their earliest convenience.

Distinguished Delegates,

In all our action that is intended to promote trade, we should aim at creating a suitable environment for the private sector. Along this line, we give prominence to the role the private sector assumes in COMCEC activities as much as to strengthening this sector in general. Thus, I believe it would be beneficial to sustain and intensify such private sector activities as meetings, fairs and forums held on the sidelines of COMCEC events.

We should pay particular attention to financial cooperation so as to increase the movement of capital among ourselves. I also believe that as part of our financial cooperation, the OIC Member States' Stock Exchange Forum and the Meeting of OIC Central Bank Governors as well as cooperation activities planned to be launched by the Market Regulatory Authorities are quite compelling.

Distinguished Delegates,

I would like to remind you once again that 22 of the 49 least developed countries are OIC members. This fact actually adds to the importance of poverty-fighting programs. For poverty alleviation in member countries, we have to make better use of the OIC Cotton Program, Vocational Training Program, Cooperation among Development and Cooperation Agencies in Member Countries and Solidarity Fund under IDB, which were developed and established to this end. I believe that these programs will result in concrete projects and outputs.

I expect that the work conducted by COMCEC Coordination Office in cooperation with SESRIC will throw further light on our efforts for the enrichment of the COMCEC Agenda.

Honorable Chairman,
Distinguished Delegates,

Turkey will continue to support the OIC as it assumes the key role of directing international dynamics and developments in the geographic region of the Organization of Islamic Conference (OIC).

Recently, OIC's efficiency and presence are felt increasingly and it has become a prominent organization as international actors began to value its views and cooperation. Devoted efforts of the Secretary General and adoption of the OIC Charter have played a substantial role to this end. We also believe that the implementation of the new Charter has contributed to the enhancement of the institutional structure.

We maintain our desire to host the OIC Summit in 2014. We expect the invaluable support of the OIC Countries.

With these thoughts in mind, I wholeheartedly greet all participants and wish you success in your work.

ANNEX

III

Original: Turkish

**OPENING STATEMENT BY H.E. DR. CEVDET YILMAZ,
MINISTER OF STATE OF THE REPUBLIC OF TURKEY**

**Twenty Sixth Meeting of the
Follow-up Committee of the COMCEC
(Antalya, 10 May 2010)**

Distinguished Members of the Follow-Up Committee,
Esteemed Guests,

I would like to express the pleasure of meeting and hosting you as distinguished representatives of the OIC member countries once again on the occasion of the 26th Session of the COMCEC Follow-up Committee; and welcome you all to Antalya.

Distinguished Representatives,

As you may all know, after the second half of 2008, the impact of financial, energy and food crises intensified, deeply affecting all countries. I believe that the forthcoming period will be one of economic recovery, with the first indicators of which best observed in the positive developments on global markets. Undoubtedly, to minimize the effects of the crisis in the OIC Member Countries, certain measures have been discussed in various platforms and steps taken to enhance cooperation. Mindful of this awareness, respective activities have been carried out under the COMCEC agenda, thus taking stock of the relevant international conjuncture. In this context, by organizing the OIC Economic Summit last November, we have taken eventful decisions to strengthen our cooperation. Now, we need to demonstrate the same vigor and effort to give effect to these decisions.

Follow-up Committee Meetings play a significant role in following up on these decisions for their submission to the COMCEC Ministerial Session. In this regard, I would like to thank you in advance for your contribution to successfully wrap up the Follow-Up Committee Meeting, wishing you all success.

Distinguished Representatives,

Data recently released by international organizations show that the root causes of the crisis are adequately redressed and the global economy has entered a domain of recovery. While growth forecasts for US economy have been revised upward, more cautious projections are made in connection with European Union member countries and the Euro Zone. However, uncertainties with regard to the future are mounting as snags in the credit markets are partially continuing and unemployment rates remain at high levels. According to the January 2010 benchmarks of International Labor Organization, global unemployment rates which hovered around an average of 6.6% in 2009, also reflects the projections for 2010. Rapid increment in budget deficits and rise in public debt stocks resulting from expanded fiscal policies implemented especially in the developed countries are risk factors which might push up long-term interest rates and impact negatively on private demand.

Recently, an overshoot has been observed as far as risk premiums in countries with heavy debt burden, were concerned. In addition, uncertainties concerning 2010, during which monetary and fiscal measures will lose their effectiveness, continue to be a major concern. For the period ahead, there will be a clear distinction between countries with low and high debt burden. Furthermore, both financial discipline and sound banking system, to a greater extent, will determine the countries' economies. With the support of the monetary policy to be implemented, positive developments in the credit markets are expected to continue, tightness in financial circumstances to ease and a restricted recovery to take place in the labor force market.

According to data provided by the International Monetary Fund, the global economy, which had shrunk by 0.6% in 2009 due to the impact of the crisis, is estimated to grow by 4.2% in 2010 and by 4.3% in 2011. The growth is expected to gain momentum under the leadership of China, India, and other developing Asian economies.

While the global volume of traded goods and services, largely impacting on the shrinkage of global output, has decreased by 10.7% in 2009, it is estimated to increase by 7% in 2010. It is observed once again that both the demand structure of developed countries and the increased trade capacity of developing countries make significant contribution to the momentum of economic activities worldwide. In other words, it is clearly noticeable that trade promotion among countries forges as an underlying component of stable growth. As regards OIC Member Countries, achieving an

economic growth trend of 5 to 6 % as of 2010 is foreseeable alongside our prospective action in the area of trade.

Distinguished Guests,

The share of OIC Member Countries in world commodity exports rose from 8.1% to 11.2 % between 2003 and 2008. Exports and imports, totaling \$ 1.89 billion and \$ 1.49 billion respectively as of 2008, will gain momentum once again in 2010 in the aftermath of a downturn during the crisis period of 2009. I believe that the intra-OIC trade that reached the level of 16.6% with a total of 275 billion USD as of 2008 may be sustained through diversification of products and markets in terms of exports. When the structure of intra-OIC trade is thoroughly reviewed, the composition of leading products is appears as follows 29% oil, 27% manufacturing products and 17% agricultural products. In this respect, I think that the principle of complementarity provides a compelling opportunity to enhance our trade. Thus; it is critical for member countries to upgrade the quality of their products, become ready for international competition and make their preferences in trade to the benefit of each other's benefit.

Preferential Tariff Protocol-PRETAS, designed to liberalize trade among Islamic Countries, has already entered into force. I believe that immediate implementation of the Rules of Origin, a supplementary agreement of PRETAS, is also of paramount importance for the purpose of boosting intra-OIC trade. These two agreements are to help with the establishment of the Trade Preferential System among Islamic Countries and perpetuate efforts intended for the liberalization of trade among our countries.

In recent years, Turkey has been a long head start in the promotion of intra-OIC trade through the conduct of trade activities both in the region and in the OIC member countries. Turkey's volume of trade with OIC Member Countries was 62 billion USD in 2008; however, due to impact of the crisis, it was down to 46.4 billion USD in 2009. Nevertheless, the share of OIC countries in Turkey's total trade volume has risen from 18.5% to 19%. In the hope of sustaining this trend in the aftermath of the crisis, I would like on behalf of my country to underpin that we have been proceeding with operational activities to enhance our trade relations.

Distinguished Delegates,

To this effect, I place high value on the Statute of the Standards and Metrology Institute of Islamic Countries for the strengthening of our trade infrastructure. In this respect, Turkey has entered the final stage of the ratification process. I would like to announce to all brotherly countries that the Turkish Standards Institute, which will be in charge of establishing the given Institute, has initiated the necessary preparations. In this area where concrete developments have been taking place, I would like to invite all member countries to sign and ratify the said Statute.

Another issue that prompts us, in this concern, to focus our attention on as soon as possible is the development of food standards. Regarding this crucial matter, member countries should take the initiative to develop a system that would meet the needs of Muslims all over the world. I appreciate the action so far taken and I hope that we find common grounds through mutual understanding and cooperation. In order for aftermath of the crisis to unfold to the benefit of OIC member countries I would like to invite them all to make their contribution for this system to materialize, which will put in place a firm trade infrastructure that could also consolidate further commercial ties against food crises, being a major component of the economic crisis.

Distinguished Members of the Follow-up Committee,
Honorable Guests,

We should keep in mind that both challenges and opportunities are involved in the process of enhancing cooperation among Islamic countries which have different economic, scientific, and social indicators. Our countries that hold different positions in a wide spectrum of economic development also maintain diverse levels of development within their respective structures. The key to resolving this internal difference rests with increased leverage of production capacity as well as the realization of fair income distribution. As for differences among countries, these may only be balanced through elaboration of fair trade regulations, promotion of intra-OIC trade and fostering of shared investment.

In order to further advance our member countries' fight against poverty and strengthen our trade potential in our developing member countries, various programs have been launched under COMCEC. Unfortunately, the OIC Cotton Action Plan, as one of these programs, has not yielded the expected results. As we are nearing the end of its term 2007-2011, we need to revise the program and settle funding issues in

connection with existing projects in the bid to ensure success of this program which will enable us to particularly increase the trade potential of African cotton producing countries and contribute to their poverty-fighting efforts. I believe that the Steering Committee Meeting, scheduled for the second half of this year, should embark on a thorough analysis of the current situation that covers financial aspects and a clearer road map.

As you all know, we are considering collaboration with the member countries on “Agriculture and Rural Development”, a topic that could be addressed within the framework of the poverty alleviation program forging as the main theme of the Exchange of Views Session of COMCEC. Though the share of agriculture in the national incomes of OIC Member Countries seemed to average around 11.5% as of 2007, the rate was as high as 60% in some countries. Therefore, as agriculture is a chief economic input, the impact of food crisis necessitates enhancement of cooperation in this field. On developing macro strategies: mobilization of local dynamics and utilization of regional potential with special emphasis on poverty alleviation in rural areas through stepped up production and welfare, should be the main objective. In this context, I would like to invite all member countries to dedicate special attention to the food security program proposed for the first time during the 24th COMCEC Meeting.

All these efforts, as corroborated in UNDP reports, are slated to drawing opportunities and improving the life quality of our citizens. Given global efforts exerted between 1994-2007, the number of people with a daily income less than 1, 25 dollar was reduced to 950 millions; but as a frequent corollary of the crisis 60 million people are added to this number on annual basis. As recovery in financial markets has slow impact on real economies and expected recovery in the area of employment is time-consuming, it will be quite some time before statistical data on poverty gets back on positive track. I believe that we should make use of the mean time by driving in new projects, benefiting more from the solidarity fund under the Islamic Development Bank in the field of poverty- fighting.

The post-crisis interval signals a rapid recovery process, provided that the circumstances are interpreted wisely. Primarily, we need to have an understanding that targets stability. In order to achieve stability, increased accountability and transparency are prerequisites. Prevention of new crises may only be possible by regulating new financial systems, projecting early warning systems, showing openness to cooperation and displaying will for dialogue-based problem resolution. Thus, we will leave behind

periods of crisis that originate in the domain of economy, leaping then to social domain and leaving permanent marks.

I would like to reiterate that Turkey will continue to extend necessary support to all cooperation efforts within the framework of COMCEC, to mobilize our trade potential, and to strengthen solidarity to fight against poverty and also to search for solutions for our common problems by carrying them to international platforms.

Honorable Delegates,
Distinguished Guests,

As I conclude my remarks, I would like to thank all the representatives of the member countries and OIC Secretary General H. E. Professor Ekmeleddin İHSANOĞLU for their contribution to our cooperation. I further extend my thanks to the General Secretariat staff, COMCEC Coordination Office, Islamic Development Bank, Ankara Headquarters, ICDT and ICCI.

I believe that, throughout this Meeting, you will set a good example of brotherhood and solidarity among Islamic countries and I wish you success in your deliberations.

Thank you very much.

ANNEX

IV

Original: English

**MESSAGE OF
H.E. PROF. EKMELEDDİN İHSANOĞLU
SECRETARY GENERAL OF THE
OIC ORGANIZATION OF THE ISLAMIC CONFERENCE
Twenty Sixth Meeting of the
Follow-up Committee of the COMCEC
(Antalya, 10-12 May 2010)**

Bismillahi Arrahmani Arrahim

Mr. Chairman,
Distinguished Delegates,

Assalamu Alaikum wa-Rahmatu Allahi wa-Barakatuhu

It is a great pleasure for me to address the 26th Meeting of the Follow-Up Committee of COMCEC. The convening of this meeting presents yet another opportunity to review the extent of the progress made in the implementation of the various activities, programmes and projects established in the wake of the implementation of the Ten-Year Programme of Action adopted by our esteemed Organisation.

The last session of COMCEC and the Economic Summit, which were held consecutively in Istanbul last year to commemorate the 25 years of the establishment of the Standing Committee for Economic and Commercial Cooperation among OIC member states, had rekindled the hope of attaining the various targets established for the consolidation of the bonds of friendship and cooperation existing among OIC member states and their peoples. Our meeting today represents an excellent opportunity to examine where we are at the moment; where we wish to be; and how to attain the noble objectives of transforming the Organisation of the Islamic Conference to a veritable economic actor that will approximate the developmental aspirations of the peoples of OIC member states.

Mr. Chairman,
Distinguished Delegates,

It is a known fact that the socio-economic landscape of the world continues to change in a manner demanding urgent actions from all global and regional economic

actors, including the OIC. There is the need to create enabling but effective frameworks for coordinated responses anchored on higher levels of trade and financial flows. To this end, you would recall that the OIC has continued to place strong emphasis on strengthening economic and commercial cooperation among Member States, through energizing trade and investment, supporting the development of Africa, alleviating poverty and encouraging capacity building in its Least-Developed Member States.

I am glad to note that on the basis of this vision, various OIC programmes in the area of trade promotion and private sector-led investment activities, infrastructure and agricultural development, cooperation in the tourism sector, cotton sector development, food and nutrition security and many others have been developed. These programmes have enormous potentials to foster mutually-beneficial cooperation in the overall interest of the peoples of OIC member states.

As this meeting takes stock of our achievements under the Ten Year Programme of Action and as we are in the process of undertaking the mid-term review of activities undertaken so far, we should endeavour to adopt a holistic approach. It is apparent that a lot of activities are taking place within the framework of the mandate set out by the Makkah Extra-ordinary Summit that would need to be analysed both quantitatively and qualitatively.

For example, the progressive increase in intra-OIC trade since 2005 declined in 2009 due to the impact of the global financial, energy and food crises. This unforeseen impact has spurred our collective actions in promoting cooperation among the financial sector's operators in OIC countries. Another demarche has begun in the domain of food security and agricultural development. This meeting would need to study the details of this phenomenon and recommend any urgent actions capable of halting this unfavourable trend. In the same vein, it is also important to examine the efficacy of the various OIC interventions under ISFD, SPDA, ICD, and ICIEC, while at the same time giving adequate visibility to the tremendous activities underway in the domain of trade financing and capacity building.

With regard to the implementation of TPS-OIC, the slow but steady progress has now brought to the fore the importance of the twin approaches, which seek the close involvement of the various regional economic blocs in the OIC free trade scheme and the involvement of major trading partners in OIC member-states. The regional economic groups can represent the desired building blocks on which OIC free trade regime could be built. In the second place, the countries with huge trading relations can also lead the way in this mutually-rewarding venture. By so doing, we would not

only attain our target figure of 20% of intra-OIC trade in 2015, we would have succeeded in giving an example of the advantages of this pan-Islamic action.

With regard to the implementation of the 5-year cotton development programme, it is instructive to note that most of the projects are still awaiting the necessary funding, even as we approach the end of the lifespan of the programme. Our meeting should take stock of the copious experiences, which have emanated from the implementation of this project. The delay in the timely execution of this project has been due to the slow responses and inadequate coordination among the concerned agencies of member-states, thereby indicating the need to explore the possibility of appointing prime movers among our countries to address identified crucial area of activity.

Similarly, there is also the constraint of funding and the non-inclusion of prospective funding partners at the examination stage. Furthermore, a great number of the projects dealt with research and development and capacity-building, to the detriment of those activities involving support for small scale businesses and community-based stakeholders.

Mr. Chairman

Distinguished Delegates

The problems of poverty, hunger and deprivation have assumed a dimension that requires urgent intervention by our Organisation. The global paradigm shift in favour of pro-active responses to the numerous cases of hunger and deprivation is deserving of our collective attention. Our Organisation is capable of leading the way in supporting the right to food rather than considering it as a purely humanitarian relief engagement.

The agricultural self-sufficiency, which the least developed countries enjoyed in the past, has been eroded due to many factors, chief of which is inadequate investment and out-moded technology. Most of our erstwhile food-exporting countries have now become low income food-deficit countries with multitude of children suffering from stunted growth. The hunger threshold is increasing with the poor segments of OIC populations constituting the bulk of the estimated 1.02 billion hungry people in the world in 2009. The political will of OIC decision-makers must be mobilized to ensure that a comprehensive approach to food security is developed in collaboration with the various stakeholders at the national, regional and international levels.

Mr. Chairman
Distinguished Delegates

Let me at this juncture commend the various activities executed in this regard under the aegis of COMCEC, the IDB and FAO. The counterpart funding agreements signed by FAO and IFAD to support projects in OIC countries is a giant step in the right direction. I avail myself of this opportunity to renew my commitment and that of my colleagues in the General Secretariat to partner with you in this very noble task. No efforts would be too great to ensure that the unfortunate specter of hunger, deprivation and poverty is wiped out in our member states.

Finally, I wish to thank the President and Government of the Republic of Turkey for the traditional hospitality extended to participants, such that have contributed to the serene atmosphere prevailing at this meeting. I salute the resilience of our officials in the various OIC institutions as well as the delegates representing OIC member-states of the Executive Committee of COMCEC. I wish each and every one of you happy deliberations.

*Thank you for your kind attention, and
Wassalamu Alaykum wa-Rahmatullahi wa-Barakatuh*

ANNEX

V

Original: English

AGENDA
TWENTY SIXTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(Antalya, 10-12 May 2010)

1. Opening of the Meeting and Adoption of the Agenda
2. Review of the Implementation of the OIC Ten Year Program of Action and the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States
 - *Background report*
 - *Project Proposals for Enriching the Agenda of the COMCEC*
 - *Report of the Sessional Committee*
3. Promotion of Intra-OIC Trade
 - *TPS-OIC*
 - *Road Map for Enhancing Intra-OIC Trade*
 - *WTO Related Technical Assistance*
 - *Trade Financing Activities*
4. Private Sector Cooperation
 - *Islamic Trade Fairs*
 - *Private Sector Meetings*
5. Poverty Alleviation and Economic /Technical Assistance to OIC Countries
 - *Implementation of the Islamic Solidarity Fund for Development*
 - *OIC Cotton Program*
 - *Cooperation among Development and Cooperation Institutions of the Member States*
 - *OIC-VET Program*
6. Financial Cooperation among the OIC Member States and Enhancing Intra-OIC Investment Flows
 - *Cooperation among the Stock Exchanges*
 - *Cooperation among the Central Banks*

7. Preparation for the Exchange of Views on "Agriculture and Rural Development" to be organized during the Twenty-Sixth Session of the COMCEC
 - *Preparations for the Exchange of Views Session*
 - *Progress Report by the Task Force on Food Security Program*
8. Development of the OIC Halal Food Standards and Procedures
9. E-government applications and their economic impact on the OIC Member States
10. Activities of the Statistical Working Group
11. Draft Agenda of the 26th Session of the COMCEC
12. Any other business
13. Adoption of the Report

ANNEX

VI

Original: English

**REPORT BY OIC GENERAL SECRETARIAT
ON REVIEW OF THE IMPLEMENTATION OF THE OIC TEN YEAR
PROGRAMME OF ACTION AND THE PLAN OF ACTION TO
STRENGTHEN ECONOMIC AND COMMERCIAL COOPERATION AMONG
THE OIC MEMBER STATES**

A. INTRODUCTION

The 25th COMCEC Session and the commemorative Economic Summit meeting afforded the rare opportunity of securing the inputs of Heads of State and Government of OIC member-states on the implementation of the economic cooperation agenda of the Organisation. The Istanbul Declaration reviewed the implementation of the Ten Year Programme of Action as the latter entered its fifth year of operation and called on member states to implement the various resolutions adopted by the OIC for the purpose of fast-tracking socio-economic development and the advancement of mutually rewarding cooperation among OIC member states and peoples.

This Report would seek to capture the implementation of the various resolutions approved during the last session of COMCEC as well as other activities underway on the economic front. The successful convening of the Ministerial Meeting on the Dakar-Port Sudan Railway Project and the approved Road-Map for this gigantic integration project was a major feature of the activities embarked upon by the General Secretariat during the year under review. Similarly, the current efforts at establishing cooperation among the Development and Coordination Institutions of member-states was given the required boost by the successful convening of the Expert Group Meeting, which agreed on the framework for establishing the desired cooperation among these development assistance agencies.

In the domain of promoting intra-OIC preferential tariff regime, the entry into force of the PRETAS protocol on 5th February 2010 was significant, considering the fact that this has facilitated the task of collating the required data for the actual implementation of tariff reduction mechanism as well as the activation of intra-OIC trade. The latter is aimed at attaining the set target of 20% for intra-OIC trade by 2015.

