

OIC/COMCEC/23-07/REP

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

REPORT
TWENTY-THIRD SESSION
OF THE COMCEC

Istanbul, 14 - 17 November 2007

COMCEC Coordination Office
State Planning Organization
Ankara, November 2007

**REPORT and RESOLUTIONS
OF THE TWENTY-THIRD SESSION
OF THE COMCEC**

Istanbul, 14 - 17 November 2007

COMCEC Coordination Office
State Planning Organization
Ankara, November 2007

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PART ONE

RESOLUTIONS OF THE OIC FORMING
THE BASIS AND GUIDING THE ACTIVITIES
OF THE STANDING COMMITTEE FOR ECONOMIC
AND COMMERCIAL COOPERATION OF THE OIC

I

RESOLUTION ADOPTED AT THE THIRD ISLAMIC SUMMIT CONFERENCE ESTABLISHING THE STANDING COMMITTEES OF THE OIC CHADED BY HEADS OF STATE

Resolution No. 13/3-P (IS)

The Third Islamic Summit Conference (Palestine and Al-Quds Session), meeting in Mecca Al-Mukarramah, Kingdom of Saudi Arabia, from 19th to 22nd Rabi-Al-Awal, 1401 H. (25-28 January, 1981);

Having listened to the proposals by His Majesty King HASSAN II, Chairman of Al-Quds Committee, that three committees will be established and chaired by the Kings and Presidents of the Islamic States,

Proceeding from a firm belief that joint Islamic action needs to be consolidated in the scientific and technological field, and in the economic and trade sphere,

Prompted by the desire to give information and culture a fresh impetus to help world public opinion understand the basic issues of the Islamic nations, particularly those of Al- Quds and Palestine, and to confront the tendentious campaign launched against Islam and Muslims,

DECODES:

1. To establish three Standing Committees, the first for scientific and technological cooperation, the second for economic and trade cooperation, and the third for information and cultural affairs;
2. These Committees shall undertake to follow up implementation of the resolutions passed, or about to be passed, by the Islamic Conference in those fields; to study all possible means of strengthening cooperation among Muslim States in those fields, and to draw up programmes and submit proposals designed to increase the Islamic States' capacity in those fields;

3. Each Committee shall consist of the representatives of Islamic States, at ministerial level, and shall be chaired by the Head of State of an Islamic State;
4. Members of these Committees shall be elected by the Islamic Foreign Ministers' Conference for a renewable term of three years;
5. A Committee shall hold a meeting, if invited to do so by its Chairman or by a majority of its members; its meeting shall be valid if attended by a majority.

II

**FINAL COMMUNIQUE
OF THE FOURTH ISLAMIC SUMMIT CONFERENCE
ENTRUSTING THE CHAIRMANSHIP OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL
COOPERATION TO H.E. KENAN EVREN, PRESIDENT OF THE
REPUBLIC OF TURKEY**

Final Communique No. IS/4-84/E/DEC

".... The Conference decided to entrust H.E. Mr. Kenan EVREN, President of the Republic of Turkey, with the Chairmanship of the Permanent Committee on Economic and Commercial Cooperation..." (Page 18, para 40).

III
RESOLUTION NO. 30/10-E (IS) ON
ACTIVITIES UNDER THE AUSPICES OF THE
STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION (COMCEC)

The Tenth Session of the Islamic Summit Conference (Session of Knowledge and Morality for the Progress of Ummah) held in Putrajaya, Malaysia, from 20-21 Shaban 1424H (16-17 October 2003),

Recalling Resolution No. 31/9-E (IS) adopted by the Ninth Session of the Islamic Summit Conference;

Also recalling Resolution No. 2/6-E (IS) of the Sixth Session of the Islamic Summit Conference, held in Dakar, Republic of Senegal on 9-11 December 1991 on the activities of the COMCEC mandating it to formulate new Strategies for the enhancement of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States and to take appropriate action for its implementation;

Recalling resolution No. 8/7-E(IS) of the Seventh Session of the Islamic Summit Conference, held in Casablanca, Kingdom of Morocco, from 11 to 13 Rajab 1415H (13-15 December 1994) which endorsed the Strategy and the Plan of Action;

Recalling Resolution No. 30/30-E adopted by the Thirtieth Session of the Islamic Conference of Foreign Ministers;

Recalling the resolutions of the Ministerial level meetings in different areas of cooperation held under the auspices of the COMCEC;

Also recalling the resolutions adopted at the eighteenth previous sessions of the COMCEC initiating effective action in economic cooperation among the Member States, particularly in the area of trade;

Noting with appreciation the efforts of the General Secretariat, subsidiary organs, affiliated and specialized institutions of OIC, working in the field of economy and trade, to implement the resolutions of the COMCEC;

Noting with appreciation that the Strategy for Economic and Commercial Cooperation adopted by the COMCEC allows for cooperation among sub-groups of Member States and is based on the principles giving emphasis to private sector, economic liberalisation, integration with the world economy, sanctity of the economic, political, legal and constitutional structures of the Member States and their international obligations.

Also noting with appreciation that the revised Plan of Action is a general and flexible policy document open for improvement during its implementation in accordance with the provisions stipulated in its chapter on Follow-up and Implementation.

Recognizing the importance for the Member States of the new economic configurations emerging at the global level particularly from the creation of regional economic groupings, signing of the Uruguay Round Agreements, and creation of the World Trade Organization and its subsequent Agreements;

Appreciating that, starting with its Eleventh Session, COMCEC serves as a platform where the Ministers of Economy of the Member States could exchange views on current world economic issues and that the topics "Implications of the Uruguay Round of trade Negotiations and the Establishment of the World Trade Organization on the external trade of OIC Member States", "Privatization Experiences in Member States", "Implications of Regional Economic Groupings particularly the European Union on the Economies of Member States", "Intra-OIC Trade and Investment and Economic Stabilisation and Structural Reforms in Member States", "Human Resource Development for Sustained Economic Growth and Poverty Alleviation in the Member States of the OIC", "Strengthening of Small and Medium-Sized Enterprises Facing Globalisation and Liberalisation" "The Effects of Non-tariff Barriers on Foreign Trade of the Member Countries" and "Private Sector Investment in the Member States and the Role of IDB" were the themes for the 11th, 12th, 13th, 14th 15th, 16th 17th and 18th Sessions of the COMCEC, respectively;

Having taken note of the report of the Secretary General;

1. Stresses the need for COMCEC to continue to pay utmost attention to coordination and cooperation among Member States with regard to the

membership of new countries that wish to join the World Trade Organization, and to the clarification of positions on the new issues and agreements under consideration within the framework of the WTO with a view to strengthening the negotiating position of these countries at the forthcoming multilateral trade negotiations especially with respect to the built-in agenda and to the new ones.

2. **Expresses satisfaction** that the Islamic Development Bank has successfully carried out the mandate given by COMCEC to organise Coordination Meetings for Member States to consult among themselves and better prepare for the WTO Ministerial Meetings held in Singapore from 9 to 13 December 1996, in Geneva from 18-20 May 1998, in Seattle from 30 November to 03 December 1999, in Doha from 9-14 November, 2001 and in Cancun, Mexico from 10-14 September 2003 respectively with a view to assisting them to adopt a common stand regarding the issues raised in the Agenda of those meetings.

3. **Thanks** the ICDT and IDB for organising an expert group meeting before the Fifth WTO Ministerial Conference for the benefit of the Member States.

4. **Thanks** the IDB for organizing a brainstorming meeting for Geneva-based missions on 1-2 May 2003 and a consultative meeting on 27-28 July 2003 for capital-based officials in preparation for the 5th WTO Ministerial Conference.

5. **Appreciates** also the technical assistance programmes of the Islamic Development Bank to assist Member States which are either members of the WTO or in the process of accession to the Organization, and the role of the Bank in organizing for consultative meetings of Member States and the Seminars and Workshops it organizes for this purpose.

6. **Appreciates** the efforts of the Islamic Chamber of Commerce and Industry in organizing Private Sector Meetings as directed by the COMCEC for an effective implementation of the Plan of Action.