The other significant achievement in the area of economic cooperation is the elaboration of appropriate frameworks for promotion of food security and agricultural development as sustainable strategies for addressing the specter of hunger, deprivation and poverty in OIC countries, particularly the Least Developed low-income countries. Efforts were intensified in the year to expand OIC cooperation with other regional and international organizations as well as United Nations agencies to share experiences and technical expertise for the speedy execution of these poverty alleviation programmes, among others.

In the overall execution of its economic mandate, the General Secretariat had during the year scaled up its collaborative work with all OIC subsidiary, specialized and affiliated institutions working in the area of economic cooperation to provide researched and specialized inputs into the work of the General Secretariat in a sustainable manner. Closer liaison was established with COMCEC as well as all subsidiary, specialized and affiliated institutions of OIC, notably SESRIC, ICDT, IDB Group, ICCI, OISA to coordinate all aspects of the economic agenda of the OIC.

In this context, the 5th Coordination Meeting of OIC Institutions for the Implementation of the OIC Ten-Year Programme of Action was successfully organized at the OIC headquarters on 28 March, 2010.

B. INTRA – OIC TRADE

The year 2010 witnessed the entry into force of TPS-OIC (PRETAS) and the commencement of activities towards the actual implementation of the free trade regime among all the member states, who have already ratified the multilateral instrument. Although the volume of intra-OIC trade now stands at 16.66% in 2009, up from 16.60 in 2008, it is believed that the various activities aimed at resuming trade negotiation rounds during the year would augur well for the desired increase in trade relations among OIC member-states. The following activities were vigorously undertaken during the year under review:

a. Trade Promotion and Trade Facilitation

i) Road Map for Enhancing the Intra-OIC Trade:

In order to achieve the objective of expanding intra-OIC trade to 20% by 2015, the 24th Session of the COMCEC adopted the Road Map for Enhancing Intra-OIC Trade, which duly was approved by 36th Session of the Council of Foreign Ministers. Consequently a Consultative Meeting of OIC Institutions operating in the economic field for the implementation of the Road Map was organized at ICDT Headquarters in Casablanca, Morocco on 11-12 February 2009, with the active participation of OIC General Secretariat, COMCEC Coordination Office, SESRIC, IDB Group (ITFC and ICIEC), OISA and ICCI. The Meeting adopted the Executive Programme of the Road Map for Achieving intra-OIC Trade Targets, entrusted the ICDT with the task of assuming its secretariat and identified coordinators for different fields.

On the implementation of the Road Map for Enhancing the Intra-OIC Trade, the Fifth Coordination Meeting of the OIC Subsidiary Organs, Specialized and Affiliated Institutions for the Implementation of the OIC Ten Year Programme of Action, which held in Jeddah on 28 March 2010, agreed that more emphasis should be given to mobilization of funds from multiple stakeholders, Private Sector participation, capacity development, establishment of e-market place as well as improving the content of OIC Trade and Specialized Fairs through closer coordination among ICDT, Trade Promotion Organs of OIC countries, as well as ICCI, ICD and ITFC. The Coordination Meeting also agreed to involve member states that are ready and have

huge potentials to improve intra-OIC trade, thereby facilitating the attainment of the target of 20% as enunciated in the TYPOA.

ii) Trade Financing Activities:

The ITFC continues to provide financing for trade under its various facilities and also has a Trade Cooperation and Promotion Programme (TCPP) under which it undertakes a number of activities for trade promotion, trade facilitation, capacity building, and development of strategic products. During the 2009, the total financing approved by the ITFC amounted to US\$2,166.37 million for 59 operations. In the same vein, the ITFC under its TCPP Programme, undertook 36 activities, including 11 activities related to trade promotion, 7 for trade facilitation, 14 for capacity building and 4 for development of strategic products.

iii) Promoting Competitiveness:

Considering the important role of Competition Law and Policy in promoting economic development, trade and investment in OIC Member Countries, the ICDT and Tunisian Ministry of Commerce and Handicrafts in collaboration with the Islamic Research and Training Institute (IDB Group) organized an expert meeting on "Competition Policies and Regulations in the OIC Member States: Present Status and Prospects" in Tunis from 22 to 24 February 2010. The meeting adopted various recommendations to promote cooperation in the field of competition in the OIC Member States. These recommendations, among others, relate to development of a technical assistance program on competition for the benefit of OIC countries, reinforcement of cooperation among Member States in this domain, creation of a network for the exchange of experiences and information between authorities in charge of competition as well as promotion of collaboration among universities and research institutes.

iv) Meeting of National Statistical Organizations

The SESRIC in collaboration with the Islamic Development Bank organized the Meeting of the National Statistical Organizations of OIC Member States in Istanbul, Turkey, on 22-23 March 2010. This event took place six years after a similar meeting was held in Lahore, Pakistan, in February 2004, and it acknowledged that there was a need to enhance cooperation among National Statistical Organizations for progress in the statistical area. Accordingly, the Meeting agreed to continue to cooperate, share knowledge, information and publications and best practices, as well as help one another through exchange of technical experts to provide training and hands-on experience. It also agreed to convene annually the meeting of NSOs under the title OIC Statistical Commission (OIC-SC), with SESRIC assuming the function of its secretariat.

b. Trade Preferential System among the Member Countries of OIC (TPS-OIC)

Following the entering into force of the Framework Agreement on Trade Preferential System in October 2002, the Protocol on the Preferential Tariff Scheme for the TPS-OIC (PRETAS) has also entered into force on 5th February 2010. However, the Agreement on the Rules of Origin (RoO) has not yet entered into force. As at the time of preparing this Report, eighteen member-states have signed the Agreement, while only five (5) members have ratified it. Accordingly, five more ratifications are needed for this instrument to enter into force, thereby making PRETAS implemented.

In the light of the above development, the 25th Session of COMCEC recommended that the Trade Negotiating Committee should consider convening the next round of negotiations as soon as possible to consider the necessary arrangements for the operationalization of the TPS-OIC. At the same time COMCEC has requested the OIC General Secretariat and ICDT to continue to organize meetings for the presentation of TPS-OIC Agreement and the PRETAS, with a view to broadening the membership of the Trade Negotiating Committee and expediting the accession of new Members.

The General Secretariat has informed all member-states which had ratified PRETAS to notify the Trade Negotiation Committee (TNC) Secretariat of their specific annual installments of reduction along with the list of products, emphasizing that the base rate of the tariff applicable shall be the MFN applied rate on 1st October 2003. The Note Verbale also sensitised member-states who have ratified the Rules of Origin agreement (TPS-OIC (RoO)) on the need to complete their internal and legislative and administrative measures in order to fast-track the effective implementation of the TPS-OIC.

Meanwhile, consultations with regional economic groupings to which OIC member-states belong, such as UEMOA, ECO, etc have been recommended with a view to fast tracking the process of ratification of OIC Trade Preferential Scheme. In the light of continuous demarches by the General Secretariat and the ICDT in this connection, the representative of the General Secretary attended the Summit of WAEMU in Bamako, Republic of Mali on 20 February 2010 and resumed discussions on the group participation of WAEMU member-states in the TPS process.

c. 1st Real Estate and Building Exhibition of the OIC Member States

The ICDT and relevant authorities of Senegal have agreed to organize the 1st Real Estate and Building Exhibition of the OIC Member States (OIC Building EXPO). To this effect, both parties held three coordination meetings, which ended with the signing of a Partnership Convention in Casablanca on 23rd April 2009, relating to the joint organization of this exhibition. The Exhibition will now hold in Dakar, Senegal, on 24-27 June 2010.

C. COOPERATION IN THE FINANCIAL SECTOR

a. Promotion of Cooperation among the Stock Exchanges of the OIC Member States

The Third Meeting of the OIC Member States' Stock Exchanges Forum convened in Istanbul on 24-25 October 2009, which reviewed the progress since its second meeting in October 2008 and agreed to convene the meeting of its Working Committee, which studies and proposes the areas of cooperation, in Abu Dhabi, the United Arab Emirates, in 2010. In line with this, the Abu-Dhabi Securities Exchange hosted the said meeting on 26-28 April 2010. The outcome of the meeting will be submitted to the Fourth Meeting of the OIC Member States' Stock Exchanges Forum to be held in Istanbul, Turkey, in 2010.

b. Cooperation among the Central Banks and Monetary Authorities of OIC Member States

The Meeting of the Central Banks and Monetary Authorities of the Member Countries of the OIC was held in Istanbul, Republic of Turkey, on 3 October 2009, on the margins of the Annual Meetings of the IMF and World Bank Group. The Meeting was organized by the Central Bank of the Republic of Turkey and the SESRIC.

Governors of Central Banks from 15 OIC Member States attended this meeting and discussed the Impact of the Current Crisis on the OIC Member Countries. The discussions centered on technical macro-economic issues related to the implications and OIC responses to the current global financial crisis, with a view to formulating appropriate exit strategies vis-a-vis the crisis.

The Meeting represents the resumption of the meeting of the Governors of the Central Banks and Monetary Authorities of the OIC Member States, which could not be convened since their last meeting in Cairo in 1991; and its re-institutionalization, as Governors agreed to regularly meet on annual basis and harmonize views and take decisions on issues of common interest in the financial sector. The annual meetings are expected to feature workshops and extensive technical work programme, which will particularly consider the eventual popularization of Islamic Finance, as a potential panacea for the inadequacies of the current global financial system. The next Meeting will be held in the Republic of Turkey on 21-22 September 2010.

D. FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

a. Activities in the Area of Food Security and Agricultural Development

i) The OIC Ministerial Conference on Agriculture and Food Security

The issue of food security received particular attention during the year under review, with the scheduling of the 5th Ministerial Meeting on Food Security and

Agricultural Development in Khartoum, Republic of Sudan from 23-25 February 2010. Arrangements were made to invite all member-states, regional and international organisations and multilateral development agencies to pronounce on a more action-oriented programme to address this crucial aspect of OIC economic cooperation. The Conference was postponed at the last minute, due to some pressing issues at the instance of the Government of the Sudan.

ii) Forum on Development of Agro-food industries in OIC Member States

The significance of holding Private Sector networking sessions is to promote the development of capacities of Small and Medium Enterprises and contribute to poverty alleviation. This informs the on-going arrangements by the General Secretariat to collaborate with the Government of Uganda to organize the Forum on Development of Agro-Food Industry in the OIC Member States, scheduled to take place in Kampala, Uganda, in September 2010. It is envisaged that this forum would increase awareness in the vast opportunities available in Uganda and other countries in the East and Central African sub-region for partnership in the Agro-Food Sector, much as it would also promote the desired transformation of the prevailing traditional economies in modern industrialized economies. In this context, the General Secretariat and the IDB agreed, during the last coordination meeting held on 28 March 2010 to continue to undertake necessary coordination towards the successful organisation of this important forum.

iii) Expert Group Meeting on Achieving Food Security in OIC Member Countries in Post-Crisis World

The Islamic Development Bank (IDB) organized an Expert Group Meeting (EGM) on Achieving Food Security in OIC Member Countries in Post-Crisis World in Jeddah on 2-3 May 2010. The EGM addressed food security situation in OIC Member States in the face of soaring food prices and the new challenges of recovery from global downturn, climate change and energy security and adopted a set of policy recommendations. It also emphasized that efforts should be exerted at the OIC level towards developing the capacity of agriculture sector in Member States and enhancing strategic partnership to promote food security through fostering intra-OIC investment and trade. The EGM's recommendations would be duly submitted to the 26th session of COMCEC, which will be held in Istanbul, Turkey, on 5-8 October 2010.

iv) Cooperation with United Nations Food and Agriculture Organization (FAO)

Within the framework of fashioning a holistic approach to the endemic problems of food security, desertification, land degradation and climate change in OIC member states, the OIC General Secretariat finalized in collaboration with Food and Agriculture Organization a project on "Support to Policy Consultation and Actions to Boost Sustainable Use of Water and Energy Resources for Agricultural Production and Livelihood Improvement in the Near East Region in the Context of Climate Change". This project is aimed at conducting a profound assessment of the conditions of the

water and energy resources at the national, sub-regional and regional levels, as well as identifying the investment needs and investment strategies for food, water and energy security in OIC Member States in Near East and North Africa (NENA) regions.

In the same vein and for the purpose of strengthening cooperation among the partners to achieve the objectives of enhancing food security in the OIC Member States, the 25th Session of the COMCEC held in Istanbul, the Republic of Turkey, in November 2009, approved a Road Map for multi-party cooperation between the OIC, IDB, COMCEC and FAO on food security and, to this end, a Task Force comprising the representatives of these three institutions and COMCEC Coordination Office is being established. The mandate of this Task Force is to develop and recommend Food Security Programs for OIC Member States and their concerted implementation.

Representatives of the OIC Secretary General attended the Third World Summit on Food Security, which was held in Rome, Italy, on 16-18 November 2009, and held useful consultations with FAO and delegations of some OIC Member States on food security. The Summit succeeded in drawing attention to the urgent need for a balanced, international and comprehensive approach to Food Security issue. It agreed that both developing and developed countries had roles to play and called for a code of conduct to regulate the evolving trend, whereby countries with investible funds are in the fore front of promoting investments in the food production in countries with abundant land resources for the purpose of securing favourable agricultural imports and local employment generation. The meeting also emphasized the role for both small- and large- scale farmers within the framework of constructive partnerships among all stakeholders.

v) *OIC Inter-Agency Cooperation*

In addition to the various coordination activities between the General Secretariat and OIC Member States, the OIC Institutions operating in the economic field are also undertaking various programmes and projects to ensure food security and agricultural development in the OIC Member States. To this end, the Islamic Development Bank, in June 2008, launched a landmark \$1.5 billion Jeddah Food Initiative aimed at assisting the Least Developed Countries of the OIC to increase their agricultural production and create adequate stock of food grains.

In a related development, the Islamic Development Bank and FAO signed in Rome on 15 November 2009 a US\$1 billion agreement to fund agricultural development in poor countries that belong to both organizations. Under the agreement, IDB will contribute US\$1 billion over the next three years (2010-2012) in the framework of Jeddah Food Initiative and FAO will provide the necessary technical support for the formulation and implementation of projects. In this regard, a similar co-financing agreement was signed between IDB and IFAD in Jeddah, Saudi Arabia, on 14 February 2010, with the latter contributing US\$1.5 billion to the implementation of food security programmes in OIC member-states. Under this agreement IDB and IFAD, using their own resources, will jointly finance priority projects in most of OIC member states under their respective three-year lending programmes for 2010-2012.

More specifically, two organizations will focus their efforts on increasing productivity, yields, processing capacities and access to markets.

b. Cooperation in Energizing Trade and Investment in Cotton

Given the pending funding of the various projects approved by Project Committee as reported last year, the Coordination Meeting of OIC Institutions held in Jeddah, Saudi Arabia on 28 March 2010 agreed to sensitise member-states on the need to submit their approved projects once again to IDB with necessary authorisation from their respective Governments to disburse appropriate funds on their behalf. It is believed that with the disbursement of these pending funds, the implementation of the cotton rehabilitation programmes can be considered to have produced the desired results.

On its own part, the ITFC reported that the total amount of direct financing extended with regard to cotton projects was US\$121 million, in 2008; and US\$25 million in the first half of 2009.

In a related development, the Ministry of Trade and Industry of the Arab Republic of Egypt and the Islamic Centre for Development of Trade (ICDT) successfully organized, in collaboration with the International Islamic Trade Finance Corporation (ITFC), a Workshop on “Trade and Investment in the Cotton Sector in OIC Member States” in Cairo, Egypt, on 12-13 October 2009, which was held on the sidelines of the 12th Trade Fair of the OIC Member States (11-16 October 2009). The Workshop was attended by 19 OIC Member States and representatives of international organizations and private companies from cotton producing Member States.

i) OIC Cotton Web-site

The General Secretariat is pleased to reiterate the operationalisation of the dedicated OIC website on cotton, namely: www.oic-cotton.org and to renew its appeal to all OIC Member States to continue to provide the OIC General Secretariat with the information on their cotton and textile sector on regular and sustainable basis. This is with a view to ensuring the maintenance of an up-to-date website on this vital sector and to assisting in the current attempt to strengthen trade and investment in the cotton sector.

c. Development of Halal Food Standards and Procedures

The Second Session of the 10th Meeting of OIC Standardization Expert Group (SEG), which was held in Istanbul on 13-16 October 2009, succeeded in accomplishing this mandate and recommended the following documents for further action by OIC to the 25th COMCEC Session:

- i- OIC Halal Food Standard- General Guidelines on Halal Food;*
- ii- Guidelines for Bodies Providing Halal Certification; and*

iii- Guidelines for the Authorized Accreditation Body Accrediting Halal Certification Bodies"

The 25th COMCEC Session considered the Report of the 10th SEG meeting and expressed appreciation for the finalization of the three documents. COMCEC accordingly requested the SEG to clarify pending issues mentioned in its Report and to propose the detail of the implementation mechanism of the OIC Halal Food System. The General Secretariat is being requested to circulate the final report to Member States and ensure its compilation for eventual consideration at 26th COMCEC Session.

Ever since, SEG and the concerned expert groups have been exchanging data on the elaboration of modalities for a detailed implementation mechanism of the Halal Food System as well as the resolution of the pending issue on the General Guidelines for the Halal Food Standards.

E. TRANSPORTATION SECTOR DEVELOPMENT

a. OIC Dakar –Port Sudan Railway Project

During the reporting year, the General Secretariat in collaboration with other members of the Executive Committee of the OIC Dakar-Port Sudan Railway Project collated the data received from participating Member States and, on the basis of these data, prepared the Draft Project Document of the OIC Dakar-Port Sudan Railway Project. Subsequently the Project document was submitted to the First Meeting of Ministers in charge of transportation and infrastructure development from the participating countries on the OIC Dakar-Port Sudan Railway Line Project.

The First Meeting of Ministers in charge of transportation and infrastructure development from the participating countries on the OIC Dakar-Port Sudan Railway Project held in Khartoum, Republic of Sudan, on 8-10 December 2009, reviewed the documents prepared by the Executive Committee and adopted a roadmap and timelines for the implementation of the Project. The Meeting also approved invitation to countries and partner institutions in OIC Member States and Non-Member States, as well as regional and international development agencies to participate in fund mobilization activities and implementation of the Project.

To this effect, a Meeting of the Stakeholders on the project will convene at the OIC General Secretariat in Jeddah, Saudi Arabia, on 26 May 2010, to explore modalities for the financing of the project. All relevant multilateral organizations and regional agencies have been invited to this meeting, in addition to the 13 participating member states and concerned OIC institutions. It is expected that the outcome of the meeting would assist IDB in the task of financing the pre-feasibility studies before the ultimate realization of the two main components of the Road Map.

b. Establishment of Islamic Civil Aviation Council

The Statute of Islamic Civil Aviation Council (ICAC) was adopted by the 13th ICFM, which was held in Niamey, Niger, in August 1982. So far, the Statute has been

signed by seventeen (17) and ratified by thirteen (13) Member States. Accordingly, the Statute has become effective since April 2004. According to the Provisions of this Statute, the ICAC shall be a subsidiary organ of the OIC and the Headquarters of the Council shall be located in Tunis, Republic of Tunisia.

The aim of this Council is to develop cooperation among OIC Member States in the area of civil Aviation, work for the attainment and promotion of common regulations in the technical and economic field of air transport, and consider problems that may arise in the field of Civil Aviation.

The 25th COMCEC Session urged the General Secretariat, in collaboration with the Government of Republic of Tunisia, to organize the 1st General Assembly of the Council in 2010. The General Secretariat initiated liaison with the Government of Tunisia to organize the 1st General Assembly of the Council as a subsidiary organ of the OIC. In this context formal communications were made with the appropriate authorities in Tunisia during the year of 2009, with a view to convening the 1st General Assembly of the ICAC as soon as possible.

c. Maritime Transportation

The Bakkah Shipping Company, which was established by the Organization of the Islamic Ship-owners Association in 1993, has since started operation. Although its operations have always been conducted through chartered vessels, OISA has successfully negotiated an agreement with the Exim Bank of China to purchase 15 different categories of vessels. In this regard, the Exim Bank of China has undertaken to finance 80% of the cost of these vessels. On its part, Bakkah Shipping Company announced that it will source the financing of 10% of the cost of Vessels, and has commenced arrangements to source for the remaining funds. However, the Secretary-General of OIC discussed this matter with the President of IDB on 9th September 2009. It was agreed that Bakkah's shareholders should be encouraged to raise the funds from all sources, in addition to mobilizing resources within the Company.

d. Establishment of the Federation of Islamic Air Transport Association (FIATA) and the Federation of Islamic Road Transport Association (FIRTA)

In line with the resolution of the 25th Session of the COMCEC held in Istanbul, Turkey, on 5-9 November 2009, the General Secretariat revised the project proposals on the establishment of the Federation of Islamic Air Transport Association (FIATA) and the Federation of Islamic Road Transport Association (FIRTA) as new affiliated organs of the OIC and circulated them among all Member States for their consideration and suggestion. Based of the feedbacks received by the General Secretariat, Afghanistan and Turkey are in support of the twin projects, while Jordan and Senegal support the establishment of the FIRTA. At the same time Jordan informed that the project proposal regarding the establishment of the FIATA was submitted to the Arab Civil Aviation Commission for further study with a view to

having a unified Arab position on the matter. On its part, Egypt suggests preparation of comprehensive studies on the subject matters.

F. COOPERATION IN THE TOURISM SECTOR

a. Second Coordination Committee Meeting

The Second Coordination Committee Meeting on the implementation of the Framework for Development and Cooperation in the Domain of Tourism between the OIC Member States was held in Antalya, Republic of Turkey, on 24-25 March 2010. This Meeting reviewed activities of the Member States and OIC Concerned Institutions on the implementation of the Framework as well as Short Term Plan and Program. In this context, the Second Coordination Committee drafted a Progress Report on the implementation of the Framework, to be submitted to the Seventh Session of the ICTM, for final adoption. The Seventh Session of the ICTM is scheduled to be held in Tehran, Islamic Republic of Iran, in November/December 2010.

b. Tourism Fair

As regard staging of tourism fairs, it is gratifying to note that the 3rd Tourism Fair will be held in Cairo, Arab Republic of Egypt, on 10-13 December 2010. This fair will undoubtedly achieve the desired results of promoting active cooperation among Member States, judging the available opportunities for net-working among all stakeholders in this vital sector. Furthermore, the organization of the Fourth and Fifth Tourism Fairs for the OIC Member States in the Syrian Arab Republic and the Islamic Republic of Iran in 2012 and 2014, respectively, would also galvanize all actions underway in this connection.

c. Training Workshop on “Tourism Statistics and Tourism Satellite Account (TSA)”

This workshop for the OIC Arab Member States was held in Damascus, Syria, on 12-15 October 2009 and attended by 26 representatives from the tourism ministries and/or national statistical organizations in 12 OIC Member States. The aim of the Workshop was to increase professional skills of officials from participant Member States on tourism statistics and tourism satellite account.

d. Regional Project on Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa

Following the adoption of the resolution by the 11th Steering Committee, held in Astana, Kazakhstan, in October 2009, the Twelfth Meeting of the Steering Committee of the Project was held in Madrid, Spain, on 15-16 December 2009. The Meeting concluded the project proposals and related costs within the framework of the “Phase 3: Plan of Action” of the Feasibility Study.

G. POVERTY ALLEVIATION PROGRAMME

a. Islamic Solidarity Fund for Development (ISFD)

As at the end of December 2009, the amount of announced capital contributions to the ISFD remained US\$ 2.629 billion as announced by 38 contributing Member Countries and the IDB. The total amount received so far is US\$ 1.075 billion, including US\$ 200 million paid by the IDB. Twenty five Member Countries have already started paying their contributions.

Since its launching, the ISFD has extended financing amounting to US\$548.87 million for 47 projects in different sectors in 27 Member Countries. Two thematic programs have been emphasized by the ISFD for implementation for poverty reduction: Vocational Literacy Program (VOLIP) and Microfinance Support Program (MFSP). For each Programme the cost is expected to be \$ 500 million over a five year period. As of December 2009, a number of projects under these two programmes had been approved amounting to US\$57.85 million (US\$ 11.75 million for VOLIP and US\$46.1 million for Microfinance). ISFD is in the process of developing an IDB/ISFD Grameen Social Business initiative and has forged a Partnership with International Islamic Charitable Organization (IICO) which is headquartered in Kuwait.

The gap between the pledged fund and the contribution by Member States for disbursement on poverty alleviation project represents considerable constraints to the effectiveness of the programme. In order to ensure attainment of the laudable objectives of the poverty alleviation programme, particularly in the area of access to education, sanitation and rural infrastructure, the President Abdoulaye Wade's recent suggestion for contribution by Member States, in the form of non-monetary donations and transfers, is commendable. It is appropriate for countries with adequate potentials to express genuine solidarity towards less endowed countries within the OIC family.

In order to address the dwindling financial contributions to the ISFD, the 5th Coordination Meeting of the OIC Subsidiary Organs, Specialized and Affiliated Institutions for the implementation of the OIC Ten Year Programme of Action which was held in Jeddah, on 28 March 2010, approved complementary measures such as: Creation of Eminent Persons Group under the Chairmanship of President Abdoulaye Wade to sensitize OIC Heads of State and Government on the need to redeem their earlier pledges and make new contributions to the ISFD to reach its target; Creation of a Specialized Trust Fund for funding of special purposes projects such as health, education, food security, etc., including the deepening of the current Private-Public Partnership approach to ISFD funding and operations; and Enhancing the visibility of ISFD projects through pictorial publications.

b. Special Programme for Development in Africa (SPDA)

The General Secretariat and the IDB, in collaboration with Government of Burkina Faso, organized the First Forum of the Implementation of the SPDA in Ouagadougou from 28-29 October 2009. The Ouagadougou Forum succeeded in

popularizing the SPDA among the various stakeholders, including Civil Society Organizations in the West African sub-region. It also called for the engagement of national, regional and international actors in the SPDA activities for its overall success, as well as mobilization of external resources to cover the estimated US\$8 billion gap between contributions by the IDB Group and the total amount of US\$12 billion proposed for the Programme.

The Ouagadougou Forum adopted a Final Communiqué with a set of recommendations which includes an appeal to all stakeholders to act collectively so as to speed up the removal of constraints identified in the implementation of the SPDA; the recommendation to the IDB Group to speed up the mobilization of necessary resources for the SPDA; and supporting the establishment of partnership with other funding institutions to mobilize adequate resources for the SPDA.

In the same vein, the Second Edition of the SPDA Forum for countries in the East, Central and Southern African region would be held in Yaoundé, Cameroon, on 8-9 June 2010. In view of the relevance of this Forum to the on-going efforts of OIC to address development challenges and promote economic growth in its Member States, the General Secretariat addressed invitations to all Member States and other stakeholders working for the development of Africa to attend the Forum.

c. Cooperation among the Development and Cooperation Institutions of the OIC Member States

In the aftermath of the First Meeting of the Development and Cooperation Institutions (DCI) held in Istanbul, Turkey in May 2009, the Experts Group Meeting on the Establishment of the OIC Development Assistance Committee (OIC-DAC) was held in Ankara, Republic of Turkey, on 22-23 December 2009. The meeting succeeded in concluding the Framework for OIC Development Assistance Committee, which will be entrusted with coordinating the effectiveness of development assistance given by the various agencies in the OIC Member States.

The OIC General Secretariat, SESRIC, and Abu Dhabi Fund for Development (ADFD) have also successfully organized the 2nd Meeting DCIs in Abu Dhabi, United Arab Emirates, on 3-4 May 2010. The Meeting adopted the Framework for OIC Development Assistance Committee.

H. PROMOTING THE ROLE OF PRIVATE SECTOR

Promoting the role of the Private Sector is critical for sustaining increased economic growth and reducing poverty in member countries. Private Sector-led development covers a multitude of inter-related issues, such as pursuing macroeconomic stability, improving the business environment through effective regulation and corporate governance, and enhancing public-private-partnerships.

Recognizing the potential role of the Private Sector in economic development, the OIC institutions, in particular the Islamic Chamber of Commerce and Industry, continued to undertake activities towards enhancing the role of the Private Sector, through the holding of Private Sector Meetings; businesswomen forums; capacity development workshops; tourism; privatization and investment conferences including exchange of trade delegations and co-organization of exhibitions.

a. Business Forums

i) The COMCEC Business Forum, Istanbul, Turkey, 5-6 November 2009

The COMCEC Business Forum was held on the sidelines of the 25th COMCEC Session, in Istanbul, Turkey, on 5-6 November 2009. The Forum was attended by more than two hundred participants from 25 Member States of OIC.

The Forum discussed the following issues such as: Global Financial Crisis: Prospects on Recovery in OIC Countries; Growing Investment Opportunities and the Revitalization of Financial Capital Markets in the OIC Countries; Global Food Crisis and Growing Food Insecurity: Improving the Regulatory Structure; and Challenges and Opportunities in Energy and Infrastructure in the OIC Countries.

The COMCEC Business Forum adopted far-reaching recommendations including the Establishment of the OIC Business Forum Working Group on Poverty Alleviation and Hunger Eradication, and Establishment of a Solidarity Fund on Food Crisis. It also established a follow-up Committee on Business Forum deliberations to present recommendations on the various issues of importance to the Ministerial Meetings. Furthermore, the Forum invited Turkey and Gulf Countries to invest in the agriculture sector in Africa, while agreeing that the Islamic investment partnership and joint projects was a strategic instrument for developing agricultural sector and promoting food security in Member States. The Forum resolved to improve and activate the businessmen institutions in Islamic countries under the leadership of ICCI, as well encourage the development of renewable energy in the Member States.

(ii) 5th Forum for Businesswomen in Islamic Countries, Cairo, Egypt, 22-24 April 2010

The 5th Forum for Businesswomen in Islamic Countries held in Cairo, Egypt on 22-24 April 2010. The outcome of the meeting is expected to promote the required mainstreaming of women into the development process in OIC countries.

I. ECONOMIC SITUATION OF OIC MEMBER STATES

The global financial crisis has gone far beyond the financial sector and has seriously affected the real economy. Like other developing countries, the impact of the crisis has also been increasingly felt in OIC Member States. The latter have been affected both directly and indirectly, although the channels of transmission are different from those in relatively more developed Member States. Some OIC member states had already been affected by the high food and fuel prices, and the global

financial and economic recession has added to the economic strains which seriously affected the course of their socio-economic development. Consequently, the slowing down in economic growth, the deterioration of current account balances, shrinking remittances and development assistance, and rising unemployment and poverty are the cumulative effects of these crises on OIC Member States.

Various regions of OIC Member Countries were hit hard, the real GDP growth of Middle East and North Africa (MENA) region dropped from 5.9% to 0.3 % in 2009. With respect to the Countries in Transition (CIT), GDP growth rate decreased from 9.9% in 2008 to 2.3% in 2009, while in Sub-Saharan Africa (SSA), it fell from 7.6% in 2008 to 3.1% in 2009. Most of Member Countries will not be able to achieve the pre-crisis level of growth by 2014.

The average growth rate for OIC Member States as a group is expected to decline to 1.5% in 2009 against 5.1% in 2008. Projections for 2009 also show that due to ongoing financial crisis the OIC Member States will, for the first time, record a current account deficit estimated around US\$36 billion against a surplus of US\$407 billion in 2008. With the global recovery and positive trends in commodity prices, growth is expected to pick up in 2010.

The OIC Countries, as a group, maintained a slight diversification in the structure of their output in terms of the contribution (value added) of major economic sectors to the GDP. Yet, this diversification has been at the expense of the agriculture sector, where, on average, the share of agriculture in the total GDP of the group amounted to only 11.5 percent in 2007, gradually declining from 17.6 percent in 1990.

With a jump in 2008, average inflation rate of the OIC countries once again hit a 2 digit level of 12.0 %. In 2007-2008, inflation has risen significantly all over the world because of the unprecedented increase in food and energy prices.

The average economic performance of the group of the OIC is still highly dominated by the performance of a few members as only 10 member countries account for more than 70% of the total OIC output and export. This situation reflects a wide income divergence within the OIC community and huge gap between the low and high income member countries and, thus, hinders the efforts to strengthen intra-OIC economic cooperation, particularly intra-OIC trade and investment.

J. MID TERM REVIEW OF TYPOA

In line with the decision of 36th Session of the CFM, a Mid-term Review of the Implementation of TYPOA will be undertaken during the 26th Session of the COMCEC to be held in Istanbul, the Republic of Turkey on 5-8 October, 2010. In this context, the 5th Coordination Meeting of OIC Institutions discussed the issue of Mid-term Review of the OIC Ten Year Programme of Action. The meeting took note of the current endeavors by SESRIC and IDB for organizing and Expert Group Meeting on evaluating the implementation of the OIS Ten Year of Action. In this respect some experts from outside OIC Member Countries will be invited and participated in the Expert Group Meeting, which will include a brainstorming session on the subject. All

relevant OIC institutions will also participate in the Meeting in addition to some representative from the three official groups of the member countries. The outcome of the meeting will be submitted and presented at the 26th Session of the COMCEC.

K. RECOMMENDATIONS

The current efforts to improve coordination among various OIC institutions and the renewed interface between the General Secretariat and selected regional and international partners have rejuvenated the activities of the Organisation in the domain of economic cooperation. It is hoped that the implementation of the following recommendations would assist in scaling up the various programmes and projects aimed at bettering the livelihood of the peoples in OIC member states:

Intra OIC Trade

- A speedy implementation of the TPS-OIC system is required. After entering into force of the PRETAS on 5 February 2010, and in order to make TPS-OIC system operational, further efforts should be exerted towards securing early ratifications of the Rules of Origin;
- The process of achieving the target of 20% in intra-OIC trade by 2015 should commence with the countries that are ready and have potentials to improve intra-OIC trade;
- On the implementation of the Road Map on enhancing the intra-OIC trade, adequate emphasis should be given to mobilization of funds from multiple stakeholders, Private Sector participation, capacity development, establishment of e-market place as well as improving the content of OIC Trade and Specialized Fairs through closer coordination among ICDT, Trade Promotion Organs of OIC countries, as well as ICCI, ICD and ITFC.

Agricultural Development and Food Security

- Food Security issues are to be addressed comprehensively through cooperation with all national stakeholders, especially smallholder farmers;
- Adoption of the strategy whereby identified top producers and investors in OIC countries can invest in countries with land and water resources, while exploring comprehensive partnership with international organizations and multilateral agencies to address the chronic funding constraints in this regard;
- Identification of prime movers among OIC countries in strategic areas of food security activity, e.g. Grain and Seed Improvement/Reserve; Agro-Food Industries; production and supply of fertilizers; Livestock and Fisheries; Joint Venture; and etc.
- Establish a Five-Year Food Security Programme with a Steering Committee comprising all prime-mover countries and all relevant OIC economic institutions to elaborate, execute and monitor OIC food security projects;

- OIC Five-Year Cotton Action Plan lacks appreciable progress in the execution of approved projects due to lack of funds. In addition, most of the approved projects are in the domain of research and development, to the neglect of projects in the domain of physical development and rehabilitation of cotton farms and textile industries. In this regard, the concerned Member States should be sensitized to speed up actions on the foregoing, while engaging Civil Society Organizations in the implementation of this Programme;
- Encourage member states to agree on raising their public spending on agriculture development to 10%, including the participation of all national and international stakeholders in the planning, execution and monitoring of the various projects.

Poverty Alleviation

- To promote the Private Sector Financing Window for SPDA, two proposed mechanisms by IDB namely; Creation of a Special Facility to help SMEs in Africa and Creation of a Special Fund for Private Sector Infrastructure Development in Africa should be supported, as well as the issue of deepening and widening participation of development partners, stakeholders and funding agencies for the second round of SPDA Forum scheduled to hold in Yaoundé;
- The role of Development and Cooperation Institutions (DCIs) in developments efforts in particular on projects towards poverty alleviation and human capacity building in the OIC Member countries should be promoted and the visibility of the activities of DCIs needs to be enhanced;
- Creation of Eminent Persons Group under the Chairmanship of OIC Summit, comprising selected OIC Heads of State and Government, as well as the Secretary General of OIC and President of IDB, to sensitize other OIC Heads of State and Government on the need to redeem their earlier pledges and make new contributions in order to achieve the targeted fund for ISFD;
- Creation of a Specialized Trust Fund for funding of special purposes projects such as health, education, food security, etc., including the deepening of the current Private-Public Partnership approach to ISFD funding and operations.

Infrastructure development

- Within the context of fast tracking the execution of the OIC Dakar-Port Sudan Railway Project it is necessary to encourage the on-going multi-stakeholders' approach to pool multilateral financing and other technical support for the Project;
- COMCEC is urged to table the projects related to the establishment of FIATA and FIRTA for adoption at its 26th session.

ANNEX

VII

Original: English

REPORT OF THE 16th SESSIONAL COMMITTEE MEETING

(Antalya, 9 May 2010)

1. The 16th Sessional Committee of the COMCEC was held on 9 May 2010, prior to the 26th Meeting of the Follow-up Committee of the COMCEC.
2. The Meeting was chaired by Mr. Ferruh TIĞLI, Head of the COMCEC Coordination Office.
3. In addition to the OIC General Secretariat and the COMCEC Coordination Office (CCO), the following OIC Institutions attended the Meeting:
 - Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRIC)
 - Islamic Center for the Development of Trade (ICDT)
 - Islamic Development Bank (IDB)
 - Islamic Chamber of Commerce and Industry (ICCI)

Some Turkish Institutions, owners of the proposed cooperation projects of the COMCEC, also attended the Meeting.

The Meeting agreed on the following agenda items for consideration:

- 1- Review of the Proposed Cooperation Projects of the COMCEC.
- 2- New Project Proposals.
- 3- Task Force Meeting on Enhancing Intra-OIC Trade.
- 4- Preparations for the Mid-term Review of the TYPOA.
- 5- Any Other Business

Under Agenda Item 1:

4. The Committee made the following recommendations on the Projects:

Regarding the Project entitled “Technical Cooperation among Patent Offices in OIC Member States”, The Representative of the Turkish Patent Institute informed the

Committee about recent developments regarding the organization of two workshops. With the assistance of WIPO, The Turkish Patent Institute reiterated the invitation to the host authorities of Saudi Arabia and Malaysia to organize these workshops. The host authorities of Saudi Arabia declared that they will arrange the said workshop on 12-13 October 2010, in Riyadh, Kingdom of Saudi Arabia. However, Turkish Patent Institute has not received any information from Malaysia in this regard.

Concerning the Project entitled “Incubator Management Training among OIC Member States”, Representatives of ICCI and the Small and Medium Industry Development Organization of Turkey (KOSGEB) informed the Committee that “The Incubator Management Forum in Islamic Countries” will be held in October 2010, in Ankara, Republic of Turkey. The Committee appreciated close cooperation between the ICCI and the Small and Medium Industry Development Organization of Turkey (KOSGEB). The representative of the IDB declared its readiness to cooperate with ICCI and the KOSGEB to further cooperation in this important area. In this regard, the Committee requested the ICCI and KOSGEB to convey the outcomes of the said meeting to the IDB for consideration of its contribution.

With respect to the Project entitled “Pre-Feasibility Study on Determining the Need for Regional Aircraft in OIC Member Countries”, the Representative of the Anadolu University of the Republic of Turkey informed the Committee about recent developments and proposed a new formulation of the project. According to this new formulation, the project name is changed from “Pre-Feasibility Study on Determining the Need for Regional Aircraft in OIC Member Countries” to “Study on Air Transportation Infrastructure and Industry in OIC Member States.” In coordination with SESRIC, civil aviation database would be established. The Committee welcomed the project proposal in its new formulation and emphasized that it would complement the objective of the project entitled “The Establishment of the Federation of Islamic Air Transport Associations.” The Committee also requested the Anadolu University to circulate the project profile form through SESRIC, the coordinator of the project, to all member states to explore their interest in the project and submit to the next Sessional Committee Meeting.

As for the project entitled “Sustainable Development in a Network of Cross-Border Parks and Protected Areas in West Africa”, the Representative of ICDT informed the Committee that the feasibility study of the project has already been finalized and added that the Steering Committee is planning to organize a Donor Conference in Dakar before the end of 2010 with the aim of raising necessary funds for the implementation of the said project. The Committee expressed its satisfaction with the ICDT’s successful follow-up on the implementation process.

With respect to the project entitled “Dakar-Port Sudan Railway Line Project”, the Representative of the OIC General Secretariat informed the Committee of the progress made on the project and added that “Stakeholders Meeting of the Dakar-Port Sudan Railway Line Project” is due to be held in Jeddah on 26 May 2010 to discuss financing. The representative of the ICCI informed the Committee that the Islamic Chamber has incorporated this project into its ventures and FORAS, the financial arm of the ICCI, has already initiated its contacts in this respect.

Concerning the Projects entitled “The Establishment of the Federation of Islamic Air Transport Associations” and “The Establishment of the Federation of Islamic Road Transport Associations,” the Representative of the OIC General Secretariat informed the Committee that pursuant to the resolution of the 25th COMCEC Session, the General Secretariat has revised the two project proposals and circulated them to all Member States for consideration and opinion. The General Secretariat received feedbacks from Afghanistan, Egypt, Jordan, Turkey and Senegal. The Committee requested the General Secretariat to continue obtaining views and suggestions from the Member States which have not done so to complete evaluation and draft relevant projects for submission to the 17th Sessional Committee Meeting. In addition, the Committee emphasized the necessity to establish a Working Group and requested the OIC Institutions to actively participate in it to ensure the successful implementation of the projects.

Under Agenda Item 2:

5. Under this agenda item, the Committee deliberated on the two project proposals of the COMCEC Coordination Office namely “Launching a Grand OIC/IDB Scholarship Programme in Major Academic Fields” and “Establishment of a Dynamic B2B E-Marketplace Web Portal”

The Committee welcomed the proposals and agreed to add them on the Project proposals list. Concerning the scholarship programme, the Representative of the COMCEC Coordination Office briefed the Committee on ongoing consultations with the IDB on this issue. The Committee welcomed the IDB’s proposal to form a Task Force comprising of IDB, COMCEC Coordination Office and SESRIC to launch a scholarship programme under OIC-VET, covering of trade, finance and economy. The Committee requested the Task Force to study the details of the proposed programme and submit the project profile form to the 17th Meeting of the Sessional Committee.