7. **Underlines** the crucial importance of the active participation of the private sector in economic cooperation among the Member States and appreciating the cooperation and productive support of IDB for all the events of ICO, calls upon ICCI to pursue its efforts to further involve the private sector in the economic cooperation among Member States.

8. Appreciates the Islamic Republic of Iran for holding the 10th Private Sector Meeting on 4-6 October 2003 in Tehran in collaboration with ICCI and the Iran Chamber of Commerce, Industries and Mines.

9. **Notes** with appreciation that the Regulations for the Islamic Trade Fair which was prepared by the Islamic Centre for Development of Trade, had been adopted by the Eighteenth Session of the COMCEC.

10. **Expresses** its gratitude to the United Arab Emirates for hosting the Islamic Trade Fair in Sharjah from 21 to 26 December 2002 on the theme: Free Trade and Sustainable development, and expresses its appreciation for the commendable efforts made by the Islamic Centre for Development of Trade and the Chamber of Commerce and Industry, Sharjah for the success of the fair.

11. **Also welcomes** the offer of the Bahrain Chamber of Commerce to host the 11th Private Sector Meeting in 2004 and the offer of Senegal to host the 13th Private Sector Meeting in 2006. The offer to host the 12th Private Sector Meeting into 2005 is awaited.

12. **Further welcomes** the offer of the Republic of Guinea to host the 10th Islamic Trade Fair in 2004 and calls upon the Member States to actively participate in the event.

13. **Emphasizes** the need to urgently implement the revised Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States the OIC, in compliance with the principles and operational modalities of the Strategy and the procedures set forth in its chapter on Follow-up and Implementation.

14. **Stresses** the importance of the recommendations of the Experts Group Meeting for Accelerating the Implementation of the Plan of Action and requests that measures be taken by the Member States to accelerate the implementation of these recommendations through appropriate mechanisms to be proposed by the COMCEC Coordination Office in collaboration with the OIC General Secretariat and the OIC institutions.

15. **Takes notes** of approval by the COMCEC of the Draft Project Profile Form prepared by the COMCEC Coordination Office in pursuance of the relevant

recommendation of the Experts Group Meeting on Accelerating the Implementation of the OIC Plan of Action and requests the Member States to make use of it whenever they wish to submit project proposals within the framework of the OIC Plan of Action.

16. **Takes notes** with appreciation also of the study by the COMCEC Coordination Office, in cooperation with the OIC General Secretariat, SESRTCIC, ICDT, IUT, IDB, ICCI and OISA in their capacity as focal points, elaborating on the content and the terms of their possible assignment, in pursuance of the relevant recommendation of the Experts Group Meeting assigning mandate to the relevant OIC institutions to study, apprise and provide the necessary financial and technical support to the cooperation projects to be proposed, which will be finalized for submission to the 19th Session of COMCEC.

17. **Requests** the Member States to communicate their views on the supplementary Mechanism for implementation of the OIC Plan of Action which was proposed and circulated by the COMCEC Coordination Office at their earliest convenience so that it can be submitted to the 19th Session of COMCEC.

18. **Requests** the Member States to take appropriate measures including necessary cooperation, coordination and consultation among themselves to make efforts with the required possible economic and technical support from the developed countries, international community and relevant international organizations and financial institutions to increase their food production capacity with a view to arriving at national food security as well as enhancing the purchasing power of their people.

19. **Invites** the Member States to host sectoral Expert Group Meetings in priority areas of cooperation in the Plan of Action.

20. **Welcomes** the offer of the Arab Republic of Egypt to host two sectoral Expert Group Meetings in the area of "Transport and Communications" and "Food, Agriculture and Rural Development" of the Plan of Action.

21. **Thanks** the Kingdom of Saudi Arabia for hosting the Third Islamic Conference of Ministers of Tourism on 6-9 October 2002 in Riyadh.

22. **Invites** IDB to continue its active support in ensuring effective and urgent implementation of the revised Plan of Action.

23. **Thanks** the Republic of Senegal for the hosting of Seminar-Workshop in cooperation with IDB to familiarize the African member states with the Plan of Action, and recommends that similar seminars be held in other regions and sub-regions of OIC.

24. **Recognizes** that the Exchange of Views organized during the annual sessions of the COMCEC would be utilized to coordinate the positions of the Member States vis-a-vis major world economic issues.

25. **Welcomes** the offer of the government of the Republic of Sudan to host sectoral Expert Group Meeting on "Energy and Mining" and "Human Resources Development."

26. **Thanks** the Republic of Gabon for having organised a sub-regional seminar for the OIC States of Central and East Africa on "the role of IDB in the promotion of the private sector" in cooperation with IDB and the other concerned institutions of the OIC.

27. **Thanks** Burkina Faso for hosting a regional workshop on Industry for East, West and Central African OIC member states in cooperation with the IDB and other related OIC institutions.

28. **Welcomes** the offer of the Islamic Republic of Iran to host sectoral Expert Group Meeting in the area of Health and Sanitary Issues to be followed by a Ministerial meeting on the same topic.

29. **Thanks** the Republic of Turkey for hosting the Experts Group of Meeting on Accelerating the implementation of the Plan of Action, which was held on 6-7 May 2001 in Istanbul.

30. **Welcomes** the offer of the Republic Tunisia to host an experts group meeting on "Promoting the Activities of Small and Medium-sized Enterprises" in the field of production and exports.

31. **Notes** with satisfaction that the Framework Agreement on Trade Preferential System entered into force upon its ratification by more than ten Member States as required under the Agreement, and welcomes the offer of the Republic of Turkey to host the first round of negotiations to be held under the Framework Agreement.

32. **Thanks** the Government of the Kingdom of Morocco for hosting of an Experts Group Meeting to prepare the Launching of the First Trade Negotiations Round within the Framework Agreement on the Trade Preferential System Among the OIC Member States held in Casablanca on 24-26 June, 2003 and the Islamic Centre for Development of Trade and the COMCEC Coordination Office for organizing it and preparing the necessary documents in this regard.

33. **Calls** upon the concerned Member States to actively take part in the first round of trade negotiation under the Framework Agreement on Trade Preferential System.

34. **Welcomes** the proposal made by the WTO during the meeting of policy dialogue between the WTO and the representatives of six major regional development banks, including DOB, which was held at the WTO Headquarters in Geneva, on 3 May 2003, that the regional development banks convene policy dialogues of trade and finance ministers at the regional level, to which the WTO and the World Bank may also be invited.

35. **Also welcomes** the resolutions of the 18th Session of the COMCEC which expresses the view that the above policy dialogue meeting of the OIC ministers responsible for trade and finance could be convened in conjunction with the sessions of the COMCEC.

36. **Welcomes** the offer of Indonesia to host an International Workshop on Employment and Manpower Exchange.

37. **Welcomes** the offer of Arab Republic of Egypt to host an OIC Ministerial Meeting to promote intra-OIC trade.

38. **Thanks** IDB for organizing a Workshop on "Private Sector Investment in the Member States and the Role of IDB" on 14-16 September 2002 in Istanbul

in collaboration with related OIC institutions; and also thanks the Republic of Turkey for hosting the Workshop.

39. **Welcomes** the decision taken by the 18th Session of the COMCEC that "Impact of Electronic Commerce and the use of Information Technology in the Promotion and Development of Intra-OIC Trade" be the theme for the exchange of views at the 19th Session of the COMCEC.

40. **Thanks** the Republic of Tunisia for hosting the workshop on "Impact of Electronic Commerce and the Use of Information Technology in the Promotion and Development of Intra-OIC Trade" on 10-12 June, 2003 in Tunis in collaboration with SESRTCIC, ICDT, IUT and other relevant OIC institutions as a preparation for the exchange of views session to be held during the 19th session of COMCEC.

41. **Notes with appreciation** that the 19th Session of the COMCEC will be held from 20-23 October, 2003 in Istanbul under the chairmanship of the President of the Republic of Turkey and calls upon the Member States to effectively and actively participate in the meeting.