As for the project entitled “Establishment of a Dynamic B2B E-Marketplace Web Portal”, the Representative of the COMCEC Coordination Office made a presentation informing the meeting about the prepared project profile form. COMCEC Coordination Office informed the Committee that MUSIAD, the Independent Industrialists and Businessmen Association of the Republic of Turkey was ready to build and operate this web-portal in coordination with ICCI, ICDT and COMCEC Coordination Office. The representative of the ICDT and ICCI expressed their readiness to give support in this regard.

Under Agenda Item 3:

6. Under this agenda item, the Representative of the ICDT informed the Committee about the Consultative Meeting to be organized on 31 May- 1 June 2010 by the ICDT and ITFC in Casablanca, Kingdom of Morocco. The meeting will review the implementation of the Executive Program and consider new proposals to be included in the Road Map.

Under Agenda Item 4:

7. Under this agenda item, the Committee decided to hold a preparatory meeting on 28-30 July 2010 with the participation of the OIC Institutions operating in the area of economic cooperation with a view to discuss challenges encountered in implementing the TYPOA. The Committee requested the OIC Institutions to prepare reports on reviews of their past five-year activities of the TYPOA and circulate them to other OIC Institutions by the 20th of July 2010. These reports will be reviewed by the said meeting. The report of this meeting will be submitted to the 26th Session of the COMCEC.

Under Agenda Item 5:

8. Under this agenda item, the ICDT suggested a new proposal on Technical Cooperation among the OIC Member States in the field of competition policies and regulations. The Representative of the ICDT informed the Committee that in collaboration with IDB, Turkey, Tunisia and other interested countries, ICDT would launch this technical assistance program. The Committee welcomed the proposal and requested ICDT to study the details of the said technical assistance program and to submit the project profile form to the 17th Meeting of the Sessional Committee.

9. The Committee finally reviewed the agenda items of the COMCEC in connection with their activities. The representatives agreed that some of the agenda items of the COMCEC need further elaboration and may be moved to the agenda of the Sessional Committee.

10. The Committee then concluded its work with a word of thanks.

LIST OF THE PROJECT PROPOSALS

Serial No	Project Proposals/Ideas	Proposing State/ Institution	Interested Country	Coordinator
1.	Technical Cooperation Among Patent Offices in the OIC Member States	Turkey	Kazakhstan, Syria, Morocco, Bangladesh, Pakistan and Yemen	ICDT
2.	Incubator Managers Training Among OIC Member States	Turkey		ICCI
3.	Study on Air Transportation Infrastructure and Industry in OIC Member Countries	Turkey		SESRIC
4.	Creation of a Network of Cross-border Parks and Reserves in West Africa	Guinea	Benin, Gambia, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal, Sierra Leone, Burkina Faso (Observer)	ICDT/SESRIC
5.	Dakar-Port Sudan Railway Line Project	Sudan	Burkina Faso, Cameroon, Chad, Djibuti, Gambia, Guinea, Libya, Mali, Niger, Nigeria, Senegal, Sudan, Uganda and Guinea Bissau	OIC General Secretariat
6.	The Establishment of the Federation of the Islamic Air Transport Associations	OIC General Secretariat		
7.	The Establishment of the Federation of Islamic Road Transport Associations	OIC General Secretariat		
8.	Launching a Grand OIC/IDB Scholarship Programme in Major Academic Fields	COMCEC Coordination Office		
9.	Establishment of a Dynamic B2B E-Marketplace Web Portal	COMCEC Coordination Office		MUSIAD with ICCI, ICDT and CCO

ANNEX

VIII

**FOLLOW UP REPORT BY ICDT
ON THE IMPLEMENTATION OF THE
“EXECUTIVE PROGRAMME OF THE ROAD-MAP FOR ACHIEVING
INTRA-OIC TRADE TARGETS”**

In the context of the implementation of the Ten Year Plan of Action adopted by the 3rd extraordinary Islamic Summit and upon the consultations between the Islamic Centre for Development of Trade (ICDT), the COMCEC Coordination Office and the International Islamic Trade Finance Corporation (ITFC), in Istanbul on 24th October 2008 on the sidelines of the 24th Ministerial Session of the COMCEC; within the framework of the implementation of the “*Road Map for Enhancing intra-OIC Trade*” adopted by the Expert Group Meeting on “enhancing intra-OIC trade” held in Ankara on 5th and 6th July 2008; the Islamic Centre for development of trade (ICDT) organized a “consultative meeting of the OIC Institutions on Enhancing intra-OIC trade” at ICDT’s headquarters in Casablanca on 11th and 12th February 2009.

The following Institutions attended this meeting:

- ✓ The General Secretariat of the Organisation of the Islamic Conference (Department of Economic affairs);
- ✓ The COMCEC Coordination Office;
- ✓ The Islamic Development Bank Group :
The International Islamic Trade Finance Corporation (ITFC)
The Islamic Corporation for Insurance of Investments and Export Credit (ICIEC)
The IDB (Cooperation Office)
- ✓ The Islamic Centre for Development of Trade;
- ✓ The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC);
- ✓ The Organization of Islamic Ship-owners Association (OISA)
- ✓ The Islamic Chamber of Commerce and Industry (ICCI).

This meeting was also attended by the following institutions as observers:

- ✓ The Saudi Fund for Development
- ✓ The International Trade Centre

During four working sessions participants examined the projects to be implemented by each OIC Institution within the framework of the OIC Ten Year Programme of Action and the Roadmap for enhancing intra-OIC trade in the following fields:

- ✓ Trade Financing
- ✓ Trade Promotion
- ✓ Trade Facilitation
- ✓ Development of Strategic Commodities
- ✓ Capacity Building

At the end of the deliberations, the Meeting adopted the whole proposed activities put in a matrix entitled “Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets on Intra-OIC trade”.

ICDT was entrusted with the task of assuming the Secretariat of the “*Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets on Intra-OIC trade*” and the Coordinators of each different field are the following :

1. Trade Financing: ITFC
2. Trade promotion: ICDT
3. Trade facilitation : ICDT
4. Development of Strategic Commodities : ITFC
5. Capacity Building : SESRIC in collaboration with ICDT and ITFC

This report was prepared by the Expert Group Members composed of : The COMCEC Coordination Office, the International Islamic Trade Finance Corporation (ITFC), The Islamic Centre for Development of Trade; the Islamic Chamber of Commerce and Industry (ICCI) and The Organization of Islamic Ship-owners Association (OISA)

ASSESSMENT OF THE IMPLEMENTATION OF THE PROGRAMME

The “Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets on Intra-OIC trade” is composed of about 124 activities and projects dispatched as follows :

Distribution of Planned Activities per Institution (%)

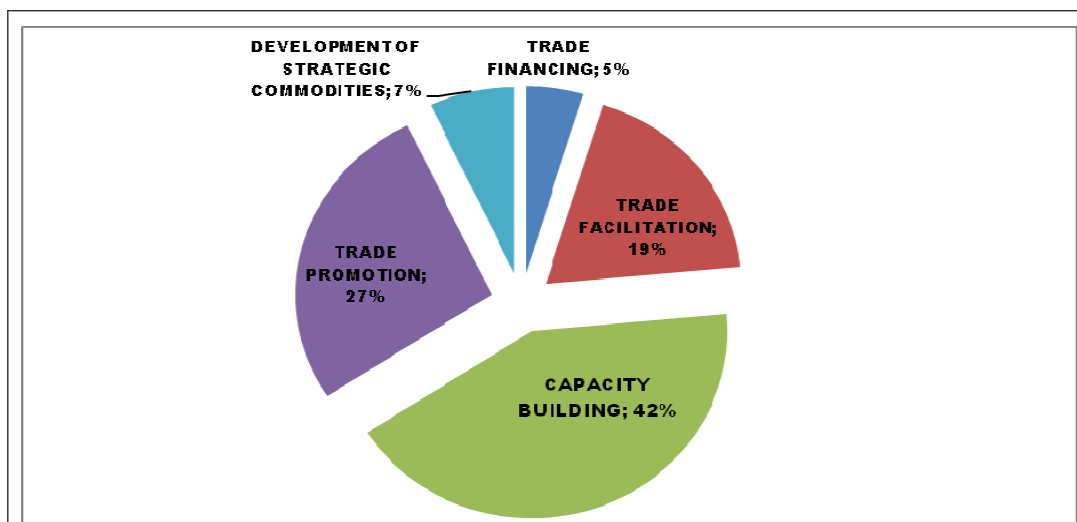
Institution	Number of projects and activities	Share of each institution
ITFC	48	38.7%
ICDT	47	37.9%
ICCI	16	12.9%
ICIEC	5	4%
COMCEC Cooperation Office *	4	3.2%
OISA	3	2.4%
SESRIC	1	0.8%

** The COMCEC is not an OIC Institution, nevertheless we have included it in this table since it proposed and managed few but very important projects*

Distribution of Activities by Domain (%)

Capacity building	42.35%
Trade promotion	27.06%
Trade facilitation	18.82%
Development of strategic commodities	7.06%
Trade financing	4.71%

We can observe that ITFC and ICDT are the initiators of about three quarters (77%) of the proposed activities and projects, and that the capacity building activities are in the first position with 42%, followed by trade promotion activities with 27 %, trade facilitation activities with 19%, development of strategic commodities and trade financing activities are lagging behind with respectively 7% and 4.7%.

Distribution of Planned Activities by Domain (%)

- Although it is too early to assess the implementation of the Executive Programme set up less than one year ago in February 2009, we can present the main features of its implementation according to the follow up reports received from OIC institutions as follows :

- ✓ About one quarter of the projects were fully implemented
- ✓ 36 % of the projects are in the process of implementation, this is normal since many projects are pluri-annuals
- ✓ 39 % of the projects are on stand by position and waiting for their implementation; this is normal also since the Executive programme includes projects covering a period lasting from 2009 till 2015.

State of play of the implementation of the Executive programme
since February 2009

State of play	Average in %
fully implemented	24.76
partially implemented	36.19
to be implemented	39.05
Total	100.00

If we use qualitative analysis, we can notice that some implemented projects are of high importance and impact on intra-OIC trade like those relating to trade financing, trade promotion and trade facilitation; even if their number is quite limited their impact and their budget are more important and the logistics they require is bigger than the capacity building activities, we can quote, inter alia, the following :

- The finalization under the auspices of the COMCEC of the entry into force of PRETAS protocol and the regulations of Halal Food standards by the COMCEC;
- The organization by ICDT of the 12th trade fair of OIC Member States in Cairo (11-16 October 2009), the 2nd specialized exhibition on agro food industries (Jeddah, may 2009) and the Forum on agro food (Bamako, February 2009) and the workshop and buyers/sellers meetings on Cotton (Cairo 12-13 October 2009);
- The launching by the ITFC of new lines for banks in central Asia Turkey Iran and in sub Saharan Africa and the Revitalization of groundnut sector in sub Saharan countries;
- The progress made by ICCI in establishing of a Business Owners Union and the steps taken in order to exempt businessmen from visa entry into some countries;
- The launching by OISA of Bakkah Shipping Company and Islamic P& I Club for ships insurance.

We can conclude that the executive programme is on progress, nevertheless we need more coordination among OIC institutions and we seize this opportunity to call on all the Institutions of the Organisation of the Islamic Conference operating in the commercial and economic fields to increase coordination among them so as to avoid work duplication.

We can also recommend to OIC Institutions to put more emphasis on trade and projects financing, trade facilitation and trade promotion which are the backbone of any progress of economic integration among OIC Countries.

ANNEX

IX

REPORT BY ITFC ON THE TRADE PROMOTION ACTIVITIES

BACKGROUND INFORMATION ABOUT INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC)

1. As one of the specialized institutions within the umbrella of the Organization of Islamic Conference (OIC), the Islamic Development Bank (IDB), since its establishment in 1395H (1975G), has as one of its main objective to promote economic development of the Islamic Ummah and to achieve greater economic integration among Member Countries (MCs) through expanding commercial exchange and raising the volume of intra-OIC trade.

2. This important mission and calls for an increase and acceleration of intra-OIC trade in order to accelerate economic development of the Ummah, as stated in Makkah Declaration 2005, has led the IDB to establish autonomous specialized international trade finance institution in order effectively deals with trade finance and trade promotion activities in MCs.

3. The ITFC with Authorized Capital of US\$3 billion and Subscribed Capital of US\$613 million became operational in January 2008 and took over all the trade finance business and trade cooperation programs of the IDB Group under a single umbrella.

4. The principal objective of the ITFC is to promote and enhance trade of member countries and to supplement the efforts of the IDB in this regard by providing trade finance and engaging in activities that facilitate intra-OIC trade and international trade of MCs. ITFC delivers these objectives through two parallel lines of approach: **1) Trade Finance Operations and 2) Trade Cooperation and Promotion Program.**

5. In short, the ITFC fulfills its objective by undertaking the following functions:

- Finance trade, alone or in cooperation with other financial institutions;
- Assist OIC MCs and institutions to access private and public funds from international markets for short term trade financing;
- Provide assistance for the development of investment opportunities in MCs to enable them to enhance their international trade capabilities;
- Develop and diversify financial instruments and products for trade financing;
- Provide technical assistance and training to Trade Promotion Organizations (TPOs) and financial institutions in MCs;
- Promote and facilitate intra-OIC trade and international trade of MCs;
- Support trade promotion activities of TPOs.

6. *The ITFC trade finance arm* emphasizes on enhancing intra-OIC trade through providing short-term trade finance facilities and establishing trade links between the entities in different MCs. Accordingly, the share of intra-OIC trade in overall ITFC trade finance approvals for 2008 reached to %83. By availing trade finance facilities in the era of global financial and economic crisis, ITFC support MCs to sustain their economic and social development.

7. The following sections of the report give detailed information on trade finance operations and trade promotion activities of the ITFC for 2008 and 2009.

A. TRADE FINANCE OPERATIONS AND APPROVALS

8. As explained above, the ITFC is charged with the responsibility of providing trade financing for economic operators in OIC MCs with particular emphasis on enhancing intra-OIC trade. A summary of IDB group trade finance approvals, from inception to date 1397H-1430H (1977-2009), is presented in below:

i. Import Trade Financing Operations (ITFO)	US\$ 23.710 billion
ii. Export Financing Scheme (EFS)	US\$ 1.670 billion
iii. Islamic Banks Portfolio (IBP)	US\$ 3.040 billion
iv. Unit Investment Fund (UIF)	US\$ 0.906 billion
v. ITFC Trade Finance Operations (1429H-2008G)	US\$ 2.505 billion
vi. ITFC Trade Finance Operations, 2009	US\$ 2.006 billion

As at date, the cumulative IDB Group trade financing stands at US\$33.591 billion with intra-OIC trade financing representing 75 percent of this total trade financing. ITFC commenced business activities at the beginning of 1429 and during this first year of operations, 70 trade finance operations in 24 OIC member countries were approved for a total of US\$ 2.505 billion. The total share of intra-OIC trade finance approval in 2008 was 83 per cent, representing a modest increase from 77 per cent achieved the previous year. The level almost sustained from 1429 to 1430 is to be compared as:

Intra-OIC Trade				US\$ Million	
Source	Amount 1430H	Percentage 1430H	Amount 1429H	Percentage 1429H	
Member countries	1,645	82 %	2,079	83 %	
Non-member countries	361	18 %	426	17 %	
Total	2,006	100 %	2,505	100 %	

9. Financing for small and medium size enterprises (SMEs) and LDMCs in member countries is one of the highest priorities for ITFC. In this regard, 44 per cent of total private sector approvals in 2008 were in favor of entities in the SMEs category

and 43 per cent went to LDMCs and assisting them to mainly import raw and semi-finished industrial products used the manufacture meant mainly for export markets. *ITFC approval in favor of LDMCs amounted to 48 per cent of all approvals, for 2009.*

10. Another area of focus for ITFC is the development of strategic commodities particularly in LDMCs in order to assist these countries to alleviate poverty and sustain the jobs available in agro-industry sectors. Especially, providing funds for input financing turns to be an urgency to put the economies of LDMCs into track as production cycle has been damaged in recent fertilizer price surge, food crisis and global financial crisis.

11. ITFC developed a scheme of Supply Chain Structured Commodity Trade Financing to tackle complexities of agro-industry especially cotton sector financing. The primary purpose structured trade financing is to use warehouse receipts, collateral management companies, export flow or future flow type transaction to mitigate sovereign, convertibility and transfer risk. Unlike traditional financing which looks to the flow of funds and the sources of the money, Structured Commodity Finance (SCF) looks to the flow of the goods and their origins – with repayment realized from the export and sale of commodities in hard currency countries. In other words, the lender's risk assessment is primarily related to the company's ability to perform – to produce and deliver commodities, even under unstable or uncertain political and financial circumstances. Given its nature, SCF expected to contribute the repairment of agricultural production cycle in LDMCs disturbed by recent crisis.

12. Financing extended to the cotton sector by structured commodity financing introduced covers pre-harvest (input) and post-harvest (seed-cotton) purchase from farmers. By providing funds for production and trade of strategic commodities, the IDB Group (through ITFC) directly and positively impacts on poverty alleviation, creates new business opportunities, builds investment confidence in the LDMCs and enhances the export capabilities in MCs. SCF is expected to further serve for development of cotton sector by curing disturbance submerged after recent economic/financial crisis on input supply for agricultural production.

13. In 2008, the total direct financing extended by the ITFC to the cotton industry was US\$121 million. Similar financing is currently being explored for beneficiaries in other cotton producer member countries such as Turkey and with time, the ITFC will expand this financing to other MCs from Central Asia and Sub Saharan Africa. In 2009, an additional US\$ 20 million input financing operation for cotton sector is approved to be added to the existing cotton portfolio of ITFC.

14. ITFC won the prestigious Euromoney deal of the year award with a very innovative Syndicated "Supply Chain Structured Commodity Trade Finance Operation" for Côte d'Ivoire's Strategic Cotton Sector in 2008. It was one of the unique operations that linked the application of Islamic financial instruments with a close risk management system pertaining to the entire cotton farming cycle.

15. Given the huge volume of OIC countries imports and its relatively low capital, ITFC focused on high impact operations and improving its ratios of LDMCs, SMEs, Strategic Commodities as explained earlier. Besides, a special emphasis is given to increase private sector financing. However, the private sector approvals slightly decreased as compared to the last year. Considering the turbulent market conditions a more conservative approach was adopted towards private sector clients.

Approvals by Sector(Private/Public)				
				US\$ Million
SECTOR	1430H AMOUNT	Percentage	1429H AMOUNT	Percentage
Public	1175	59 %	1,403	56 %
Private	831	41 %	1,102	44 %
Total	1,730	100 %	2,505	100 %

16. The SMEs are the main driving forces of the economies of many MCs, particularly for LDMCs and it is for this reason that ITFC is keen to promote new financing tools to boost financing for LDMCs and SMEs in order to enhance intra-OIC trade:

- Two Step Murabaha Financing (2SMF) Lines for MCs' banks. A number of banks in Turkey and other countries have been availed with these Lines;
- Introducing new trade finance products such as L/C Opening, Supply Chain Trade Financing for strategic commodities (such as cotton);
- Promotion of DCIP (Documentary Credit Insurance Policy) among the OIC Financial Institutions to enable them to increase their exposure in relatively high risk countries;
- Mobilizing resources from the market to meet the increasing funding requirements;
- Cooperating with credit insurance institutions as well as organizing training programme for central banks and financial institutions to enhance the awareness of export credit insurance and its benefit in facilitating trade finance;
- Possibility to consider ICIEC's insurance policies as collaterals to extend financing for Intra-Trade;
- Meeting/Brainstorming to discuss creation of Specialized Funds;
- Strengthening ITFC's capabilities in structured trade financing;
- Expanding the reach of ITFC with the planned establishment of branches in Dubai and others;
- Appointment of Focal Points in the existing IDB Regional Offices;
- "ITFC Customer Days" will be organized in some MC's to increase awareness for ITFC products.

17. Besides, ITFC identified several initiatives and counter measures to maintain the same level of support to member countries and their public and private institutions to minimize the effects of global financial crisis:

- ITFC devised an effective way to cover up any gaps in funding by establishment of special funds through partnering with major international institutions. ITFC progress for funds arrangement with IFC of World Bank under Global Trade Liquidity Program and African Development Bank to sustain trade finance for OIC member countries.
- In order to strengthen the existing relationship with the financial institutions and commercial banks, Road Shows are scheduled to attract those institutions for participating in ITFC-led trade financing operations or to create a new Mudaraba Fund with them.

A. TRADE FINANCE OPERATIONS FOR THE FIRST QUARTER OF 1431

18. The ITFC performance in 1430 was marked by some significant achievements and it gained international recognition by winning a number of accolades in the first quarter of 1431. These accolades highlighted the contribution of ITFC to Islamic Trade Finance, hence; pave the way for resource mobilization as per Road-map for achieving intra-OIC Trade Target and resolutions of the 25th COMCEC session.

19. At the corporate level, ITFC was selected as: "Best Islamic Trade Finance Bank/Institution" by the Global Trade Review (GTR)'s Annual Leaders in Trade Readers' Poll.

20. At the operational level, the Islamic Finance News (IFN), GTR and Euromoney chose the \$25 million sugar deal in Indonesia as the best Deal of the Year for 2009 as this deal demonstrated a number of significant innovations. ITFC provided a \$25 million warehouse financing facility for a client in Indonesia for the purchase of raw sugar for processing/refinery for industrial use. This operation was structured on Shariah compliant Murabaha basis. The uniqueness of the deal lies not only in the application of Islamic financial principles to fund and manage the risks pertaining to the transaction but also the use of an efficient collateral management system ensuring that operational, collateral and performance risks are mitigated at every stage of the transaction. This structured Murabaha trade finance deal was the first of its kind in Indonesia and unlocks huge potential in the market for Islamic trade finance instruments in general.

21. Following is the summary statistics for financial resources mobilized for trade finance which include export finance operations as per mandate of the resolution of 25th Session of COMCEC:

Intra-OIC Trade				US\$ Million
Source	Amount 1430H	Percentage 1430H	Amount 1431H First Quarter	Percentage Amount 1431H First Quarter
Member countries	1,645	82 %	449.25	81 %
Non-member countries	361	18 %	104.25	19 %
Total	2,006	100 %	553.5	100 %

Approvals by Sector(Private/Public)				US\$ Million
SECTOR	1430H AMOUNT	Percentage	Amount 1431H First Quarter	Percentage Amount 1431H First Quarter
Public	1175	59 %	380	69 %
Private	831	41 %	173.5	31 %
Total	1,730	100 %	553.5	100 %

B. BACKGROUND ON ROAD MAP FOR ENHANCING INTRA-OIC TRADE:

1. The OIC Ten-Year Programme of Action, adopted at Makkah Summit 2005, has given the priority to enhance trade integration and intra-OIC trade through urging MCs signing and ratifying existing OIC economic and trade agreement and focusing on trade promotion.

2. As part of the implementation of the OIC Ten Year Plan of Action under the Makkah Declaration 2005, the ITFC in close cooperation with COMCEC Coordination Office, SESRIC and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) organized the Expert Group Meeting on Enhancing intra-OIC trade in Ankara, Turkey, during 5-6 July 2008, to discuss and explore practical ways and means of helping achieve the 20% intra-OIC trade volumes target.

3. The meeting, which was attended by representatives of member countries, national trade promotion organizations, relevant OIC institutions and some regional and international organizations, produced the Road Map comprising recommended actions and specific suggestions grouped under five focus areas namely trade finance, trade promotion, trade facilitation, capacity building, development of strategic products.

4. The Road Map was adopted by 24th COMCEC Ministerial Meeting in October 2008 in Istanbul, Turkey. Following the adaptation of the Road Map for Enhancing Intra-OIC trade, the first Consultative Meeting on this plan was held on 11-12 February 2009 at the ICDT Headquarter in Casablanca, Morocco to identify

specific actions/activities and projects to be carried out by OIC organs. The consultative meeting produced the Executive Program for the Implementation of the Road Map.

5. Along with the others, both meetings emphasized the following items in order to create immediate impact on increasing intra-OIC trade :

- Working on market access issues, identifying NTBs and PTBs among MCs, harmonization of trade policies, simplification and harmonization of trade policies, rules and regulations in order to strengthen economic integration.
- Improving dissemination of information, establishing trade web portal and comprehensive database for match-making purposes.
- Supporting trade promotion activities; exhibitions, buyers-sellers meetings.
- Improving human and institutional capacities of MCs through providing technical assistance and capacity building support.
- Conducting comprehensive studies to find out the comparative advantage of MCs.
- Establishing special funds for capacity building activities.

C. THE IMPLEMENTATION OF THE ROAD MAP FOR ENHANCING INTRA-OIC TRADE

6. As per recommendations of Experts Group Meeting, and relevant resolutions of COMCEC Ministerial Meetings, ITFC organized and/or supported 49 activities/projects under the four business lines of the Road Map. The activities undertaken is classified as following :

- Meetings that cover trade information facilitation, capacity building, Aid-for-trade, intra-trade promotion, Halal food, development of strategic products, food crisis;
- Training courses on export strategies and international marketing were conducted for the benefit of some exporting companies/establishments (SMEs) in some member countries;
- On-the-job trainings for the benefit of selected Trade Promotion Organizations (TPOs) and selected Chambers of Commerce;
- Organizing and sponsoring participations of TPOs and SMEs from MCs in the international trade exhibitions and business matching events.

7. As shown in the attached table, ITFC with its existing capacity allocated funds to facilitate organization of international exhibitions and buyers-sellers meetings in MCs and to sponsor the participation of trade promotion organizations and SMEs in these activities. This support enables particularly LDMCs participate such kind of trade promotion activities and promote their industries, to reach new market and establish new business links with the companies from importer countries.

8. Under the trade facilitation, ITFC's previous role was limited to facilitate the organization of seminars, meetings and conferences in trade related areas by

providing financial support to the organizers of such activities. As per recommendation of the meeting, ITFC provided financial support for the organizations of annual meetings of TPOs.

9. Apart from this facility, now, ITFC has involved on Aid for Trade Initiatives for SPECA and ESCWA Regions to identify its interventions based on trade development need assessment studies to be conducted under these initiatives.

10. ITFC in cooperation with Governments of Azerbaijan and Kyrgyz, regional and international organizations which includes WTO, UNIDO, UNDP, ITC, UNECE is currently working on Aid for Trade (Aft) for SPECA Region to prepare a road map for the initiative which will support the mobilization of resources from within and outside the region to address these priority needs.

11. Within the framework of the initiative, the ITFC, in cooperation with Government of Kyrgyz organized Experts Meeting on Aft Initiative for SPECA Region, in Bishkek during 10-11 March 2010, where the needs assessment studies of 6 countries were presented and discussed by participants representing national, regional and international organizations. Ministerial Meeting, where regional review on Aft initiative for SPECA Region is expected to reviewed and adopted, will be financed by ITFC.

12. Similar initiative has been launched by ITFC in cooperation with above mentioned institutions for ESCWA Region and organized a consultative meeting in Beirut during 11-12 February 2010 to prepare a road map for the initiative which will assist ITFC identify its interventions in trade development of ESCWA countries.

13. In addition to these activities, ITFC plans to organize seminars, meetings and workshops on particularly custom related subjects with a view of contributing to improvement of relations among customs authorities. ITFC is ready to provide financial support for a study on trade facilitation, which can identify market access problems among MCs and also propose some actions.

14. ITFC has placed special emphasis on institutional and human development in MCs and thus in cooperation with training departments of trade support institutions from more able countries organized on the job training and knowledge sharing programs for less developed MCs' trade support institutions. ITFC also continued to provide capacity building programs for SMEs and exporting companies to strengthen their international competitiveness. These were delivered through training courses that included export strategy and international marketing, business matching and e-business solutions. Since EGM 2008 in Ankara, ITFC in cooperation with FTTC, IGEME, MATRADE, TOBB, ITC organized 12 capacity building activities. 5 new activities will be implemented in 2010.

15. ITFC extended its role in capacity building beyond organizing and supporting capacity building activities by initiating and financing three technical assistance

projects for strengthening Training Department of MATRADE (Malaysia TPO), IGEME (Turkey TPO) and High Trade School of Tunisia (ESC) to enable them to deliver training programs for local companies as well as trade support institutions from other MCs. The project was structured in two phases: 1. Needs Assessment and Concept Development, 2. Capacity Building for Training Delivery. The first phase of the projects were completed and validation symposium was organized by ITFC and ITC in co-operation with IGEME in Istanbul on 4-5 November 2009, attended by 22 representatives from institutions in ten OIC MCs, to present and discuss training need assessment studies conducted in the first phases. Second phases of the projects will be launched in 2010. ITFC plans to initiate similar projects for other MCs with a view of establishing OIC network of Training Center.

16. Under the focus area of road map titled development of strategic products, ITFC provide financial support to the organizers of meetings on strategic commodities such as cotton, groundnut, rice and wheat to identify basic problems and obstacles faced in production and trade of these commodities that limit their international competitiveness. In 2009, the ITFC initiated and funded a preliminary study, “Revitalization of the Groundnut Sector in Senegal, Gambia and Guinea-Bissau” which aims at assessing the current situation of the sectors in each of the three countries and providing solutions to overcome the constraints. First phase of the project will be completed in 2010 and findings and policy recommendation of the study will be shared with relevant local authorities and other international donors in validation symposium to be organized in 2010.

D. FUTURE PERSPECTIVE

17. Preparation of the Road Map, as an attempt to develop a specific program for the implementation of OIC 10YPOA, was the initial phase, which should have been supported by the preparation of specific programs for the focus areas of the Road Map.

18. Technical assistance and capacity building supports provided under Road Map were not planned based on diagnostic need assessment studies and not designed with long term-perspective.

19. Involvement and active participation of concerned authorities from MCs in the planning and implementation of actions is a key for the success of Road Map. To this end, sub project working groups for each focus areas of the road map should be established and supported with required human and financial resources allocated by MCs and OIC organs as well.

20. Political and financial and technical support for the program from the MCs should be received at earliest stages. OIC organs, including COMCEC Coordination Office, ICDT, ICCI, and ITFC should also seek for enhancing their in-house capacities and financial resources for better implementation.

**ANNEX: THE IMPLEMENTATION OF ACTIVITIES OF EXECUTIVE PROGRAMME OF
THE ROAD-MAP FOR ACHIEVING INTRA-OIC TRADE VOLUMES TARGETS**

Area	Recommended Action	Projects/Programs/Activities	Date/Location	Status
2. Trade Promotion Coordinator: ICDT	2.3. TPOs to encourage and facilitate annual buyers-sellers meetings (business matching, trade bridging)	3rd Trans Saharan Trade Fair Of Niamey	4-15 Sep.2008 Niger	ITFC organized and sponsored the participation of TPOs/SMEs of 5 OIC MCs (Benin, Togo, Mali, Burkina Faso and Cote d'Ivoire.) in the exhibition.
		12th MUSIAD International Trade Fair & 12th IBF Congress	22-26 Nov.2008 Turkey	ITFC organized and sponsored the participation of TPOs/SMEs of 5 OIC MCs (Syria, Lebanon, Kyrgyz, Jordan, Tunisia) in the exhibition
		Overseas Study Tours for Kazakhstan's Entrepreneurs	22-26 Nov. 2008	ITFC provided financial support for this activity
		World Halal Forum	4-5 May 2009 Malaysia	ITFC provided financial support for this activity
		Turkey-World Trade Bridge Program	1-5 June 2009 Turkey	In Conjunction with the Trade Bridge Program, ITFC organized a on-job training program for TPOs of some OIC MCs
		INTRADE Malaysia	10-12 November 2009 Malaysia	ITFC organizing and sponsoring the participation of TPOs/SMEs of 8 OIC MCs (Iran, Pakistan, Indonesia, Turkiye, Saudi Arabia, Oman, UAE, Kuwait) in ITFC Pavilion at Intrade Malaysia
		1st Exhibition on Food Industry in OIC Mcs	24-28 May 2009, KSA	ITFC provided financial support for this activity
		6th Malaysia International Halal Showcase	6-10 May 2009 Malaysia	ITFC provided financial support for this activity
		12th Trade Fair of Islamic Countries	11-16 Oct. 2009 Egypt	ITFC organizing and sponsoring the participation of TPOs/SMEs of 8 OIC MCs (Sudan, Yemen, Azerbaijan, Burkina Faso, Senegal, Bangladesh, Kyrgyz, and Mozambique) in ITFC Pavilion at 12th Trade Fair of Islamic Countries
		1st International Exhibitions and Forum on Halal Foods	02-06 March 2010, Tehran, Iran	ITFC organized and sponsored participation of 12 businessmen and sectors representatives
3. Trade Facilitation Coordinator ICDT:		Arab Consumer and Brand Protection Forum	19-20 Oct. 2008 KSA	ITFC participated and provided financial support for this activity
		Export Strategy for Gulf Cooperation Council	28-29 Oct. 2008 KSA	ITFC participated in the working group meetings

Area	Recommended Action	Projects/Programs/Activities	Date/Location	Status
4. Development of Strategic Commodities Coordinator: ITFC	3.3. Enhance partnership with TPOs in MCs 3.4. Continue to Conduct Annual Meetings for TPOs in MCs 4.1. Create funds for investment in agriculture and other strategic commodities 4.2. Expedite the implementation of Action Plan in	1st National Seminar on Export in Yemen	24-25 Nov. 2008 Yemen	ITFC participated and provided financial support for this activity
		Seminar on Free Trade (Agadir Agreement)	17-18 Dec. 2008 Tunis	ITFC participated and provided financial support for this activity
		1st Annual Meeting of the Export Promotion Centers of French Speaking OIC Member Countries	23-24 Dec 2009 Morocco	ITFC facilitated organization of this activity by providing financial support.
		Implementation of primary study and action plan to assist non-exporting Kuwaiti factories	2009 Kuwait	Preparatory studies are being carried out by relevant parties including UNIDO and
		Meeting on Aid-for-Trade for ESCWA Region	10-11 February 2010, Beirut, Lebanon	ITFC launched the initiative in cooperation with UN ESCWA Secretariat.Int. org. participated the meeting.
		Preparatory and Consultative Meeting on Aid for Trade for Speca Region	25-26 March 2009 Kyrgyz	Process are being carried out in cooperation with national authorities and international org. Experts Meeting was organized in March 2010 in Bishkek, Kyrgyz and Ministerial Meeting will be organized in November 2010 in Baku, Azerbaijan.
		Expert Meeting on Aid-for-Trade Road Map for SPECA Region	10-11 March 2010, Bishkek Kyrgyz	
		Ministerial Meeting on Aid-for-Trade Road Map for SPECA Region	November 2010 Azerbaijan	
		Consultative Study on trade related subjects in Arab Member Countries	2010	ITFC will cooperate with Arab League in finance the study
		Study on the Strategic Partnership between the GCC Countries in provision of Basic Goods	2010	ITFC involved in participation of project documents and committed to provide financial support for the implementation
Trade and Investment Cooperation Opportunities among the OIC Member Countries in Cotton industry	11-16 Oct. 2009 Egypt	ITFC provided financial support for this activity		

Area	Recommended Action	Projects/Programs/Activities	Date/Location	Status
	cotton development and develop new action plans for development of other strategic commodities	<p>Forum on International Food Crisis and its Effect on OIC MCs- ICDDT</p> <p>Revitalization of the groundnut sector in selected sub-Saharan countries (Senegal, Gambia, Guinea-Bissau)</p> <p>Forum on ways and means to enhance Trade and investment in food in Africa</p>	<p>17-18 June 2009 Casablanca,</p> <p>2009, Senegal, Gambia, Guinea-Bissau</p> <p>25-27 Feb. 2009</p>	<p>ITFC provided financial support for this activity</p> <p>Implementation has started and studies are being carried out by ITC as described in the project proposal</p> <p>ITFC provided financial support for this activity</p>
5.Capacity Building Coordinator: SESRIC with collaboration of ICDDT and ITFC	<p>5.1 Organize more training programs for MCs/ enterprises in trade related areas</p> <p>5.2. Organize seminars on 'best practices' for MCs</p>	<p>On Job Training for Export Promotion Centers of English Speaking MCs (EMCs)</p> <p>Training Course for Staff of Chambers of Commerce in CIS MCs</p> <p>On-Job Training for Officials of Chambers of Commerce of French Speaking MCs (FMCs)</p> <p>Training Course on Export Strategies and Commercial intelligence for French Speaking MCs (FMCs)</p> <p>On Job Training for Top Official of TPOs in Arabic and English Speaking MCs</p>	<p>10-14 Oct. 2008 Malaysia</p> <p>14-17 Oct. 2008 Kazakhstan</p> <p>20-24 Oct 2008 Morocco</p> <p>24-28 Nov 2008. Morocco</p> <p>22-26 Dec 2008 Turkey</p>	<p>Organized in cooperation with MATRADE, attended by 8 participants from TPOs of 4 MCs (Afghanistan, Bangladesh, Indonesia and Pakistan)</p> <p>ITFC/ITCPP in cooperation with ITC organized and funded the training program</p> <p>Organized in cooperation with Casablanca Chamber of Commerce Industry and Service. Attended by 10 participants from TPOs of 5 MCs (Benin, Gabon, Togo, Mali, Cote d'Ivoire)</p> <p>Organized in cooperation with Casablanca Chamber of Commerce Industry and Service. Attended by 7 participants from TPOs of 7 MCs (Benin, Senegal, Niger, Guinea, Cameroon, Burkina Faso, Cote D'ivoire)</p> <p>Organized in cooperation with IGEME. Attended by 10 participants from TPOs of 5 MCs (Albenia, Nigeria, Palestine, Iran, Egypt, KSA)</p>

Area	Recommended Action	Projects/Programs/Activities	Date/Location	Status
		Training Course for staff from Trade Information Center in Sudan	24-28 Nov 2008 Malaysia	Provided financial support by ITFC
		On-Job training for the staff of TPOs of Some MCs on Organizing Business Matching Activities	1-4 June 2009 Turkey	Organized in cooperation with TUSKON, IGEME and ITC, 8 representatives from TPOs of 7 MCs (Azerbaijan, Kazakhstan, Syria, Jordan, Kuwait, Pakistan, Iran) attended the training.
		On-Job training for the official and staff of Chambers of Commerce of the AMCs	October 2009 KSA	Organized in cooperation with Jeddah Chamber of Commerce. ITFC will sponsor the participation of 20 representatives from Chambers of Commerce.
		Training Program for African Chamber of Commerce	9-12 October 2009 Senegal	To be organized by ICCL. ITFC/TCPP will provide financial support for the training program
		On job Training for Officials and Staff of Chamber of Commerce of the AMCs.	15-17 August 2009 Jeddah	Organized in cooperation with FTTC for Chambers of Commerce and SMEs for from AMCs. ITFC facilitated organizations of the programs by funding. total of 62 participants attended three capacity building activities.
		Training course on Trade Information in Kuwait	15-19 /Nov 2009 Kuwait	
		Training course on Trade Information	31Jan-4Feb 2010 Dubai	
		Capacity Building Program for the Chambers of ECO Countries,	5-9 April 2010 Istanbul, Turkey	ITFC in cooperation with TOBB organized the program. 12 representatives from 8 ECO countries from chambers of commerce and relevant ministries participated in the program.
		Sharing Turkey's experience in Trade Facilitation and Promotion through Business Familiarization Visit for Arabic Speaking MCs	July 2010	ITFC and TOBB will coorganize the activity. 14 ASMCs will be invited.
		Capacity Building Program for the Iranian Chambers,	September	

Area	Recommended Action	Projects/Programs/Activities	Date/Location	Status
		Familiarization and Knowledge Sharing Program on Commodity Exchange Markets for African MCs	October 2010	ITFC and TOBB will coorganize the activity. MCs from Africa will be invited.
		Training programs on chamber management for the ASMCs	2010	ICCI will organize the event and ITFC will provide financial support.
		Meeting on capacity Building Development – ITC, ESCT, IGEME & MATRADE.	12-13 Oct 2009 Istanbul, Turkey	Validation symposium for the completion of the first phase of the project was organized in in November 4-5 2009 in Istanbul. 22 participants from international organizations and MCs attended the meeting. Second phase of the project will be launched in 2010.
5.3. Cost sharing schemes for marketing and enhancing of exports	Develop the Training Department of IGEME	Develop the Training Department of IGEME	2009-2010 Malaysia, Tunis, Turkey	Validation symposium for the completion of the first phase of the project was organized in in November 4-5 2009 in Istanbul. 22 participants from international organizations and MCs attended the meeting. Second phase of the project will be launched in 2010.
		Develop the Training Department of MATRADE		
		Develop the Training Department of High School of Trade in Tunis		

ANNEX

X

**REPORT BY
ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY
ON ITS ACTIVITIES**

Background Information:

The global economic situation is presenting challenges which need to be addressed. In order to face these challenges in an effective manner private sector can play an important role, and they can steer the economy gradually to a productive end.

The Islamic Chamber as a major representative of the private sector within the Institutions of the OIC, has been undertaking wide and varied activities for greater networking, among the private sector of the OIC countries. It works on projects leading to economic cooperation through the private sector. It organizes private sector meetings; businesswomen forums; workshops on capacity building, micro-finance, SMEs, and value addition. In addition it holds Conferences on tourism; privatization and investment. It also arranges for trade delegations, exhibitions and co-organizes Trade Fairs.

The aim of all these activities is to eventually lead to the implementation of the OIC 10 Year Programme of Action. As a mechanism to implement the OIC 10 Year Programme of Action, the Islamic Chamber has set up its 10 Year Work Plan. This Plan focuses primarily on strengthening economic cooperation among the OIC Countries by increasing trade exchange and joint venture investment. Towards this end the Islamic Chamber has initiated several projects which will be established through setting up of companies. The projects of the Islamic Chamber cover diverse sectors, however the ultimate focus of each being to promote greater economic cooperation among the OIC Countries, through the private sector.

Private Sector Meetings:

As per the mandate given to ICCI by the 7th Session of COMCEC, it has been organizing activities, which bring the private sector together, on a common platform to network. Initially, the ICCI met the mandate by holding private sector meetings, however, in order to meet the challenges of the global economic scenario, now this activity is diversified to cover and address other issues related to the private sector. This is being done by bringing the private sector together in workshops, training programs and setting up private sector companies.