42. **Takes notes** of the initiative of ICCI on forming a working group comprised of the General Secretariat, the COMCEC Coordination Office, IDB, ICCI, SESRTCIC and ICDT, as the focal point assuming the responsibilities of the monitoring mechanism to implement the recommendations of the private sector meetings.

43. **Requests** the Secretary General to follow up the implementation of this resolution and submit a report thereon to the Eleventh Session of the Islamic Summit Conference.

PART TWO

LIST OF BASIC DOCUMENTS AND REPORT
OF THE TWENTY-THIRD SESSION
OF THE STANDING COMMITTEE FOR ECONOMIC
AND COMMERCIAL COOPERATION

I

LIST OF BASIC DOCUMENTS CONSIDERED
AND/OR PRESENTED AT THE TWENTY-THIRD SESSION
OF THE COMCEC

(Istanbul, 14-17 November 2007)

Original: English

**LIST OF BASIC DOCUMENTS CONSIDERED
AND/OR PRESENTED AT THE TWENTY-THIRD SESSION
OF THE COMCEC**

(Istanbul, 14-17 November 2007)

| | <u>Document Code</u> |
|--|-------------------------|
| 1. Agenda of the Twenty-third Session of the COMCEC | OIC/COMCEC/23-07/A |
| 2. Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States by the OIC General Secretariat | OIC/COMCEC/23-07/D(1) |
| 3. Report by the ICDT on the Project of the Free Trade Area Among the OIC Member States | OIC/COMCEC/23-07/D(2) |
| 4. Draft Plan of Action of ICDT on Follow Up of the Resolutions of the OIC Third Extraordinary Summit | OIC/COMCEC/23-07/D(3) |
| 5. Annual Economic Report on the OIC Countries by SESRTCIC | OIC/COMCEC/23-07/D(5) |
| 6. Background Report on Economic and Commercial Cooperation by OIC | OIC/COMCEC/23-07/D(6) |
| 7. Report of the Twenty-third Meeting of the Follow-up Committee | OIC/COMCEC-FC/23-07/REP |
| 8. Strategic Plan for Development of Tourism in the OIC Member States | OIC/COMCEC/23-07/D(8) |
| 9. Report of the Sessional Committee | OIC/COMCEC/23-07/Sc.Rep |
| 10. Report by IDB on Intra OIC Trade Issues | OIC/COMCEC/23-07/D(9) |
| 11. Annual Report on Trade Among the Member States of the OIC By ICDT | OIC/COMCEC/23-07/D(10) |
| 12. Report on Expansion of Intra-OIC Trade and Investment by ICCI | OIC/COMCEC/23-07/D(11) |
| 13. Reports by ICDT on Trade Fairs of Islamic Countries | OIC/COMCEC/23-07/D(12) |
| 14. Report on IDB Group's WTO Related Technical Assistance to the OIC Member Countries | OIC/COMCEC/23-07/D(13) |
| 15. Report on the Issues Relating to the Activities of the WTO by ICDT | OIC/COMCEC/23-07/D(14) |

Document Code

16. Report of the First Cotton Investment Forum____OIC/COMCEC/23-07/D(15)
17. Report of the Workshop on "Micro-Credit Financing and Poverty Alleviation in Member Countries" by SESRTCIC.OIC/COMCEC/23-07/D(16)
18. Result of the Questionnaire on the Proposed Themes for the COMCEC Exchange of Views Sessions by SESRTCIC.....OIC/COMCEC/23-07/D(17)
19. Terms of reference on a New Mechanism by SESRTCIC.....OIC/COMCEC/23-07/D(18)
20. Matters Related to Economic Assistance to Some Islamic Countries by OIC.....OIC/COMCEC/23-07/D(19)
21. Proposal on Initiating Vocational Education and Training Programme by SESRTCIC OIC/COMCEC/23-07/D(20)
22. Report of the Activities of the ICCI____OIC/COMCEC/23-07/D(21)
23. Turkish Views on the Development of the "Halal Food Standards" by Ministry of Foreign Trade____OIC/COMCEC/23-07/D(25)
24. Country Reports and/or Written Presentations on the "Micro-Credit Financing and Poverty Alleviation in Member States".....OIC/COMCEC/21-05/CR
 - Syrian Arab Republic
 - People's Democratic Republic of Algeria
 - State of Kuwait
 - Republic of Turkey
 - Republic of Guinea
 - Kingdom of Morocco
 - Kingdom of Saudi Arabia
 - Republic of Uganda
 - Sultanate of Oman
 - Turkish Republic of Northern Cyprus
 - Russian Federation

II

REPORT
OF THE TWENTY-THIRD SESSION
OF THE STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE

(Istanbul, 14-17 November 2007)

Original: English

**REPORT
OF THE TWENTY-THIRD SESSION
OF THE STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION OF THE OIC
(Istanbul, 14-17 November 2007)**

1. The Twenty-third Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, from 14 to 17 November 2007.

2. The Meeting of Senior Officials of COMCEC that preceded the Ministerial Session on 14-15 November 2007 was held under the Chairmanship of H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey, to consider the items of the Draft Agenda and prepare Draft Resolutions for consideration by the Ministerial Session.

3. The Session was attended by the representatives of the following Member States of the Organization of the Islamic Conference (OIC):

1. Islamic State of Afghanistan
2. Republic of Albania
3. People's Democratic Republic of Algeria
4. Republic of Azerbaijan
5. Kingdom of Bahrain
6. Brunei Darussalam
7. Burkina Faso
8. Republic of Cameroon
9. Republic of Cote d'Ivoire
10. Arab Republic of Egypt
11. Republic of Gambia
12. Republic of Guinea
13. Republic of Indonesia
14. Islamic Republic of Iran
15. Republic of Iraq
16. Hashemite Kingdom of Jordan

17. Republic of Kazakhstan
18. State of Kuwait
19. Kyrgyz Republic
20. Republic of Lebanon
21. Great Socialist People's Libyan Arab Jamahiriya
22. Malaysia
23. Republic of Maldives
24. Republic of Mali
25. Kingdom of Morocco
26. Federal Republic of Nigeria
27. Sultanate of Oman
28. Islamic Republic of Pakistan
29. State of Palestine
30. State of Qatar
31. Kingdom of Saudi Arabia
32. Republic of Senegal
33. Republic of Sierra Leone
34. Republic of Sudan
35. Syrian Arab Republic
36. Republic of Tajikistan
37. Republic of Togo
38. Republic of Tunisia
39. Republic of Turkey
40. Republic of Turkmenistan
41. Republic of Uganda
42. State of the United Arab Emirates
43. Republic of Uzbekistan
44. Republic of Yemen

4. Bosnia-Herzegovina, the Turkish Republic of Northern Cyprus, Kingdom of Thailand and The Russian Federation participated in the Session as observers.

5. The OIC General Secretariat and the following subsidiary organs, specialized and affiliated OIC institutions attended the Session:

1. Statistical, Economic, Social Research and Training Center for Islamic Countries (SESRTCIC)
2. Islamic Center for the Development of Trade (ICDT)
3. Research Center for Islamic History, Art and Culture (IRCICA)
4. Islamic University of Technology (IUT)
5. Islamic Development Bank (IDB)
6. Islamic Chamber of Commerce and Industry (ICCI)
7. Organization of the Islamic Shipowners Association (OISA)
8. Federation of Consultants from Islamic Countries (FCIC)
9. Islamic Conference Youth Forum for Dialog and Cooperation (ICYF-DC)

6. Representatives of the following international organizations attended the Session as well:

1. Developing Eight (D-8)
2. Federation of Islamic Countries' Contractors (FICC)
3. United Nations Industrial Development Organization (UNIDO)

(A copy of the List of Participants of the Twenty-Third Session of the COMCEC is attached as Annex 1.)

Opening Session

7. The Opening Ceremony of the Twenty-third Session of COMCEC was held on 16 November 2007 under the chairmanship of H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of the COMCEC.

8. In his inaugural statement, H.E. Abdullah GÜL, in welcoming the delegates, expressed his gratitude for being with the representatives of the Member States of the OIC for the first time as the President of the COMCEC and lauded the positive results of activities and projects within the framework of COMCEC. H.E. GÜL, referring to the peculiarities of successful regional cooperation initiatives, underlined that the intra-OIC trade has shown an upward trend and risen from 10 % to 15 % over the course of recent years. In this regard, H.E. the President drew the attention of the house to the Trade Preferential System among the Member States of OIC (TPS-OIC) as the first

outstanding OIC project to liberalize trade. H.E. GÜL pointed out that all Member States should continue their endeavors to put TPS-OIC into force by 1 January 2009, as scheduled.

9. With reference to the poverty alleviation, H.E. Abdullah GÜL expressed his pleasure for the newly established Poverty Alleviation Fund within the IDB. H.E. the President also expressed his gratitude for the OIC Cotton Trade and Investment Forum, which was held on 12-13 November 2007, and underlined the importance of cotton trade for OIC economies. H.E. Abdullah GÜL drew the attention of the participants to the problems of African Peoples in economy, health and society which awaits immediate solutions and called upon all OIC Member States to enhance solidarity with Africa.

10. H.E. Abdullah GÜL, expressing his hope for a peaceful solution in Palestine, called on the Member States to help Palestine people more, and shared his wishes that the political crisis in Lebanon shall be overcome. With regard to the current situation in Iraq, H.E. GÜL highlighted the importance of protecting the territorial integrity of Iraq. H.E. the President expressed his expectation that OIC Member States take concrete steps with a view to terminating isolation imposed on the Turkish Republic of Northern Cyprus. H.E. Abdullah GÜL concluded his statement by thanking all Member Countries, OIC General Secretariat and relevant OIC institutions for their contribution to the work of COMCEC and expressed his wishes of success for the 23rd Session of the COMCEC.

(A copy of the text of the Inaugural Statement of H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of the COMCEC is attached as Annex 2.)

11. His Excellency Prof. Dr. Ekmeleddin IHSANOGLU, Secretary General of the OIC, made a statement at the Opening Session. He congratulated H.E. Abdullah GÜL for his election as the President of the Republic of Turkey and expressed his thanks to the Government of the Republic of Turkey for regularly hosting the COMCEC Meetings.

12. H.E. Dr. Ekmeleddin IHSANOGLU stated that the development of intra-OIC trade requires taking necessary institutional and financial steps. In this

regard, H.E. Dr. IHSANOGLU appealed to the Member States which have not signed or ratified the Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS) to promptly do so. H.E. the Secretary General also expressed his pleasure that the Second Round of Trade Negotiating Committee was concluded with the adoption of a new TPS-OIC Rules of Origin Agreement. H.E. Dr. IHSANOGLU drew the attention of the house to the efforts to alleviate poverty as a fundamental condition for trade development. Within this framework, he applauded the Poverty Alleviation Fund and appealed to the Member States to contribute to it. H.E. the Secretary General also stated the importance of cooperation among OIC Member States for the development and diversification of their agricultural and industrial products. In this regard, H.E. Dr. Ekmeleddin IHSANOGLU expressed his gratitude for efforts to enhance the intra-OIC cooperation in the area of cotton production and marketing and thanked the Republic of Turkey, for hosting the Cotton Investment and Trade Forum.

(A copy of the address of H.E Prof. Dr. Ekmeleddin IHSANOGLU, Secretary General of the OIC is attached as Annex 3.)

13. The Heads of Delegation of the State of Qatar, the Republic of Guinea and the Islamic Republic of Iran made statements on behalf of the Arab, African, and Asian groups of Member States, respectively. They extended their thanks to the Republic of Turkey for the hospitality accorded to the delegates and H.E. Abdullah GUL for his sagacious leadership on the occasion of the 23rd Session of the COMCEC. Reminding the delegates of land, human and energy resources of the OIC Community, they shared their view that economic and commercial relations among the Member States are not as expected. In this regard, they stressed the importance of the signing and ratification of TPS-OIC Agreements with a view to enhancing trade among OIC Member States. They also stressed the role of the COMCEC in the development of the African Member States of the OIC and called upon Member States to establish a Fund in order to ensure sustainable development of the Member States in Africa. They thanked OIC Secretary General H.E. Dr. Ekmeleddin IHSANOGLU, OIC General Secretariat, COMCEC Coordination Office and relevant OIC institutions for their intense efforts for further enhancing cooperation among the Member Countries.

14. H.E. Dr. Ahmed Mohammed ALI, the President of the Islamic Development Bank, also addressed the Opening Session. H.E. Dr. ALI gave a summary of developments on the recent activities of the IDB Group. The President also informed the audience about the data on the funding activities by the IDB.

(The text of the Statement of the President of IDB is attached as Annex 4.)

15. H.E. Shaikh Saleh Bin Abdullah KAMEL, the President of the Islamic Chamber of Commerce and Industry (ICCI), also made a statement, in which he mentioned the activities of the ICCI. With regard to combating poverty, H.E. Shaikh Saleh Bin Abdullah KAMEL gave information on the establishment of International Zakat Organization.

(The text of the speech of the President of ICCI is attached as Annex 5.)

16. Following the Opening Ceremony, H.E. Abdullah GÜL received the Heads of Delegation.

Ministerial Working Session

17. The Ministerial Working Session of the Twenty-third COMCEC was held on 17 November 2007, under the Chairmanship of H.E. Prof. Dr. Nazım EKREN, Minister of State and Deputy Prime Minister of the Republic of Turkey.

18. The Session adopted the Draft Agenda of the Twenty-third Session of the COMCEC.

(The Agenda of the Session is attached as Annex 6.)

19. An Exchange of Views on "Micro-Credit Financing and Poverty Alleviation in Member States" was held under agenda item 10. H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey and the Chairman of the Senior Officials Meeting, made a brief

presentation regarding the outcome of the deliberations of the senior officials on "Micro-Credit Financing and Poverty Alleviation in Member States".

(The text of presentation of H.E. Dr. Ahmet TIKTIK is attached as Annex 7.)

20. Director General of SESRTCIC, Dr. Savaş ALPAY made a presentation about the outcomes and recommendations of the Workshop on Micro-Credit Financing and Poverty Alleviation in Member States, which was held from 9 to 11 July 2007 in Istanbul, Turkey.

(The Recommendations of the Workshop on Micro-Credit Financing and Poverty Alleviation in Member States is attached as Annex 8.)

21. H.E. Prof. Dr. Muhammad YUNUS, the Nobel Peace Prize Laureate for his contributions and pioneering role in the area of micro-credit, attended the Session as the keynote speaker. Prof. YUNUS began his speech by explaining the establishment process of Grameen Bank. He expressed that he was moved by abject poverty especially in the villages of Bangladesh and observed how small amounts of money helped these poor earn their living and overcome poverty. Underlining the key factors behind the success of micro-credit financing in Bangladesh, especially taking work to heart, H.E. YUNUS pointed out the differences between conventional banking and micro-credit financing; and stressed the importance of this instrument in poverty alleviation, social development and inclusion of the poorest in all levels of education.

22. In the Exchange of Views Session, the Heads of Delegation of the Republic of Turkey, the Republic of Guinea, the Kingdom of Morocco, the Kingdom of Saudi Arabia, the Republic of Uganda, State of Kuwait, Sultanate of Oman, the Turkish Republic of Northern Cyprus and the Russian Federation made presentations on "Micro-Credit Financing and Poverty Alleviation in Member States" in their respective countries.

(Country reports on the subject submitted in writing are available separately).

23. Under agenda item "Capacity Building Programme for Poverty Alleviation in OIC Member States", H.E. Associate Prof. Dr. Yusuf BALCI, Undersecretary of the Ministry of Industry and Trade of the Republic of Turkey, made a presentation on the outcomes of the Cotton Investment Forum, which was held on 12-13 November 2007 in Istanbul, Turkey.

(The Report of the Forum on Enhancement and Promotion of Trade and Investment in Cotton Sector Among OIC Member Countries is attached as Annex 9.)