Since 1994, Islamic Chamber is regularly organizing private sector meetings. Within the Islamic World, it was a pioneering concept introduced by the Islamic Chamber to provide a common platform for the private sector of the Islamic countries to converge, meet and discuss areas of mutual cooperation, to find new markets, new investment areas and new trading partners. Till now 12 Private Sector Meetings have been held. These meetings have been largely attended and some important

recommendations have been put forward, which were duly taken up by the concerned institutions. However, a lot many recommendations are still in various stages of implementation.

The 12th Private Sector Meeting was held in Uganda on 16-18 June 2008 concurrently with the 35th CFM. The recommendations of the meeting were directly submitted to the CFM for their consideration. This mechanism provided an opportunity for public-private sector partnership.

OIC Business Forum - 13th Private Sector Meeting for the Promotion of Trade and Joint Venture Investment among Islamic Countries, Dushanbe, Tajikistan on 14 May 2010

The Second OIC Business Forum – 13th Private Sector Meeting for the Promotion of Trade and Joint Venture Investment among Islamic Countries will be held in Dushanbe, Republic of Tajikistan on 14th May 2010 on the sidelines of the 37th Session of the Council of Foreign Ministers (CFM) of the OIC. Inshallah, the Forum will be jointly organized by the Ministry of Foreign Affairs, Republic of Tajikistan, the State Committee of Investments & State Property Management of the Republic Tajikistan and Chamber of Commerce & Industry of the Republic of Tajikistan, the General Secretariat of OIC, the Islamic Development Bank Group and the Islamic Chamber of Commerce & Industry. The theme of the meeting is *“Role of Intra-Islamic Trade & Investment in strengthening Economic Growth: Tajikistan the Promising Country”*.

14th Private Sector Meeting for Promotion of Trade and Joint Venture Investments among Islamic Countries, 24-26 April 2011, Sharjah –United Arab Emirates

Resolution of 25th Session of COMCEC as well as the 32nd Session Islamic Commission for Economic, Social and Cultural Affairs calls upon the Islamic Chamber of Commerce and Industry to hold the Private Sector Meetings once every two years concurrently with the Islamic Trade Fairs.

In view of the above, the General Secretariat of the Islamic Chamber approached the Federation of UAE Chambers on the subject, asking them to look into the possibility of hosting the 14th Private Sector Meeting in 2011 alongside the 13th Islamic Trade Fair which will be held in Sharjah from 24-29 April 2011.

The Honorable Members are informed that the Federation of UAE Chambers of Commerce and Industry and the Sharjah Chamber of Commerce & Industry has kindly offered to host the said event in Sharjah from 24 to 26th April 2011.

It may be mentioned that the Islamic Chamber had successfully organized the 9th Private Sector Meeting in Sharjah 21-23 December 2002 along with the 7th Islamic Trade Fair jointly with Ministry of Economy & Commerce, UAE, Federation of UAE Chambers of Commerce & Industry and the Sharjah Chamber of Commerce & Industry.

The General Secretariat of the ICCI is in contact with the Authorities in Sharjah for the organization of the said Meeting.

Businesswomen Forum: Realizing the economic potential among the businesswomen and also to endorse the Millennium Development Goals on gender issues the Islamic Chamber has initiated a program in 2005 for the economic empowerment of businesswomen of the Islamic Countries. This has been done by holding Businesswomen Forums in Islamic Countries on annual basis. So far four (4) Meetings have been held. These Meetings have been held with the collaboration of the Islamic Development Bank, the related local chambers and Women Associations. The Special Unit for South-South Cooperation (SU-SSC), UNDP is also extending financial support for these Forums. It may be mentioned that the successes of the Businesswomen Forums and the recommendations adopted therein were duly followed and implemented which led to the establishment of:

• **Businesswomen Information Network (www.oic-bin.net):**

During the Second Forum for Businesswomen in Islamic Countries held in Kuala Lumpur – Malaysia on 8-10 December, 2006, it was recommended that a web portal and a database for businesswomen needs to be established. Hence, the General Secretariat of the Islamic Chamber of Commerce & Industry (ICCI) developed a web portal “OIC Businesswomen Information Network” (www.oic-bin.net) in November 2007 which was officially launched on the occasion of Third Forum for Businesswomen in Islamic Countries held in State of Qatar in 2008 provides a single platform to all the women entrepreneurs in OIC countries, to interact with one another and to exchange business information among themselves. This initiative has been also welcomed by the UNDP’s Special Unit for South-South Cooperation. ICCI has been selected as one of the satellites for One Million Businesswomen Online (OMBOL) for covering 57 OIC Countries, which will be a part of the UNDP’s larger project of OMBOL. The project of ICCI will be considered to be used as a prototype for the other participating satellites. UNDP will provide technical assistance for the said project at the initial financial stage.

• **Family Bank in Sudan with a paid-up capital of US\$50 million;**

The Family Bank has been establishment in July 2008 and gradually expanded by opening 13 branches in the capital as well as other Sudanese provinces. The main objective is to provide financial services to the potentially active segments of the poor, fresh graduates, small producers of farmers and grazers and craftsmen to enable them run economic activities that suit their circumstances. The Bank, by the end of 2009 extended services to 10,175 beneficiaries. It adopts Islamic modes of finance, such as Mudaraba, Murabaha, Musharka etc., in a simplified manner that gives access to its services for the targeted poor segment of the society.

• **Incubation Center and Buying House in Pakistan;**

The said Buying House has been setup in the Northern part of the Pakistan (Multan) by the Women Chamber of Commerce of the said Region. This House serves as a hub for the women working from their homes or cottage industries to bring their

merchandise for sale. The House also provides marketing services by way of enabling the exporters to come and place their orders for export, which enhances the products' quality and quantity.

In addition, keeping in view the enthusiasm of the women entrepreneurs, it is expected that the future Businesswomen Forums would have greater success and would achieve more positive outcomes.

The Fifth Forum for Businesswomen in OIC Countries would be held in Arab Republic of Egypt on 22-24 April 2010.

Within the Ten-Year Work Plan, the ICCI has undertaken various projects which are in various stages of implementation:

ICCI Projects:

1. International Zakat Organization (IZO)
2. International Islamic Company for Exploration of Investment Opportunities & Promotion of Intra-Trade (FORAS)
3. Halal Food System for the Private Sector of the OIC Countries
4. Company for Promotion of Inter-Islamic Tourism
5. Company for Recruitment and Employment of Labor
6. Business Owners Union of OIC Member Countries
7. Union of the Clubs of Ommar Al Ardh (Land Constructors)
8. Al-Emmar Bank
9. OIC Networks

1. International Zakat Organization:

The Islamic Chamber of Commerce & Industry through its International Zakat Organization (IZO) and in collaboration with Sudan's Zakat Bureau and the High Institute of Zakat organized the 1st Regional Workshop for African Zakat Funds, in Khartoum, under the kind patronage of the Vice President of the Republic of Sudan. The Workshop was held on 15-16 June 2009, under the theme of "Working together towards strong and developed Zakat Institution". It was addressed by the Advisor to the President of the Republic of Sudan on Islamization, President of the Islamic Chamber of Commerce & Industry, Minister of Social Affairs of Sudan and the Secretary General of Zakat Bureau of Sudan. The Speakers unanimously pointed out that Zakat is a unified pillar of Islam, which is a matter of consensus of all Muslims. Therefore, there is an immense need and necessity to unify all its institutions and organizations in one broad entity that accommodates their diversification and strengthen their authority.

The attendance welcomed the establishment of International Zakat Organization (IZO) and appreciated all the efforts that are being exerted by the ICCI in setting-up and supporting the IZO. During the two days deliberations, the Workshop discussed scientific presentations that cover significant themes such as global vision for Zakat rite, highlights on the Zakat status in Sudan, objectives and mission of IZO, current status of Zakat in African Countries, fundamentals and elements for strengthening

relations in the field of Zakat as well as the requirements for scientific research, vocational and technical training for Zakat Institutions in Africa.

The Workshop put forward numerous significant recommendations including the call for creating database and map on Zakat and Muslims in Africa, provision of statistical information and devising appropriate strategies for developing the capacities of Zakat funds. The Workshop also called upon the IZO to conduct field studies on Zakat funds in Africa and to give consideration for developing methods of Zakat work in such a manner that based on scientific and professional methods, systems and tools. They also emphasized on the necessity of paying attention to the media coverage on Zakat activities in Africa and to devise a long term media plan that contributes to good understanding on the part of the communities to the role of these funds on eradicating poverty and developing the environments of Muslims. Moreover this plan shall aim at enabling Zakat payers to positively interact with the Zakat workers in calculating and spending the Zakat as well as encouraging other Muslims to do the same.

2. Halal Food System for the Private Sector of the OIC Countries:

The Islamic Chamber of Commerce and Industry is working towards setting-up a harmonized Halal Industry Guidelines for the Private Sector of the 57 Member Countries. The Islamic Chamber affiliate, namely the International Halal Integrity Alliance (IHI) is already engaged with stakeholders worldwide to formulate the guidelines, which would be generally accepted by all Muslim Consumers. In addition, the Islamic Chamber of Commerce & Industry as member of the OIC Standardization Experts Group (SEG), is extending all cooperation, so that the details of the implementation mechanism of the OIC Halal Food System can be submitted to the next session of 26th Session of COMCEC.

3. International Islamic Company for Exploration of Investment Opportunities & Promotion of Intra-Trade (FORAS):

The objective is to explore business and investment in the specialized sectors which provide investment opportunities. The FORAS is focusing on African region as most of the OIC least developed countries are located in this region and provide more potential to develop and grow.

FORAS International Investment Company focuses on large investment projects in Africa in the following sectors:

- **Agricultural Sector:**

West Africa is endowed with vast natural resources in terms of fertile lands and the suitable climate for rice cultivation. Foras has been able to identify locations in Sudan, Senegal and Mali to implement various agriculture projects by cultivation of the available lands.

In Sudan, Foras has acquired land measuring 300,000 acres, in Sennar State which shows immense potential for cash crops, food farms and live stock. A feasibility study has also been conducted by the experts. Foras is

currently negotiating with the international technical consultants for the project management.

- **Integrated Poultry Projects:**

Moreover, two studies were conducted to establish integrated poultry production projects that will be launched by 2010 in Sudan and Senegal. Foras intends to raise the capital of West African poultry through private placement and long term debt arrangements.

- **Automated Slaughterhouse Projects:**

Foras plans to add value in the development of automated slaughterhouse projects by introducing the latest technological tools from Turkey and/or China to bring to use the huge livestock potential in Africa in general and to apply it in Sudan and Mali specifically. The company also has the same approach in introducing such techniques in the food and juice industries for canning and packaging.

- **Real Estate Sector:**

Foras signed an agreement with Ministry of Housing of Mali to build 20-60 thousand social housing units, and it aims to increase this number at later stages. Foras will be the project manager and executor. The first phase of the project costs USD 700 million to build 20 thousand housing units in 6 years.

- Foras signed an agreement with National Fund for Housing and Reconstruction of Sudan to build 50 thousand social housing units in Khartoum, alongside obtaining the concession agreement and Sudan Central Bank guarantee. Foras will implement the project by engaging international contractor as a technical assistant to construct the project with duration of 5 years. The project costs USD 1000 million, and an Islamic debt will be arranged for the Sudanese Government.
- Foras is also engaged in housing projects in Nigeria, Congo and Benin, with capacity of 10 thousand housing units each. The projects are at their initial stages of preparation of the feasibility study and negotiating with the governments for bank guarantees.
- Foras is in the process of obtaining land titles, signing concession agreements and off-take agreements with the Government of Benin and is in the process of engaging financial advisors for private placement for the following projects:
 - Free Zone
 - Shopping Mall
 - Office Tower
 - Five Stars Hotel

- **Energy Sector:**

Foras has signed an agreement with international companies to fund and provide technical assistance for the power projects in West Africa. Foras expects to complete the negotiations as regards concession agreements by end 2010 in Benin, Mali and Nigeria. These projects will have significant impacts on the mentioned countries for sustainable development and growth.

- **Railway Projects:**

Foras has successfully identified railway projects in East & West African countries. A team of technical consultants from Iran has visited Mali & Benin to discuss the project details and to collect necessary data. A feasibility study has been acquired from Mali Government for the project. In Sudan, Foras is not only engaged in the development of the project but also arranging Shariah compliant debt for the project. These projects will enhance trade volume among the neighbouring countries and will further boost economic activities in the region.

Services of full time advisor have been acquired by Foras who will also coordinate with all the project stakeholders to ensure timely deliverables.

- **Foras Newsletter:**

To update its shareholders and other investors/businessmen in OIC member states on the activities that Foras is undertaking for the promotion of intra-regional trade and investments among member states, Foras brings out its newsletter on monthly basis in English and Arabic languages. The newsletter highlights the important meetings and the achievements made in its projects implementation. It is a source of information dissemination which Foras widely circulates. All efforts are being made for its quality improvement to cater the needs of the valued shareholders, prospective investors, financial institutions, technical providers and others concerned.

4. **Company for Promotion of Inter-Islamic Tourism:**

The purpose of the Company is to get Muslims to learn more of their states, history and civilizations, develop the touristic facilities in the OIC Countries as well as publicity, advertisement and marketing tourism in the OIC Member States.

The 1st Coordination Committee for short term plans on the implementation of the “Framework for Development and Cooperation in the domain of tourism between the OIC Member States” held in Damascus, Syria on 18-19 March 2009 had assigned certain tasks to Islamic Chamber of Commerce & Industry (ICCI) / Foras Tourism Development (FTD).

5. **Company for Recruitment and Employment of Labor:**

It aims at increasing the employment of labor from Muslim States, training and Marketing Islamic labor as well as narrowing down the employment opportunities available.

6. Business Owners Union of OIC Member Countries

The Islamic Chamber of Commerce and Industry has activated its mechanism of the Business Owners Union (BOU), by initially publicizing the objectives of the Union, then holding meeting with the decision makers and executive bodies of the chambers of commerce for discussions and afterward reaching to the stage of signing Memorandum of Understanding with the member institutions and thereafter promoting for the membership of the BOU in collaboration with the national and local chambers of Islamic countries.

H.E. Shaikh Saleh Abdullah Kamel sent a letter to the largest federations of chambers of commerce and industry in OIC member countries and asked them to support the launching of the BOU by creating an umbrella for the entrepreneurs and the private sectors as well as minority Muslim business communities so as to facilitate movement and strengthen ties among Muslim entrepreneurs and to encourage intra-Islamic trade and investments all that will lead to providing employment to Muslim youth and reduces the percentage of unemployment and consequently enhances the national income of member countries.

Till this date 21 ICCI member institutions officially joined the membership of the BOU, by virtue of signing the MoU that is related to the BoU.

The founding meeting of the BOU was held in Jeddah Hilton and attended by prominent businessmen from 13 Islamic Countries to discuss and approve the standing orders of the Union.

The 1st Meeting of the Board of Directors of the BOU was held in the Headquarters of the Qatar Chamber of Commerce & Industry, while the 2nd Meeting was held in Cairo, Egypt during which Chairman and Vice-Chairman of the Union were elected as well as the major objectives of the Union were defined.

Moreover, a Service Department for Senior Members was established to market members' projects and promote them among the trading agencies of the various Muslim Countries.

Brochures of the Union were translated to the Arabic, English, French and Turkish languages, so as to facilitate communication amongst our members in the Muslim Countries.

A website and databank was set-up, specially for the members and recently round the clock service made available for facilitating constant contacts with all the union members during their business trips in the OIC Countries for promotion of intra Islamic trade.

List of the members federations who signed the MOU, with the objective of promoting and activating the membership of BOU.

1. Saudi Arabia	2. State of Qatar
3. UAE	4. Sultanate of Oman
5. Arab Republic of Egypt	6. Kingdom of Morocco
7. Mauritania	8. Jordan
9. Republic of Sudan	10. Republic of Yemen
11. Islamic Republic of Pakistan	12. Islamic Republic of Iran
13. Republic of Benin	14. Republic of Uganda
15. Republic of Senegal	16. Republic of Guinea
17. Republic of Niger	18. Republic of Kazakhstan
19. Republic of Iraq	20. Syrian Arab Republic
21. Albania	

7. Union of the Clubs of Ommar Al Ardh (Land Constructors)

The Islamic Chamber of Commerce and Industry launched the mechanism of the Union of the Clubs of Ommar Al-Ardh, with the objective of reviving the role of Youth and enable them to take active part in implementing the 10-year Work Plan of ICCI and also to contribute to the enhancement of the Economic Development of OIC Countries and reduce the unemployment rate of youth, by way of encouraging them to join the labour market. The ICCI adopted the method of publicizing the objective of the Union of the Clubs of Ommar Al-Ardh at the initial stage. Thereafter, meetings were held with the decision makers and the executive organs of the member chambers to discuss the positive impact of this mechanism and to promote for the membership of the Union among the Youth in cooperation with the local chambers of the Member Countries.

Contacts were made with the Young Businessmen, who are the members of the Committees of the Chambers of Commerce in the following cities:

Riyadh, Makkah al Mukarramah, Al Madinah al Munnwarah, Istanbul, Alexandria, Kuwait City, Yemen and Jakarta.

During those contacts, objectives of the Union of the Clubs of Ommar Al-Ardh were highlighted and emphasis was put on the assistance of youngsters to start their own businesses by the support of the members of the Union of the Clubs of Ommar Al-Ardh after submitting feasibility studies of youth projects.

Brochures of the Union of the Clubs of Ommar Al-Ardh were translated to the Arabic, English and French languages, so as to facilitate communication amongst our members in the various Muslim Countries.

A club was established in Kuwait and total number of its members reached 45 young men to support the ICCI's 10-year Work Plan as a model through which they can spread their experiments to the rest of the youth of the Islamic Countries.

Practical cooperation has been initiated with the youth of the Independent Industrialists' and Businessmen's Association, Turkey (MUSIAD). The major aim of this cooperation is to market MUSIAD's youth projects among the members of the Union of the Clubs of Ommar Al-Ardh. Active participation for publicizing the objectives of the Union of the Clubs of Ommar Al-Ardh was made in the annual conference of MUSIAD youth, which attended by one thousand young businessmen and businesswomen from 16 countries.

Coordination was also made to facilitate visit of MUSIAD youth with their Saudi counterpart in the cities of Jeddah, Makkah al Mukarramah and Al Madinah al Munnwarah. The intended visit materialized and resulted in initiating intellectual and commercial exchanges and strategic partnerships were established among the Saudi youth and their Turkish counterparts.

Preparations are made for the First Meeting of the Young Businessmen, which will be attended by representatives of 15 Muslim Countries. It will be held concurrently with the First Conference of the Business Owners Union during the 2010.

8. **Al-Emmar Bank:**

Islamic Chamber of Commerce & Industry has organized the establishment meeting of Al-Emmar Bank, where 82 Islamic bank and financial institutions were invited to attend the meeting. The meeting was held at the Headquarters of Islamic Development Bank (IDB), Jeddah on 10th October 2009. The participants agreed that the development of the Islamic financing industry is still at its preliminary stages, and there are many areas in its structural setup that require improvement and further enhancement. In this context, the major two visible gaps in the Islamic financing industry are: (1) It is generally comprised of small retailing institutions (with existence of some exceptions) and there is hardly any Islamic bank with huge capital in comparison to the conventional banks. This then restricts the Islamic banks from playing a leading role in ensuring subscriptions and financing to pivotal projects in many Islamic countries. (2) The Islamic financing industry lacks the minimum required financial tools to manage its funds and depends on the modes of conventional banking system, in addition to the complete absence of an active market among the Islamic banks.

In order to bridge this gap, this meeting was held to establish an Islamic international financial and investment group that may play a pioneering role in assisting the capable Islamic banks and financial institutions as well as the governmental institutions in OIC Countries, with the objective to make a substantial contribution to the development of economies of the OIC Member Countries. This group can achieve its objective by studying ideas of new projects and to develop, finance & operate them in conformity with the principles of Islamic sharia.

It was agreed to setup a Committee that would meet with the Malaysian Central Bank and submit an application for a license of a mega Islamic bank under the name of IDB Group. Also a committee has been formed to contact the other banks and to promote the bank in various Member Countries.

ICCI and IDB held a meeting with the Bank Negara Malaysia (Central Bank of Malaysia), thereafter they have submitted an application for establishment of a Mega Bank. Reply of Negara Bank is awaited, meanwhile the Committee will continue the process of collecting the capital and making road show in the Middle East and East Asia.

9. OIC Networks

The Islamic Development Bank and MIMOS (a Malaysian Company) is a joint venture the OIC Network Company. The objective of the company was to serve as a virtual market for commercial transaction among the OIC countries. However, the Company could not succeed due to lack of response.

Thereafter, a meeting was held between H.E. Dr. Ahmad Mohammad Ali, President of IDB and H.E. Shaikh Saleh Kamel, President of ICCI on 23rd November 2007, in which, the President of the Bank offered the Islamic Chamber to buy the Company. H.E. Shaikh Saleh Kamel agreed to the offer of purchasing said Company against 1 Islamic Dinar (A unit of Account of IDB, which is equivalent to one Special Drawing Right (SDR) of the International Monetary Fund (IMF).