24. H.E. Dr. Waleed ALWAHEEB, the CEO of the International Islamic Trade Finance Corporation (ITFC), made a short presentation on their establishment process and future activities.

25. The Session then adopted Resolution OIC/COMCEC/23-07/RES(1) and Resolution OIC/COMCEC/23-07/RES(2).

(Resolution OIC/COMCEC/23-07/RES(1) and Resolution OIC/COMCEC/23-07/RES(2) are attached as Annexes 10 and 11.)

26. The Session also adopted the Report OIC/COMCEC/23-07/Sc.Rep. of the 11th Sessional Committee, which was held on 13 November, 2007.

(The Report OIC/COMCEC/23-07/Sc.Rep. of the Sessional Committee is attached as Annex 12.)

27. During the Senior Officials Meeting, Arab Republic of Egypt and Kingdom of Morocco expressed their reservations on some articles of the agreed text of TPSOIC Rules of Origin and the voting methodology. Regarding this issue, legal opinion of the OIC General Secretariat will be sought on article 17 and 19 on voting method of the Rules of Procedure of the TNC and the result will be submitted to the forthcoming Meeting of the TNC.

28. The delegation of the Islamic Republic of Iran, Republic of Tunisia and Kingdom of Morocco stressed that the rule of consensus as a good tradition of OIC should be kept. Islamic Republic of Iran also stated the necessity of moving forward with the agreements on trade issues and expressed their respect for the decisions made so far regarding these matters.

Closing Session

29. The Closing Session of the Twenty-third Session of the COMCEC was held on 17 November 2007 under the chairmanship of H.E. Kürşad TÜZMEN, Minister of State of the Republic of Turkey in charge of foreign trade.

30. At the beginning of the Session, H.E. Syed Iftikhar Hussain SHAH, Ambassador of the Islamic Republic of Pakistan to Turkey and Rapporteur of the COMCEC, presented the Resolutions adopted at the Ministerial Session. In his presentation, H.E. SHAH summarized the proceedings of the Session and highlighted important points of agreement contained in the resolutions.

31. H.E. Mr. Tori LIMANGANA, Assistant Secretary General for Economic Affairs read out the message of His Excellency Prof. Dr. Ekmeleddin IHSANOGLU, OIC Secretary General. In his message, H.E. Dr. Ekmeleddin IHSANOGLU referred to the successful conclusion of the Second Round of Trade Negotiations conducted among the member states of the Trade Negotiating Committee (TNC) within the Framework Agreement on the Trade Preferential System among OIC Member Countries (TPSOIC). H.E. the Secretary General concluded his message by urging the Member Countries of OIC that had not yet done so to sign and ratify TPS-OIC Rules of Origin Agreement at their earliest convenience so that it would enter into force as scheduled.

(The text of the Message by H.E. Prof. Dr. Ekmeleddin IHSANOGLU, is attached as Annex 13.)

32. H.E. Sulman Suliman Al-Safi, Minister of Commerce of Sudan, made a statement on behalf of all participating Member Countries, in which he thanked H.E. Abdullah GUL, the President of the Republic of Turkey, and H.E. Kürşad TÜZMEN, Minister of State of the Republic of Turkey, the OIC General Secretariat, and all parties concerned for their contribution to the work of the Session.

33. H.E. Kürşad TÜZMEN, Minister of State of the Republic of Turkey, also made a closing statement at the Session. H.E. Kürşad TÜZMEN emphasized

the importance of the implementation of the Trade Preferential System by 2009 for reaching the target of 20% intra-OIC trade. Underlining the boosting demand for halal products, H.E. TÜZMEN expressed that it is crucial to establish a common Halal Food Standard under the auspices of the OIC.

34. With a view to getting a greater share from enhancing global welfare, H. E. Kürşad TÜZMEN defined the main task as promoting investment in the multilateral economic relations, ensuring sustainability of private sector investment and giving priority to quality and brand recognition. Regarding poverty alleviation, H.E. TÜZMEN stressed the paramount importance to the implementation of Action Plans on such areas as tourism and cotton and congratulated the IDB and the Member Countries for the establishment of the Poverty Alleviation Fund within the IDB. H.E. Kürşat TÜZMEN concluded his statement by thanking to all delegations and OIC institutions, COMCEC Coordination Office, organizers and interpreters for their valuable contributions to the 23rd Session of the COMCEC.

(The text of the Closing Statement of H.E. Kürşad TÜZMEN is attached as Annex 14.)

35. A signing ceremony was held at the Closing Session. During this ceremony, the Heads of Delegation of the Cameroon and Malaysia signed the TPSOIC Rules of Origin. The Head of Delegation of Guinea signed the Protocol on the Preferential Tariff Scheme for TPSOIC (PRETAS). The Head of Delegation of Senegal signed the Statute of the Standards and Metrology Institute for the Islamic Countries (SMIIC). The Head of Delegation of Sierra Leone signed the General Agreement on Economic, Technical and Commercial Cooperation, the Agreement on Promotion, Protection and Guarantee of Investments, the Framework Agreement on Trade Preferential System, (TPSOIC) the Statute of the Islamic Civil Aviation Council, the Statute of the Islamic States Telecommunications Union and the Statute of the Standards and Metrology Institute for the Islamic Countries (SMIIC).

ANNEXES

ANNEX

1

Original: English

**LIST OF PARTICIPANTS OF THE
TWENTY-THIRD SESSION OF THE COMCEC
(Istanbul, 14 - 17 November 2007)**

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Consul General of Afghanistan in Istanbul

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Director of Business Promotion Department,
Ministry of Economy, Trade and Energy

PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA

Mr. BELAHDA ABDELHAMID
Deputy Director

REPUBLIC OF AZERBAIJAN

H.E. HAYDAR BABAYEV
Minister of Economic Development

Mr. FUAD FARZALIBEYOV
Economic Officer, Azerbaijan Embassy in Ankara

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Senior Economist, Foreign Economic Relations Directorate,
Ministry of Finance

Mr. SALAH MATAR AL BUFLASAH
First Secretary, Directorate of International Organizations,
Ministry of Foreign Affairs

BRUNEI DARUSSALAM

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DAUD
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BURKINA FASO

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Permanent Secretary for the Follow-up of the Liberalized Cotton

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Official at the Asia and the Middle East Department,
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Head of Division
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Undersecretary of State Planning Organization

Doç. Dr. YÜKSEL BİRİNCİ
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H.E. ÖNDER ÖZAR
Rtd. Ambassador

Mr. ERHAN USTA
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Mr. NAGHI JABBAROW
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Mr. SYED MOHAMMED ADNAN ALHABSHI
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Mr. LEVENT GELGİN
Vice President of Region Turkey

Mr. MONCEF BOUSSABAH
Vice President of Region Tunisia

Mr. PAPA AMADOU CISSE LO
Vice President of Region Senegal

Dr. YAHYA EL-SAIE
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Mr. FAISAL AL-SHAWAF
Vice President of Region Saudi Arabia

Mr. KHAJA MOINUDDIN
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Dr. TOURADJ AMIRSOLEYMANI
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UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Mr. MAHMOOD AYUB
Resident Representative

DEVELOPING EIGHT (D-8)

Dr. DİPO ALAM
General Secretary

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I. PROTOCOL SERVICES

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Head of Department, Ministry of Foreign Affairs

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**J. DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL AFFAIRS OF
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Head of Department

Mr. NURETTİN AYDIN
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Mr. TAYFUR YÜKSEL
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Mr. CAFER ERDOĞAN
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Mr. ÖMER BIYIK
Techician

ANNEX

2

Original: Turkish

**INAUGURAL ADDRESS OF H.E. ABDULLAH GÜL,
PRESIDENT OF THE REPUBLIC OF TURKEY AND
CHAIRMAN OF COMCEC TO THE OPENING CEREMONY
OF THE TWENTY THIRD COMCEC MEETING**

(Istanbul, 16 November 2007)

Honourable Ministers,
Honourable Secretary General,
Distinguished Delegates,

I would like to express my gratitude for being with you for the first time as the Chairman of COMCEC on the occasion of the Twenty-third Meeting of the Standing Committee for Economic and Commercial Cooperation (COMCEC) and I would also like to extend my sincere greetings and welcome you in Turkey.