The 5th ICCI Board of Directors Meeting, which was held in 24 April 2008, in Jeddah, Kingdom of Saudi Arabia discussed the matter and approved the purchase of the said company against 1 Islamic Dinar and thanked the President of IDB and MIMOS for their kind offer. It also entrusted the concerned legal department to complete the deal.

The subject has been entrusted to the Legal Advisor of the ICCI's President, who informed that he is following up the matter with the concerned official of IDB, who informed that contacts are going on with the Malaysian Company to obtain a certificate stating that there is no financial or legal obligation with the concerned authorities. After obtaining the said document and completing all legal documentation of the company, the Legal Advisor of the ICCI's President to draft a purchase contract wherein the rights of the ICCI will be safeguarded. The Legal Advisor will inform in due course.

10. Workshop on Revival of Ethical Values:

In line with its foremost objectives, the Islamic Chamber of Commerce and Industry organized a Workshop on Revival of Ethical Values on 17th – 18th June 2009 in Jeddah, Kingdom of Saudi Arabia. The Workshop aimed at reviving the professional, as well as human ethical values, with special focus on the province of Makkah Al-Mukarramah, as it is needed to be a model to be followed in activating the ethical values throughout the Islamic World. It was attended by high dignitaries including H.R.H. Khaled Al-Faisal, Governor of Makkah Al-Mukarramah province as well as the Honorable Ministers of Education, Health and Information of the Kingdom of Saudi Arabia.

11. Islamic Chamber Research & Information Center (ICRIC):

The Islamic Chamber Research & Information Center (ICRIC) is under taking numerous activities covering various aspects of business. Regarding the vital importance of credit rating for all economic institutes in the modern era, Islamic Chamber and Information Center under the Islamic Chamber of Commerce and Industry conducts technical surveys in this area and diagnoses existent inefficiencies among Islamic countries and subsequently, inaugurates a credit rating system for Islamic countries corporations.

This system is based on a model consisted of descriptive and mathematical parts. Total considered model's indicators are about 600 and legal analyses include financial report, surveying the compatibility of financial and economic activities of organization with government rules as well as custom and legal affairs and also company complaints.

Islamic countries credit rating system analyses these three areas of information and saves them digitally. At the next step, after processing and classifying pieces of information they are submitted as company credit report. This ranking should be revalidated after 6-12 months.

In this manner, ICRIC is performing credit rating for big institutes and some of the economic centers and chambers benefit from its consultation services.

Credit rating determines the exact credit position of an organization based on an analytic report of its financial, managerial and legal statuses. Credit rating encompasses quantitative, qualitative and legal analyses. Quantitative analyses generally include financial analyses based on company financial reports. Qualitative analyses comprise analysis of management quality, company competition, and expected growth in related industry and eventually foibles of technology changes and also changes of workforce rules and relation ships (company opportunities, strength and weak points, threats).

In addition to the above, the ICRIC is continuing with its other activities such as organizing training courses in the area of petrochemical on the model of European Foundation for Quality Management.

12. OIC Networking SMEe Agencies (ONSA)

Small and Medium Enterprises (SMEs) have been recognized as an important strategic factor for generating high income, growth and alleviating poverty and unemployment. They are commonly recognized as an effective means of stimulating economic activity and deeply impact the social progress. There is a need for concerted efforts in OIC countries to fully exploit the development of potential SMEs. It is a sector which needs to be carefully nurtured by institutional support, access to finance, business development services and less regulation oriented business environment.

Almost any country in the world puts special emphasis on SMEs because of their integrated, flexible and comparatively higher production capabilities. The Islamic

Commission for Economic, Cultural and Social Affairs at its 23rd Session held in January 2000 in Jeddah, Kingdom of Saudi Arabia, endorsed the proposal of Islamic Chamber of Commerce and Industry (ICCI) for the establishment of a "Task Force on Small and Medium – Sized Enterprises" (SMEs). The proposal was approved by the Islamic Conference of Foreign Ministers (ICFM) at its 27th session held in Kuala Lumpur, Malaysia, in July 2000 and subsequently adopted by the Islamic Summit Conference at its 9th session held in Doha, state of Qatar in November 2000. Accordingly, the task force was established in 2001 by the Secretary General of the Organization of the Islamic Conference (OIC). ICCI was given the mandate to convene meeting of the task force to study and analyze the needs, problems and future requirements of SMEs in OIC countries and to formulate strategies for their development.

Accordingly, ICCI with the collaboration of Islamic Development Bank (IDB), Member Chamber and SMEs authorities has organized; first in Bangladesh in 2002, second in Mozambique in 2003, third in Pakistan in 2004, fourth in Thailand in 2005 and fifth in Turkey in 2006, to examine the problems and constraints of SMEs in OIC countries, and to identify practical means of improving their performance.

In the 3 – days seminar on SMEs national development in member countries of Islamic Conference Organization which was held on 10-13 December, 2007 in Dhaka, Bangladesh, Islamic Chamber Research & Information Center had offered to launch the SMEs Islamic world website practical for all small & medium – sized enterprises. Eventually in the 6th and Final Meeting held on August 2008 in Thailand, the Task Force approved to establish an OIC Network of SME Agencies (ONSA) through ICRIC.

As per the recommendations, ONSA's functions were specified for ICRIC, which are according to the Charter, are available in the related website. The goal of ICRIC to launch this website, at first, is to provide information including events in Islamic countries, global seminars on SMEs, books, articles etc.

Contacts have been established by ICRIC/ONSA with the Confederation of Chambers of Commerce and Industry in Asia and Oceania about the role of private sector and SME Institutions in alleviating the current economic crises. Furthermore, Training Programmes are being held in cooperation with the International Trade Center for the SMEs, in order to impart best practices and know-how.

Capacity Building, Concept of Microfinance, Value Addition, Food Security, Chamber Management, Poverty Alleviation and SMEs:

Other Activities :

Apart from the above projects, the ICCI is diversifying its activities, while still focusing on the Private Sector and its 10-Year Work Plan. These programmes and activities target poverty alleviation and capacity building. ICCI's corporate strategy is to focus on activities that help to develop a competitive economy and promote

sustainable trade and industrial development. The activities include organizing training, providing of advisory services in information technology, investment promotion, trade promotion, small enterprises development, expansion of the services sector, awareness and appreciation of privatization programmes, empowerment of women, tourism, promotion and establishment of companies in the private sector for economic development.

Training Program on Microfinance Sector Development, Khartoum, Sudan (18-21 July 2009):

The Islamic Chamber of Commerce and Industry (ICCI) has been undertaking activities focused on poverty alleviation and capacity building. ICCI's corporate strategy is to focus on activities that help to develop a competitive economy and promote sustainable trade and industrial development. Microfinance is recognized as an effective tool to fight poverty by providing financial services to those who do not have access, or are neglected by the commercial banks and financial institutions.

In this respect, ICCI has organized a Training Program on Microfinance Sector Development held in Khartoum, Sudan from July 18-21, 2009. The sector of Microfinance in some of the Islamic Countries is at a very elementary stage and a lot needs to be done to clear the concept and at the same time provide competitive and reasonable loans for the people. The Training Program was designed to create awareness on the microfinance sector and its effective usage in alleviating poverty by providing poor with access to credit. The Training Program addressed several issues and obstacles being faced by this sector and came forward with recommendations, which called for the setting-up of a Microfinance Training Center, which would act as a focal point to do research, collaborate & focus on capacity building and prepare training modules, which could be replicated in all OIC Countries. The holding of the Training Program falls within the implementation of the OIC 10-Year Programme of Action for alleviating poverty and capacity building in the OIC Countries.

Workshop on Coffee Processing, Kampala, Uganda, (5-8 October 2009):

The holding of the Workshop was to implement one of the recommendations of the OIC Business Forum - 12th Private Sector Meeting, organized by the Islamic Chamber in June 2008, on the sidelines of 34th Conference of Foreign Ministers in Uganda. H.E. Yoweri Kaguta Museveni, President of the Republic of Uganda, in his inaugural address, addressed the issues of increasing Member Countries' efforts for furthering utilization of their abundant raw material. The President also called the private sector to diversify their economies to manufacturing industries, exporting the processed and value-added finished goods so as to generate more income for their people.

In this respect, on the kind invitation of Uganda National Chamber of Commerce & Industry (UNCCI), the General Secretariat of the Islamic Chamber has organized a 4-Day Workshop on "Coffee Processing" in Kampala, Republic of Uganda on 5-8 October 2009, in collaboration Islamic Development Bank (IDB) and the Uganda National Chamber of Commerce & Industry (UNCCI). The reason for

selecting Uganda for organizing the said workshop is that it is one of the leading coffee producers not only in African continent, but also in OIC Countries. The holding of this Workshop was also ICCI's contribution to promote Intra-Islamic Trade to 20% by the year 2015 as part of the 10-Year Program of Action of OIC. The Workshop was attended by 57 trainees from Republic of Uganda, in addition to four Member Countries namely Cameroon, Sierra Leone, Sudan and Yemen.

The objective of the workshop was to build capacity and empower coffee value addition entrepreneurs in order to enhance their skills and knowledge in the processing, production and promotion of value added coffee products. The main aspects of the workshop were to provide practical experiences in coffee roasting, processing and packaging and to provide information about relevant issues to support value addition and product diversification. The report is available.

The workshop stressed that the private sector should increase their efforts to diversify their economies and build their manufacturing industries for exporting the processed and value-added goods.

Training Program on “Chamber Management” for the Staff of African Member Chambers Kampala, Uganda (9-12 October 2009):

The OIC Program of Action calls to raise intra-OIC trade level to 20% by the year 2015. As a result, various OIC Institutions are undertaking programmes and activities that could lead to increasing the level of trade among the OIC countries. Following this mandate, the ICCI has embarked on numerous programmes. Realizing the role of the Chambers of Commerce and in view of the central role played by the private sector in the OIC economies, the national chambers have assumed a special significance. They collect and disseminate the required trade and investment data to the business community. Moreover, they assist traders in marketing, export, as well as providing information on customs rules and currency regulations.

In view of this, the ICCI and ITFC agreed to hold Workshops to train the Chambers to further enhance their role as Trade Promotion Organizations. Considering the above facts, and also in line with the objectives of the International Islamic Trade Finance Corporation (ITFC) and the Islamic Development Bank's (IDB) 1440H Vision to increase Intra-Trade and promote trade cooperation among Member Countries, and to complement the efforts of the IDB in the same area, the General Secretariat of Islamic Chamber of Commerce & Industry have conducted regional training programs in various thrust areas over the past several years. In this regard, special focus is on Africa, as it is a region with immense potential that needs to be tapped.

Realizing the increased importance of the private sector and its pivotal role in the socio-economic development, the Islamic Chamber of Commerce and Industry also organized a regional Training Program on “Chamber Management” for the Staff of African Member Chambers in Kampala, Uganda from 9-12 October 2009 in collaboration with Uganda National Chamber of Commerce & Industry (UNCCI) and

International Islamic Trade Finance Corporation (ITFC) of the Islamic Development Bank Group (IDB).

The Training Program was attended by 27 trainees from National and Regional Chambers of the Republic of Uganda, in addition to five trainees from African Chambers of the Member Countries namely Benin, Cameroon, Djibouti, Gambia and Sudan. In addition, a representative of Islamic Trade Finance Corporation (ITFC) has also participated and made a presentation at the said Training Program.

The overall goal of the Training Program was to enable the Chambers of Commerce and Industry of African Countries, to offer a wider variety and higher quality of services to their Chambers so that the African Members can play a more instrumental role in the development of private sector in their respective countries. The participants were trained to adopt best practices and to introduce Standard Operating Procedures (SOPs) for providing more effective services. The report is available.

Investment and Privatization Conference, Tehran, Iran (28-30 April 2009):

With the objective of enhancing intra-investment level, and to encourage private sector participation in the privatization process, Islamic Chamber is organizing Investment and Privatization Conferences on regular basis on the invitation of the OIC Member Countries. The 3rd Conference was held in Tehran – Islamic Republic of Iran on 28- 30 April 2009.

The Conference provided an opportunity to the participants of various OIC Countries to be aware of the investment opportunities and privatization process for enhancement of the investment level, privatization process and business relations among the OIC Countries.

The Conference called for the private sector to play a greater role in the economic and investment activities and at the same time called on the governments to facilitate the private sector.

Tourism Forum:

The Second Forum of Tourism in Islamic Countries was held in Tehran from 28-30 April, 2009, in cooperation with Islamic Development Bank (IDB), Ministry of Tourism, Islamic Republic of Iran, Iranian Privatization Organization and Iran Chamber of Commerce, Industries & Mines (ICCIM). As the positive outcome of the First Forum a Tourism Promotion Company has been declared with a capital of US\$100 million and was duly launched during the Second Forum.

The objectives of the Forum, and of the Conference, were to identify common strategies and plans for projecting and promoting trade, investment, and tourism potentials, and investment opportunities, in OIC Countries; also to explore the scope, the obstacles and the solutions in this direction; and to develop and formulate joint strategies for enhancing trade, investment and tourism in, and among, the Islamic Countries.

The Forum created awareness about the existing tourist attractions, resources and facilities in the OIC countries with a view to encouraging tourism by facilitating tour operators and organizing tourism fairs on annual basis.

**Training Workshop on “SME Cluster Development for OIC Member Countries”
Lagos, Nigeria (March 24 to 27, 2009)**

As an implementation of the recommendations of the OIC Task Force Meetings, the Islamic Chamber of Commerce and Industry organized the Training Program on “SMEs Cluster Development for OIC Member Countries” in collaboration with the Nigerian Association of Small Scale Industrialists and Islamic Development Bank (IDB). The workshop was attended by the representatives of Benin, Iran, Malaysia, Pakistan, Sudan, and Turkey. In addition, the representatives of Federal and Provincial governments, financial sector, chambers of commerce, associations and private sector also attended this training workshop.

The objectives of the training program were to bring awareness about Cluster Development and how it could bring a wide range of benefits to both business communities of the OIC Member Countries.

The workshop helped participants to upgrade their skills in understanding the advantages of Clusters and how they could be more competitive and resilient in today’s competitive environment.

Workshop on “Promotion of Export Processing of Value-Added Fishery Products” Cotonou, Benin (21 to 22 March 2009)

Considering the importance of fisheries as a source of food, income, the Islamic Chamber of Commerce & Industry organized a Workshop on “Promotion of Export Processing of Value-Added Fishery Products” in Cotonou, Republic of Benin from 21 to 22 March 2009 with the support of Benin Chamber of Commerce and Industry and Islamic Development Bank (IDB). The participants had fruitful interaction and discussed the good practices for the promotion, processing and farming of fishery products.

The main objective of the workshop was to promote entrepreneurship development, which will eventually lead to greater economic prosperity. The organization of the workshop is an important step towards strengthening the capabilities and enhancing OIC member countries economy's and bringing awareness about the competitive advantages in the areas of natural resources, which make basis for a greater agricultural and livestock growth for the entire region in the African continent.

The participants of the workshop learned as to how cost-effective business plans are prepared and learned the skills as to how to prepare them with the fast developing technologies and modern marketing techniques of the fishery products.

Furthermore, it was also agreed to provide ice-boxes to the fishermen in Benin for transfer of fish in good quality from sea to the processors/exporters.

Present Challenges

The Islamic World needs to be unified. This unification is not restricted to political arena but also the economic domain. The ICCI is deploying all efforts to bring the private sector closer, by providing opportunities wherein more awareness could be created to explore new markets, diversify production, add value etc. Currently, a large number of the OIC countries are in the less developed countries category. The level of intra-Islamic trade is at 16%, which does not reflect the existing potentials. There is, therefore, a dire need to bring the private sector closer to promote economic cooperation.

Future Perspectives:

The Islamic Chamber looks forward to continue its work to enhance economic cooperation through trade promotion and investment. Towards this end, it hopes to further strengthen its ties with the member chambers of the OIC countries and the public sector, so as to have a mechanism of an effective Public Private Sector Partnership. The General Secretariat of the Islamic Chamber thanks the General Secretariat of the OIC., IDB, SESRIC, ICDT, OISA, and all other institutions for their cooperation and support in enabling it to meet its objectives.

ICCI's Activities in 2010:

For the period April 2010 – December 2010, the General Secretariat of the Islamic Chamber will be organizing the following mentioned events:

1. Fifth Forum for Businesswomen in Islamic Countries,

Cairo, Egypt, on April 22-24, 2010

Islamic Chamber of Commerce & Industry organized the Fifth Forum for Businesswomen in Islamic Countries in Cairo, Arab Republic of Egypt from 22 to 24 April 2010 under the theme of “Global Empowerment of Businesswomen to Meet the MDGs”. The Forum was held in collaboration with Egyptian Business Women Association (EBWA), the Perez-Guerrero Trust Fund / United Nations Development Programme (UNDP) and Islamic Development Bank Group (IDB). The Forum was held under the kind patronage of H.E. Madame Suzan Mubarak, First Lady of the Republic of Egypt. The Forum was attended by around 150 delegates from 38 Member Countries and 4 non-member countries. Report will be circulated.

2. “Chamber Management” Training Program for the Staff of Member Chambers of Arab Countries, September 19-22, 2010, State of Kuwait

Islamic Chamber of Commerce and Industry is organizing the “Chamber Management” Training Program for the Staff of Member Chambers of Arab Countries in collaboration with the International Islamic Trade Finance Corporation (ITFC) and

Kuwait Chamber of Commerce & Industry on September 19-22, 2010 in State of Kuwait.

3. a) 2nd Training Workshop on SME Cluster for OIC Member Countries.

Islamic Chamber of Commerce & Industry (ICCI) is planning to organize the 2nd Training Workshop on SME Cluster Development in collaboration with Union of Chambers and Commodity Exchanges of Turkey (TOBB) in Turkey in the year 2010.

b) Incubation Managers Training in OIC Countries

Islamic Chamber of Commerce & Industry (ICCI) is planning to organize the Incubation Managers Training in OIC Countries in collaboration with Small and Medium Enterprises Development Organization (KOSGEB) in Turkey in the year 2010.

4. 2nd Training Programme on Microfinance Sector Development for OIC Member Countries will be held in Tajikistan

In compliance to the recommendation of the 1st Training Program on Microfinance Sector Development, the Islamic Chamber of Commerce & Industry is organizing 2nd Training Programme on Microfinance Sector Development for OIC Member Countries in one of its CIS Member Countries in the year 2010.

5. Regional Workshop on Food Security for OIC Countries

In view of the utmost significance of the food security subject, the Islamic Chamber of Commerce & Industry intends to organize a regional training workshop on food security for OIC Member Countries in collaboration with the Islamic Development Bank and National Chamber of Commerce & Industry of one of the African Countries in the year 2010.

6. 2nd OIC Business Forum/13th Private Sector Meeting for the Promotion of Trade & Joint Venture Investment among Islamic Countries, Dushanbe, Tajikistan 14th May 2010

Already covered on page 02.

7. Workshop on Value-addition: Processing & Marketing of Cotton

Considering the significance of the cotton sector and towards the implementation of OIC Five Year Cotton Action Plan (2007-2011), the Islamic Chamber of Commerce and Industry is organizing a “4-Day Workshop on Value Addition: Processing & Marketing of Cotton” in one the member countries in 2010. The ICCI is contacting Islamic Development Bank (IDB) and Member Chambers in this respect.

8. Workshop on Human Resources Development

In consideration of the prime significance of the human resources development the ICCI intends to organize a workshop on Human Resources Development for OIC Countries in collaboration with interested and concerned parties from the international organizations and member countries during the second half of the current year 2010.

9. 1st Conference on Health Tourism of Islamic Countries, in Mashhad, Islamic Republic of Iran, 2nd Half of 2010

In view of the significance of the health tourism and its rapidly growing number of tourists, and in response to the request of Iran Chamber of Commerce, Industries & Mines (ICCIM), the Islamic Chamber intends to promote for the 1st Conference on Health Tourism of Islamic Countries in Mashhad in 2nd Half of 2010.

10. Meeting for the Heads of the Trade Free Zones, Kish Island, Islamic Republic of Iran, Second Half of 2010

Iran Chamber of Commerce, Industries & Mines (ICCIM), the Islamic Chamber of Commerce and Industry intends to organize the Meeting for the Heads of the Trade Free Zones, Kish Island, Islamic Republic of Iran, Second Half of 2010.

S.No.	Event
1	Fifth Forum for Businesswomen in Islamic Countries, Cairo, Egypt, April 22-24, 2010 (will be already held by the time of Follow-up of COMCEC)
2	2 nd OIC Business Forum - 13 th Private Sector Meeting for the Promotion of Trade and Joint Venture Investment among Islamic Countries, Dushanbe, Tajikistan, 14 th May 2010.
3	“Chamber Management” Training Program for the Staff of Member Chambers of Arab Countries, State of Kuwait, September 2010
4	a) 2 nd Training Workshop on SME Cluster for OIC Member Countries. Proposed by TOBB (Turkey) b) Incubation Managers Training in OIC Countries, in collaboration with KOSGEB-Turkey
5	Workshop on Value-addition: Processing & Marketing of Cotton
6	2 nd Training Programme on Microfinance Sector Development for OIC Member Countries, Republic of Tajikistan
7	Regional Workshop on Food Security for OIC Countries, Uganda
8	Workshop on Human Resources Development
9	1st Conference on Health Tourism of Islamic Countries, in Mashhad, Islamic Republic of Iran 2nd Half of 2010
10	Meeting for the Heads of the Trade Free Zones, Kish Island, Islamic Republic of Iran, Second Half of 2010.