In this context, I would like to thank those who meticulously worked for the success of COMCEC over the previous period. Likewise, I would like to extend my appreciation and gratitude to the former Chairmen of COMCEC for their diligence and support.

Honourable Ministers,
Distinguished Delegates,

In a changing world that both provides opportunities and poses threats, Islamic Countries are, more than ever before, in need of unity, solidarity and cooperation. Undoubtedly, the need for solidarity and cooperation requires mutual trust, and a state of political and economic stability.

In the twenty-three-year history of COMCEC, we are glad to observe that certain projects have been finalised and cooperation experience has been acquired to this end.

During the above mentioned period, there have been crucial changes in the understanding of regional and global economic cooperation.

Recently, we have been observing that the presence of public sector in the economic activities has diminished substantially. Such tendency has its own reflections on multilateral international economic cooperation.

According to the new economic cooperation understanding, the state instead of developing projects, tries to remove the administrative and technical barriers on trade and investment, to develop the physical, legal and institutional infrastructure of cooperation and to promote private sector cooperation.

If need be, the State would take on the role of informing, directing and supporting the private sector and implement certain measures to facilitate cooperation in the private sector.

In the recent past, another prominent tendency we observe is the orientation of the developing countries towards regional cooperation initiatives regarding development and new market penetrations.

Indeed, the number of regional trade agreements and regulations has come to exceed 300 as of 2007. Among these, there are successful examples such as the Economic Cooperation Organization (ECO) that was initiated by some of our Member Countries,

For the success of these initiatives, certain conditions are to be met.

Within this scope, ensuring a strong political will for cooperation, focusing on areas, concentrating on robust value-added cooperation, enabling free flow of goods and capital, facilitating the movement of human resources, and sustaining mutual trust and stability, have become of great magnitude.

I am pleased to see that cooperation activities of COMCEC and its new projects are taking such an orientation into account.

Honourable Ministers,
Distinguished Delegates,

In perspective of development and financing for development, trade and investment continue to have their indispensable place.

First and foremost, in this respect, the capital accumulation in the member countries should be utilized to support production.

It's of great importance that COMCEC members closely follow scientific and technological advances and increase their R&D activities. Unfortunately, the resources that are allocated to R&D activities are inadequate in our countries. Nevertheless, R&D activities should be prioritized for the future of our economies. I strongly support the idea of establishing a special fund to promote R&D activities that was put forward with this understanding in mind. I recommend that your governments to come to realise this proposal.

Another aspect that we should attach importance to as COMCEC members is, without any doubt, to increase mutual trade and investments.

To this end, the necessary legal framework should be established. At this point, the governments bear the essential responsibility. Our governments should prevent double taxation, promote and preserve mutual investments, take measures facilitating trade, finalise free-trade agreements and operationalize instruments such as professional arbitration mechanisms which can offer objective solutions to commercial disputes.

Once the conditions are ripe and the legal framework is established, the private sector will be mobilized, and the system will bear concrete results in a short while.

Within this framework, I would like to draw your attention to the first broad project; the establishment of the Trade Preferential System to liberalize trade.

As is known, the Trade Preferential System is expected to be put into effect by the beginning of 2009.

To this end, as articulated in the Ankara Ministerial Declaration, it is of great magnitude that the Protocol on Preferential Tariff Scheme (PRETAS) and Rules of

Origin Certificate need to be signed and ratified by the related member countries by March 2008.

We need to intensify in the forthcoming months our efforts to put this project into effect by 2009 and this project will step up our commercial and economic relations.

I am sure that member countries will display sensitivity on this subject.

As the Chairman of COMCEC, I would like to extend my appreciation to all member countries and related institutions for supporting this enterprise.

Another example that I would like to draw your attention to is Enhancing Cooperation Strategy and Action Plan among Cotton-Producing OIC Member Countries.

Within this scope, I am pleased that the OIC Cotton Trade and Investment Forum was held between 12-13 November 2007.

I believe that implementing the Action Plan effectively is a vast opportunity for our countries to turn our comparative advantages into competitive bids since our countries had contributed 28 percent of world cotton production and 36 percent of cotton export.

I also believe that in some member countries, cooperation in the area of cotton as the largest export item, would contribute significantly to the fight against poverty.

Distinguished Ministers,

In the twenty third meeting of COMCEC, I expect that important decisions, which will expedite our economic and commercial cooperation, will be taken.

In this respect, as a solid outcome of our developing cooperation, the increase in trade among Islamic countries from 10 percent to over 15 percent is a favourable improvement. As enunciated in the OIC Action Plan, increasing this rate to 20 percent by 2015 is one of our paramount objectives.

I would like to avail myself of this opportunity to thank chiefly the General Secretariat of COMCEC, the Islamic Development Bank, the Islamic Chamber of Commerce and Industry, the COMCEC Coordination Office, the Centres in Ankara

and Casablanca and all the related institutions that have contributed to our cooperation through trade and financing of investment activities and work.

Distinguished Guests,

Fighting against poverty, which is the momentous pillar of the UN Millennium Development Goals, is also considered seriously within the OIC and the COMCEC.

It is pleasing that a fund has been established within the IDB in this regard.

As the inheritors of a civilization, which considers helping the poor as one of its duties, we should increase our efforts in this field.

At this point, I would like to draw your attention to the problems of African peoples in economy, health and society that are awaiting immediate solutions. Africa's problems are also our problems. It is also our responsibility to pull the Continent out of its existing problems.

With this understanding in mind, Turkey has declared 2005 as 'Year of Africa'. And we will host the 'African Summit' next year. The Turkish International Cooperation and Development Agency is continuing its technical and social assistance to the countries on the Continent through its regional office in Addis Ababa. These activities will continue to increase without any expectation in return.

Once again, I call upon all OIC Member Countries to enhance our solidarity with Africa.

Distinguished Guests,

The direct relation between poverty and corruption constitutes yet another critical dimension which should not be overlooked in the fight against poverty.

In this context, in COMCEC member countries, elaborating further on principles such as transparency in public administration, service-based settlement, pressed-for accountability and good governance through benefiting from science and technology that provide rational utilization of resources is among our prime objectives.

When we look at the historical heritage of Islamic civilisation, there are bright examples of good governance and poverty-fighting.

Furthermore, the issue of Micro-Credit Financing and Poverty Alleviation in the Member Countries will be discussed on the occasion of COMCEC meetings.

It is gratifying that one of us, Mr. Muhammed Yunus was honoured as a Nobel Prize Laureate on the subject of micro credit applications which are effective means in ensuring active participation of especially women in economic life. I am sure that you will carefully take note of Mr. Yunus's experiences who will join you later today.

Another concept that we observe drawing on these important examples in our historical heritage is the friendly way of life with nature and environment.

Nowadays, it is the duty of all of us to prevent increased environmental pollution and global warming. In this regard, we need to accelerate our efforts on the issue of environment as one of the fields of cooperation cited in the OIC Action Plan.

Honourable Ministers,
Distinguished Delegates,

You are all familiar with the ideas that I expressed at the OIC Foreign Ministers Conference held in Tehran four years ago as well as in many more international forums from that day onwards.

Islamic culture, which we inherited, foresees governance based on justice, tolerance, mercy and solidarity.

I have always reiterated that this heritage should strengthen our inspiration for a more democratic, transparent and open society.

In my speeches, I persistently underlined the fact that only the successfully governed societies can secure economic and social stability through rational, effective and fair utilization of resources.

In this context, I advocated that we should take the initiative to put our own houses in order and improve our social standards.

I am pleased to see that in the governments of Islamic Countries, there has been growing awareness in constituting better administration and reforming deficient structures which almost equals a reform process. Even though it is not quite satisfactory, this situation inspires hope with respect to the problems under consideration.

Honourable Ministers,
Distinguished Guests,

Economic development and welfare are directly linked to the political environment and developments.

Instability, security concerns or war causes the wasting of already scarce resources for security requirements instead of utilizing them for development and welfare. Thus, in order to achieve economic development, primarily the establishment of security and stability, the resolution of political problems and the insurance of peace and quiet are required.

Therefore, I would like to briefly dwell upon the main political problems that preoccupy the Islamic world and have reflections on the global scale:

Fundamental and interrelated problems in the Islamic geography continue to exist. The question of Palestine lies at the heart of the problems in the Middle East and requires an urgent solution.

Despite positive developments taking place this year, I am sure you all observe that the existing factionalism in Palestine is damaging the Palestinian cause. It is my sincere wish that this situation would come to an end and the unity of the Palestinian people is reinstated.

Turkey favours the settlement of the Palestinian question on the grounds of relevant Security Council resolutions, the Road Map and the Arab Peace Plan, and in accordance with the principle of two states living peacefully within recognized and secure borders. Turkey will continue to make constructive contribution to this end.

While the instability was continuing in the region, Turkey, taking into account the economic and social difficulties Palestinian people suffered, has pioneered in 2005 the Ankara Forum that developed "Industry for Peace" projects. This project which aims at lessening to some extent the economic and social problems of the Palestinian people concretely exemplifies Turkey's value-added.

The Ankara Forum is also a model initiative, as it strengthens the economic and social structure of Palestine and by means of this, assists to step up security in the region.

I invite all the member countries to invest in the industrial zones that will be established to this end. The goods produced in these zones will be freely marketed in the US, the EU and the Gulf countries.

In this respect, I also invite Islamic countries to continue to show utmost sensitivity in terms of economic and social needs of the Palestinian people.

Another important issue regarding regional stability is the situation in Lebanon. The political crisis is still in place in the country. It is our sincere wish that the Lebanese Presidential elections would neither deepen the crisis nor drag the country to another fit of depression. It is obvious that this can be achieved by attaining reconciliation among groups in Lebanon. Dialogue in this respect should be strongly supported by the international community.

Honourable Ministers,
Distinguished Delegates,

Iraq is another country in our region that suffers.

Iraq, which is one of the rare Islamic countries with regard to its human potential and vast natural resources, has lost millions of its citizens and wasted its rich resources due to bad governance and personal ambitions. Iraq's devastated condition constitutes yet another exemplary lesson while the country was expected to be one of the richest countries of the world with its huge potential. I think that everybody should learn from this lesson.

Turkey has done its best since the very beginning with a view to a democratic Iraq that preserves its territorial integrity and its political unity, attains peace, stability and prosperity, through reconciling with its people, cooperating with its neighbours, and not allowing any terrorist organization to operate on its territory.

Towards this end, we have been continuing our efforts to keep up close contact with the Iraqi Government and also with all the ethnic and religious groups.

However, due to the prevailing situation in Iraq and the activities of the terrorist organisation PKK in the northern part of the country, the political and economic contributions that we would like to make to Iraq, remain limited. Those who

turn a blind eye on the PKK's safe havens in the northern part of the country are hindering more political, economic and commercial cooperation.

In any case, Turkey will continue to fight against the terror scourge which is directed to it from the northern part of Iraq until the very end.

The OIC also has also important duties in the resolution of the problem in Iraq. We welcome the initiatives by the OIC in this regard and we hope that they are intensified.

Honourable Ministers,
Distinguished Delegates,

OIC has been echoing strong calls for the termination of the isolation imposed on Turkish Cypriots since 2004. It formidably spoke out its decisive attitude vis-a-vis this issue, at the Meeting of Foreign Ministers that was held in Islamabad in May this year.

We expect concrete steps to be taken by Member Countries to put these decisions into effect with regard to further strengthening OIC's credibility and respectability before the international community. Turkey is grateful to the member countries for their contribution to the Turkish Cypriots' integration with the world.

Honourable Ministers,
Distinguished Delegates,

With regard to strengthening our economic and commercial cooperation, Turkey, which has made significant progress on membership negotiations with the European Union, will continue to share its experiences with the other member countries.

On the other hand, I would also like to express that Turkey is persistent, as it had done so far in lobbying the required support to all cooperation endeavours within the framework of OIC and COMCEC. It is obvious that all member countries and OIC institutions have substantial shares in the process of enhancing cooperation among us.

Having these thoughts in mind, I would like to extend my appreciation and wish success to all Member Countries, all executive officials and staff of OIC affiliated and related institutions for their invaluable contribution to COMCEC works.

In this context, I would like to express my appreciation and thanks to the OIC Secretary General H.E. Professor Ekmeleddin İhsanoğlu for bringing out dynamism and initiating the reform process; Honourable Dr. Ahmed Muhammed Ali, the Governor of IDB for his assiduous efforts for the development of Member Countries and increasing of intra-OIC trade, and Honourable Şeyh Salih Kamil, the Chair of the Islamic Chamber of Commerce for his paramount endeavours and witty recommendations to enhance private sector cooperation among Islamic Countries that I believe you will all consider duly.

I hope the work you will undertake during the 23rd COMCEC Meeting will contribute to our countries' peace and welfare, and wish you a pleasant stay in Istanbul. I thank you all.

ANNEX

3

Original: English

**ADDRESS OF
H.E. PROF. EKMELEDDIN IHSANOGLU
OIC SECRETARY GENERAL
AT
THE INAUGURATION OF THE 23RD SESSION OF THE STANDING
COMMITTEE FOR ECONOMIC AND TRADE COOPERATION (COMCEC)
(Istanbul, 14-17 November 2007)**

Bismillahir Rahmanir Rahim

Your Excellency, President Abdullah Gül, President of the Republic of Turkey
And Chairman of the COMCEC

Excellencies
Honourable Delegates
Ladies and Gentlemen,

Assalamu Alaikum Warahmatullahi Wabarakatuhu,

Mr. President,

It gives me great pleasure, in this happy occasion, to congratulate you, once again, for your election as the Eleventh (11th) President of the Republic of Turkey. I wish you full success in your new and important mission at the service of Turkey. I am confident that under your able and sagacious leadership, the relations between the Republic of Turkey and the Islamic world will continue to prosper and thrive.

I recall with profound gratitude and greatly appreciate your deep interest in, and valued support, in your previous capacity as the Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Turkey, to the Organization of the Islamic Conference.

This is also for me a happy occasion to offer my congratulations to the COMCEC for having you as its Chairman. Our hopes are strong that we can

rely on your customary support for the Organization of the Islamic Conference, with Turkey having played, over so many years, a pioneering role in promotion of economic and trade cooperation among the OIC Member States. Our confidence remains high that this strong support will not only attain higher grounds under your wise leadership, but also enhance rapidly the economic and commercial ties among the States, members of the OIC. I strongly believe that your insightful wisdom and sincere dedication to this end will further consolidate the role of this august body in resolving the pressing economic and commercial needs of the Islamic world.

May I also express our thanks and appreciation for the Turkish Government's efforts in hosting annual meetings of COMCEC and its Follow-up Committee on a regular basis and, particularly, with such high levels of competency and generosity, which have contributed immensely to the effectiveness of the COMCEC.

Mr. President
Excellencies
Honourable Delegates

We wish to bring to Your Excellency's kind attention the achievements of the OIC General Secretariat and its institutions over the past year, so that we may work together for the realization of our aspired goals and set our eyes on even higher ambitions. The Third OIC Extraordinary Islamic Summit of Makkah set specific goals for the economic sector of the OIC Member States, mainly the enhancement of intra-OIC trade, business cooperation, sustainable development and poverty alleviation. The COMCEC has been entrusted with taking the necessary measures to raise the level of intra-OIC trade from 14% in 2005 to 20% by the year 2015. It is my full confidence that this matter is being given the attention it deserves by this august meeting.