ANNEX

XI

**REPORT BY IDB
ON IMPLEMENTATION STATUS OF
ISLAMIC SOLIDARITY FUND FOR DEVELOPMENT (ISFD)**

I. STATUS OF RESOURCE MOBILIZATION

1. The level of announced capital contributions to the ISFD remains currently stands US\$2.629 billion,(US\$1.629 billion from member countries and US\$1.0 billion announced by the IDB).
2. The total amount received so far by the ISFD is US\$ 1.13 billion (including IDB paid-in contribution).
3. Out of the 56 member IDB countries, 38 have announced their contributions, and 25 have made payments to the Fund.

II. ISFD OPERATIONS

Programming of ISFD Operations

4. In line with the approved IDB Policy for Poverty Reduction, the Fund is continuing with the process of conducting Country Poverty Assessments (CPAs) for all LDMCs. These CPAs will feed into Member Country Partnership Strategies (MCPSs), especially for the Least Developed Member Countries (LDMCs), which will provide strategic frameworks for medium-term assistance to these countries, where it is aimed at augmenting both the technical and financial resources for these countries.
5. The ISFD plans to initiate the setting up of poverty-related Trust Funds that will target specific areas, aiming to create significant impact on the poor and the vulnerable groups in member countries. These will take the form of sectoral, regional, national, international and individual Trust Funds and Special Programs. The ISFD has completed the terms of reference for a comprehensive study to guide its policy and operational activities in this area.

Project Eligibility Criteria

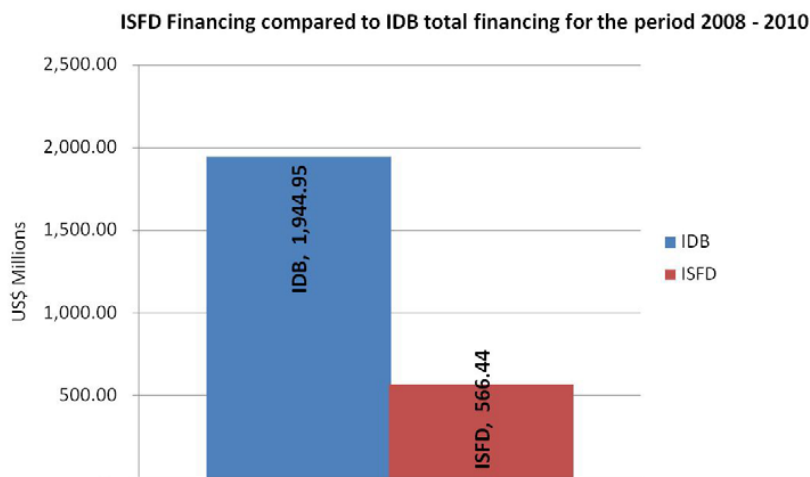
6. A Project Eligibility Criteria for ISFD finance is being developed to help in the effective allocation of the ISFD financing to the poor and vulnerable groups of the society.

III. ISFD Approved Operations

- Projects Approved by the ISFD

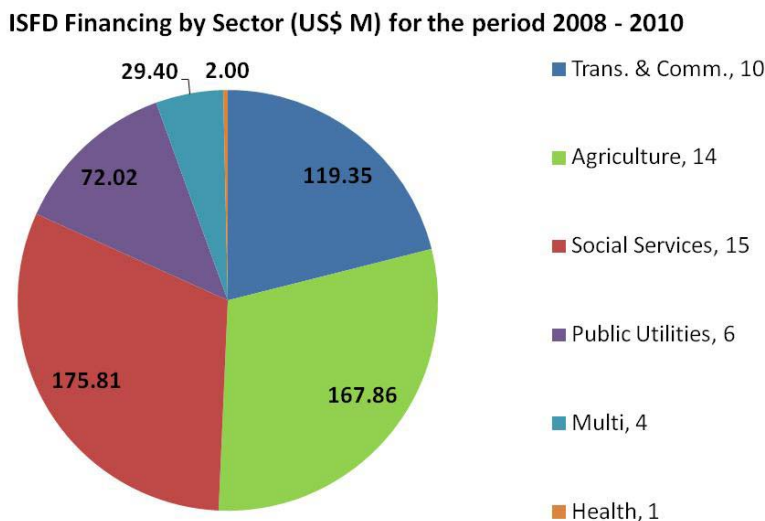
7. Since its launch in May 2007, the ISFD has extended financing for a sum of US\$ 566.44 million targeting 50 projects in different sectors in 28 member countries. This amount represents an increase of US\$ 17.57 million as compared to the cumulative financing up-to the previous ISFD BOD (US\$ 548.87 million for 47

projects) The graph below (Table 1) indicates a co-financing ratio for IDB and ISFD of around 1:4.



(Table 1)

The Pie Chart (Figure 1) below indicates a significant shift of focus of ISFD project from being largely infrastructure oriented in the past to more interventions in Social Services, Agriculture and Food Security, followed by Transportation and Communication.



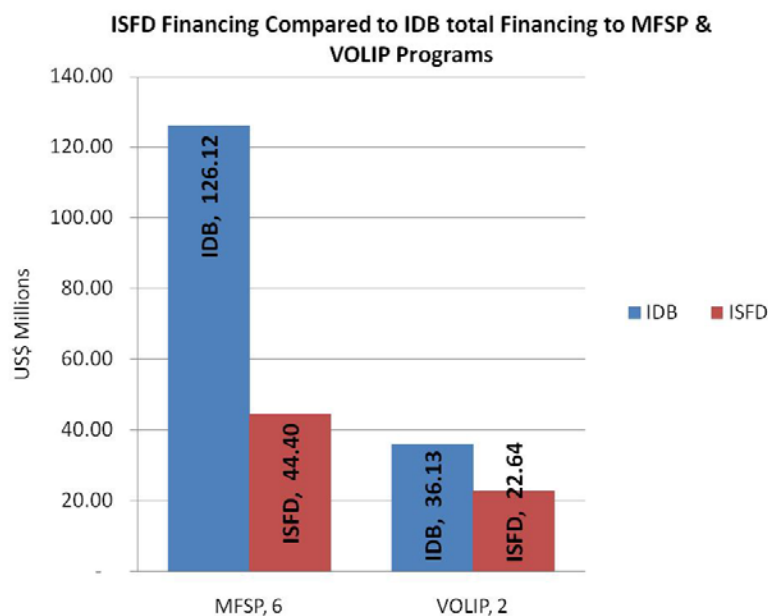
(Figure 1)

V. ISFD THEMATIC PROGRAMS

8. Two special initiatives were developed within the ISFD Five-Year Strategy (2008-2012) aimed at poverty reduction, namely, the Vocational Literacy Program

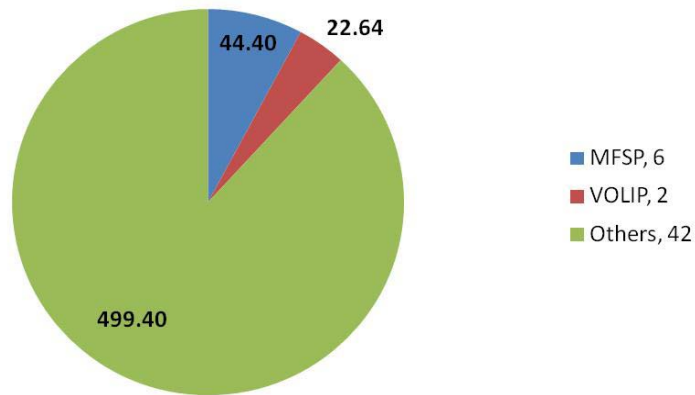
(VOLIP) and Microfinance Support Program (MFSP). The total cost of each of these two programs is estimated at US\$500 million. The amount for each program is divided evenly over the five year period i.e. US\$ 100.0 million annually. ISFD will play the role of catalyst by providing US\$20.00 million annually for each program as seed money from ISFD own resources and mobilizing the remaining amounts from other partners, including MDBs, private sector, and Islamic Banks/Institutions.

9. So far, a number of projects under these two programs have been approved for an amount of US\$ 67.04 Million, representing an increase of US\$9.69 Million over the last ISFD BOD (US\$57.35 million), with 22. 64 Million for VOLIP and US\$44.40 million for Microfinance. So far 2 VOLIP programs are approved in Senegal and Yemen. These countries experience high rates of poverty and illiteracy. . On the other hand Micro-finance programs were approved for a number of countries in various regions, namely Sudan, Chad, Uganda,, Niger, Tajikistan, Albania, Kyrgyzstan, Kazakhstan, and Yemen. Table 2 shows the level of funding for both MFSP and VOLIP, so far, while the Pie Chart (Figure 2) shows both these special initiatives as against other project interventions.



(Table 2)

ISFD Contribution to MFSP & VOLIP compared to total financing



(Figure 2)

VI. PARTNERSHIP AND NETWORKING

10. Partnerships and Networking forms one of the strategic areas for ISFD, aimed at leveraging resources, to scale up projects and programs. A number of partnerships have been forged by ISFD. These partnerships aim to develop projects that can enhance human development, especially in the areas of health, education, food security and microfinance for the poor. Below is a list of the partnerships which are currently being developed by the ISFD:

- *IDB-Grameen Social Business Initiative*
- *International Islamic Charitable Organisation*
- *Initiative in Favour of Disabled Persons – Saudi Arabia*

VIII. THE WAY FORWARD

10. The ISFD intends to take a number of steps with a view to build up on the results achieved and intensify the efforts for resource mobilization. These steps will include, among others:

- Conduct a comprehensive study on Resource Mobilization to guide the Fund's strategy in this important area. The study will include a strategy for mobilizing the remaining part of the US\$10.0 million from member countries, as well as mobilizing additional resources from other sources.
- Conduct a comprehensive study on specific types of Trust Funds which can be established by the ISFD to target priority poverty reduction sectors, such as human development (girls' education and health), agriculture and rural development, emergency relief and institutional capacity building to guide the

Fund's strategy in this important area. The study will include a strategy for mobilizing the remaining part of the US\$10.0 billion from member countries, as well as mobilizing additional resources from other sources

- Constitute the ISFD Advisory Panel as called for in the ISFD Regulations with the aim of facilitating the program development, advocacy and resource mobilization for ISFD.
- Enhance implementation of ISFD programs and intensify the advocacy and resource mobilization through a multi-pronged approach including media campaign to reach various stakeholders.
- Initiate Special Programs and Trust Funds, including Public-Private and Individual Partnerships across countries, regions and internationally and also develop programs for a new group of countries on communicable diseases – Malaria HIV/AIDS in particular – and contributing significantly to the IDB Group US\$1.5 billion program (Jeddah Declaration) to address food crisis in member countries.
- Develop Country Poverty Assessments (CPAs) LDMCs with a view to cover all LDMCs by 1433H and provide inputs into the Member Country Partnership Strategies (MCPSs) in collaboration with other related Departments and Entities.
- Introduce a new flagship program: (CDD) community driven development.
- Developing a Concept Note and subsequently a policy on mainstreaming Gender, with an explicit focus on developing programmes for women, who are disadvantaged by society.

ANNEX

XII

Original: English

PROGRESS REPORT
THE COMCEC TASK FORCE ON FOOD SECURITY
(Antalya, 10 May 2010)

The 25th Session of the COMCEC which was held in November 2009 has established a task force on food security comprising OIC General Secretariat, COMCEC Coordination Office, IDB, and FAO. The Session also approved a road map in which the task force is mandated with coming up with Food Security Programs/Projects for OIC Member States and setting out action priorities and timelines for designing Food Security Programs for OIC Member States and their concerted implementation. The programs are to be designed at national, regional, and global levels and with short, medium and long term perspectives.

In this context, the COMCEC Task Force on Food Security held its first meeting in Antalya on 9th May 2010 to work on issues that require immediate attention. The Meeting was attended by the members of task force as well as the Economic Cooperation Organization as guest.

The Meeting had a general discussion starting from the presentation of a working paper by FAO and the General Framework and Recommendations of the Expert Group Meeting (EGM) on Achieving Food Security in Member countries in Post-Crisis World organized by the Islamic Development Bank (IDB) in Jeddah on 2-3 May 2010.

The Task Force identified the next steps relating to selection of priority national food security programmes to be supported and the need for creation of new programmes.

Selection criteria for supporting national food security programmes

The Task Force decided to focus initially on the countries where programs are under formulation or formulated but only partially funded, considering the fact that these programmes have reached appreciable level of readiness. The Task Force reiterated that the development of food security programs would be extended to other countries subsequently.

The Meeting decided to prioritize the programmes in OIC Member States based on the following criteria:

- balanced distribution viz. Arab, Asian and African Groups;
- degree of food insecurity in the countries;
- potential for agricultural development;
- availability of strategic planning frameworks;
- national institutional capacity for utilization of investment funds and implementation of the programs;
- political will and commitment to sustain the programs.

The Meeting was informed of the IDB-FAO cooperation on a wide range of operations and recommended that the IDB-FAO cooperation in the area of development of food security programmes would come under the umbrella of the COMCEC Task Force.

Creation of new programmes

The Meeting identified some specific technical areas which could benefit from new investment. It decided to give priority to developing specific South-South Cooperation (SSC) programmes for this purpose. Examples of priority technical areas include formation and capacity development of smallholder farming groups for market participation, control of post-harvest losses, small scale water management and provision of farm inputs. There is also the need to build institutional capacity of member states to implement these programs. In this regard, it was decided that some concrete proposals would be submitted to IDB for possible financing / co-financing.

Partnership for implementation

The Meeting agreed that the Task Force should seek to establish closer cooperation and collaboration arrangements with existing bilateral food security partnerships such as those between IDB and FAO, NEPAD and FAO, ECO and FAO, IDB and IFAD, etc.

Next steps

The Meeting agreed to convene its next meeting on the sidelines of the OIC-UN General Cooperation Meeting, scheduled for Istanbul on 29 June -1 July 2010, by which time the necessary details on the short term implementation of the above mentioned actions would have been circulated by the COMCEC Coordination Office among Task Force members.

In preparation for its next meeting the COMCEC Task Force agreed to prepare three documents. The first would evaluate the situation in OIC Member Countries against the selection criteria for supporting national food security programmes and recommend a course of action in this regard. The second would evaluate the possibilities for developing specific SSC programmes for priority technical areas and again recommend a course of action. Finally, the third would consolidate the recommendations from the first documents in the form of work plan for immediate action, with an associated budget and proposed sources of funding. At the June Meeting the Task Force would adopt its short-term work plan and thereafter undertake fund raising activities with a view to reporting work plan progress to the 26th Session of COMCEC. Support for the preparation of documentation for the June Meeting will be provided by FAO through COMCEC Coordination Office.

The June Meeting would also consider the draft terms of reference for the Task Force.

ANNEX

XIII

Original : English

**DRAFT AGENDA
OF THE TWENTY-SIXTH SESSION
OF THE COMCEC**

(İstanbul, 05-08 October 2010)

1. Opening of the Meeting and Adoption of the Agenda
2. World Economic Developments in conjunction with OIC Member Countries.
 - *Annual Economic Report*
3. Review of the implementation of the OIC Ten-Year Program of Action and the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States
 - *Mid-term Review of the OIC Ten Year Program of Action*
 - *Evaluation of the Plan of Action*
 - *Cooperation in the area of Tourism*
 - *Cooperation in the area of Transportation*
 - *Review of the Activities of the Statistical Working Group*
 - *Report of the Sessional Committee*
4. Intra-OIC Trade
 - *TPS-OIC*
 - *Road Map for Enhancing Intra-OIC Trade*
 - *WTO Related Technical Assistance*
 - *Trade Financing Activities*
5. Private Sector Cooperation
 - *Islamic Trade Fairs*
 - *Private Sector Meetings*
6. Poverty Alleviation and Economic /Technical Assistance to OIC Countries
 - *ISFD and SPDA*
 - *OIC Cotton Program*
 - *Cooperation among Development Cooperation Institutions of the Member States*
 - *OIC-VET Program*
 - *Food Security Program*
7. Financial Cooperation among the OIC Member States
 - *Cooperation among the Stock Exchanges*
 - *Cooperation among the Central Banks*

8. Exchange of Views on "Agriculture and Rural Development"
9. Development of the OIC Halal Food Standards and Procedures
10. E-government Applications and Their Economic Impact on the OIC Member States
11. Date of the 27th Session of the COMCEC
12. Any other business
13. Adoption of the Report

ANNEX

XIV

Original: English

**CLOSING STATEMENT BY H.E. KEMAL MADENOĞLU
UNDERSECRETARY OF THE STATE PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY**

**Twenty Sixth Meeting of the
Follow-up Committee of the COMCEC**

(Antalya, 12 May 2010)

Distinguished Delegates of the Follow-up Committee,

The 26th Meeting of the Follow-up Committee is being held following the celebration of the 25th anniversary of the COMCEC and the successful conclusion of the Economic Summit. This momentous event demonstrated one more time the resolve of our leaders to enhance cooperation and solidarity among the OIC Member States.

The establishment of COMCEC in the early eighties had accorded us the opportunity to initiate projects aimed to create success stories of cooperation in the economic and commercial domain. However, past experiences proved that successful multilateral cooperation can not be realized without effective prioritization, efficient implementation, systematic monitoring and accurate evaluation.

Furthermore, the comparative disadvantage of the majority of the OIC Member States arising from the ineffective utilization of natural resources and human capital undoubtedly obliges us to continue cooperating in a more efficient way in order to improve the economic situation and the standard of living throughout the OIC Community.

As part of this responsibility, we have successfully completed the 26th Meeting of the Follow-Up Committee of the COMCEC upon intensive and fruitful deliberations. We have prepared the draft agenda of the 26th Session of the COMCEC with the aim of bringing to the forefront urgent areas of economic and commercial cooperation such as agriculture and rural development, tourism and transportation.

Distinguished Delegates,

Now, I would like share with you my own observations regarding the work of the Committee and the issues coming into prominence.

To begin with, according to the decision of the 36th Session of the Council of Ministers, COMCEC will hold a Mid-Term Review Session in order to improve the implementation of the Ten-Year Program of Action. In this regard, a preparatory meeting will be held with the participation of the OIC Institutions. We expect that this meeting will define the obstacles faced in the implementation and work out the ways and means to overcome these.

On the other hand, with a view to enriching the agenda of the COMCEC, the Committee examined the project proposals in the light of the views forwarded by the Member States. In this regard, IDB Group is requested to work on the project proposal of “Creating a Mechanism to Settle Intra-OIC Trade and Investment Disputes” and submit a draft work plan to the 26th Session of the COMCEC in cooperation with the OIC General Secretariat, COMCEC Coordination Office, ICDT and ICCI.

As for the TPS-OIC, the entry into force of the Protocol on Preferential Tariff Scheme, PRETAS, is of course a very important achievement. However, I am regrettably of the opinion that the role of the TPS-OIC in achieving the target of 20 % will not be realized at the desired level. This is because another step has yet to be taken, which is the entry into force of the Rules of Origin. Neither the TPS-OIC as a whole nor the PRETAS can be operational unless the Rules of Origin enters into force. We need four additional Member States to ratify it. Moreover, the Member States which have ratified the PRETAS and the Rules of Origin are still to fulfill their obligations as set forth in these agreements.

Efforts for enhancing cooperation and solidarity in the field of cotton should also be given priority. To this end, the project owner Member States are called upon to submit their adopted project proposals through appropriate channels to the IDB for its consideration for financial support. In this regard, the Committee called upon the IDB as the chair of the Project Committee and other concerned financial institutions to consider financing the pending projects, so that the implementation of the projects can start as soon as possible.

We have also considered the progress report submitted by the COMCEC Task Force on Food Security which is an important step towards enhancing cooperation with FAO in developing food security programs.

I would also like to touch upon the establishment of halal food standards and procedures, which is envisaged to be a landmark achievement of the OIC Member States. The Committee reiterated the importance of this issue by referring to the

resolution of the 25th COMCEC Session and put it on the agenda of the 26th Session. In this context, the Committee also requested the Member States to sign and ratify the Statute of the Standard and Metrology Institute of Islamic Countries which would play a key role in harmonizing standards in the OIC Member States.

Distinguished Delegates,

Before concluding my statement, I would like to mention another important agenda item, which is the renewal of the Bureau membership. In this regard, the Committee requested the OIC General Secretariat to notify the Member States presently representing the three geographical regions on the Bureau as Vice Chairman, namely Republic of Cameroon, Islamic Republic of Iran and State of Kuwait, to conduct consultations with the Member States in their regions for nominations of the new Bureau members.

Having concluded the 26th Meeting of the Follow-Up Committee, I would like to thank the OIC General Secretariat, the IDB, ITFC, ICDT, ICCI, OISA, SESRIC, ECO and FAO for their participation and valuable contribution to the meeting. I would also like to thank our colleagues in the COMCEC Coordination Office, interpreters, revisers and translators for their untiring efforts that helped make this meeting a success.

I hope to get together at the 26th Session of the COMCEC which will be held from 5th to 8th of October 2010 in Istanbul and wish you a safe trip home.

Thank you.