The Poverty Alleviation Fund established by the Makkah Summit of 2005 was officially launched by the President of the Republic of Senegal in Dakar on 30 May 2007 at the Board of Governors Meeting of the Islamic Development Bank (IDB). So far, more than 2.6 billion US Dollars had been pledged by the OIC Member States. I am thankful to the Kingdom of Saudi Arabia for its generous contribution of one (1) billion US Dollars. I would like also to thank the State of Kuwait for its generous contribution of 300 million

US Dollars. My gratitude goes to all other Member States that have contributed to this Fund so far, as well as the IDB which contributed 1 billion US Dollars. I appeal to the Member States who have not yet contributed to this Fund, to do so with a view of fostering the role of this Fund in improving the living conditions of the poor in our countries.

We all know that the development of intra-OIC trade calls for increased efforts in the adoption of the required institutional, organic and financial steps. From this platform, I wish to appeal to the Member States that have not yet signed and/or ratified the Framework Agreement on Trade Preferential System (TPS-OIC) and the Protocol on the Preferential Tariff Scheme (PRETAS), to do so promptly.

I also express my satisfaction on the achievements of the Second Round of Trade Negotiations towards the formulation of the Rules of Origin and the discussion on Para-tariff and Non-tariff Measures. I am pleased that the Second Round of Trade Negotiating Committee successfully concluded in September 2007, in Ankara, Republic of Turkey, with the adoption of a New Agreement on the "Rules of Origin".

This Agreement on the Rules of Origin was signed by five (5) Member States; namely the Republic of Guinea, Hashemite Kingdom of Jordan, Republic of Tunisia, Republic of Turkey and United Arab Emirates. I am confident that more Member States will join this Agreement in a Special Ceremony organized at the margin of the 23rd Session of COMCEC. I invite all the participating delegations, along with the concerned Institutions to support the OIC General Secretariat and COMCEC Coordination Office so that the Protocol can enter into force by January 1st, 2009.

Mr. President,
Excellencies,
Honourable Delegates,

The Republic of Turkey has contributed continuous and sustained strong efforts in the enhancement of intra-OIC cooperation in the area of cotton production and marketing. The Republic of Turkey hosted several Experts Group Meetings on cotton. I am quite confident that these efforts will encourage closer cooperation between cotton exporting and importing Member States of OIC to establish direct trade routes among them for better and more

profitable marketing in the sector and, consequently, help curb the poverty challenges of many OIC Member States. I would like also to thank, at this junction, the Republic of Turkey for hosting the Forum of Improving Investment and Trade in Cotton Sector among OIC Member States which concluded yesterday.

In this connection, I also urge Member States to further the development and diversification of their domestic production and foreign trade structures with a view to increasing their exports to the other OIC member countries and the world. Promotion of commercial ties among the Member States of the Organization will also contribute towards the success of the policies aiming at poverty alleviation.

During my visits in a number of OIC African Member States and my consultations with their leaders, I was impressed by the genuine desire of these countries to foster their development by promoting trade and investment in agricultural sector, textile and food processing industries. The OIC institutions stand ready to take new initiatives in cooperation with OIC African Member States and other OIC Member States to support trade, investment and transfer of technology in favour of Africa, in particular, in the cotton and textile sectors as well as in the food industry.

There is also a need to give some genuine consideration to the tourism sector as one of the priority fields, as a fundamental area in economic development and cultural exchange, as the language of rapprochement among the people of Islamic countries and as a significant source of revenues for the OIC Member States. Tourism also plays a critical role in eliminating or reducing poverty in many areas.

The Second OIC Expert Group Meeting on Tourism Development which was held in Istanbul in May 2007, has also constituted an important step forward. This meeting adopted the Strategic Plan for the Development of Tourism in OIC Member States. The implementation of this Strategic Plan will contribute to intra-OIC tourism and will achieve fruitful results in this sector. In my capacity as the OIC Secretary General, I will extend my utmost support to the implementation of this strategic plan when it is endorsed by the COMCEC for the benefit of the Muslim world.

I would also like, in this regard, to extend my thanks to the Republic of Azerbaijan for hosting as the current Chair of the Fifth Islamic Conference of Tourism Ministers (ICTM), the International Scientific Conference on the Role of Tourism in the Economies of the OIC Member States in Baku in June 2007. I wish to express my appreciation to the Government of the Kingdom of Saudi Arabia and to the Islamic Chamber of Commerce and Industry (ICCI) for the successful organisation of the First Private Sector Tourism Forum of the OIC Member States in Jeddah from 30 October to 1st November 2007.

Mr. President
Excellencies
Honourable Delegates,

Whoever fails to thank others does not meet God's thanks to him, and we at the OIC General Secretariat have for many years witnessed the important role played by the OIC subsidiary organs, and specialized and affiliated institutions working in the field of economic and trade development: the Islamic Development Bank (IDB), the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC), the Islamic Centre for Development of Trade (ICDT), the Islamic University of Technology (IUT), the Islamic Chamber of Commerce and Industry (ICCI) and the Islamic Ship-Owners Association (OISA). This is the place to pay tribute to the cooperation among the OIC Institutions active in the field of economy.

It is my earnest hope that this present session will adopt appropriate resolutions to serve the Islamic Ummah, to uplift its peoples and help them keep abreast of our contemporary advanced world.

My sincere thanks are due once again to the Republic of Turkey, the President of the Republic, the People and Government of Turkey for hosting this session, and for the warm welcome and generous hospitality extended to us. We are also appreciative of the fine coordination and arrangements provided by the State Planning Organisation and the COMCEC Coordination Office to ensure the success of the session.

Thank you all.

Wassalamu Alaikum Warahmatullahi Wabarakatuhu

ANNEX

4

Original: Arabic

**ADDRESS BY
DR. AHMAD MOHAMED ALI,
PRESIDENT, ISLAMIC DEVELOPMENT BANK GROUP
AT THE OPENING CEREMONY OF
THE 23RD SESSION OF COMCEC**

(İstanbul, 14-17 November 2007)

Your Excellency Abdalla Gul, President of the Republic of Turkey, Chairman of the Standing Committee for Economic and Commercial Cooperation,

Your Excellency Brother Ekmeleddin Ihsan Oglu, Secretary General of the Organization of the Islamic Conference ,

Your Excellencies the Ministers,

Esteemed Members of the Diplomatic Corps,

Representatives of International and Regional Organizations,

Distinguished Delegates,

Brothers & Sisters,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh

I am honored to address you on this auspicious occasion on behalf of your institution - the Islamic Development Bank - and express my sincerest thanks and appreciation to the President, Government and people of Turkey for the warm hospitality and the excellent arrangements put in place for the delegates to this meeting. This will undoubtedly contribute immensely to making this conference a resounding success.

The continuous and unyielding support given by the Republic of Turkey to COMCEC and the Islamic Development Bank is manifest evidence of your advocacy of joint Islamic action and of strengthening cooperation among OIC member countries which is the underpinning of economic and social development in these countries.

I would also like to thank the COMCEC General Secretariat for inviting IDB to participate in the activities of this meeting, and I pray to Allah Almighty that He may bless our deliberations with success.

Your Excellency the President,

Your comprehensive address during this session has articulated a number of pertinent ideas which will undoubtedly enrich our deliberations and form the kernels from which proposals and recommendations will be formulated to promote joint Islamic action. It is indeed a source of pride for IDB to be part of this community of institutions and a pillar of support for COMCEC in its pursuit of our common goals.

On this auspicious occasion I would like to congratulate Your Excellency on your assumption of the presidency of this country with its deep-rooted people, traditions and culture. I am confident that your wisdom and sound ideas will have a great impact on the growth and development of our member countries through steering the Committee's activities towards more initiatives for the benefit of the peoples of member countries.

I would also like to commend the address by Professor Ekmeleddin Ihsan Oglu, the Secretary General of the OIC, for a comprehensive presentation on the fast moving international events and developments as well as for the conceptions it articulates with regard to the state of joint Islamic action and the challenges facing the Ummah. These challenges require sustained coordination and cooperation in order to achieve our desired objectives in a fast changing world.

Your Excellency the President,
Brother and Sisters,

I am pleased, and indeed honored, to give you an overview on the activities of the IDB Group over the past year. Cumulative approvals by the Group for projects, technical assistance and trade operations since its establishment to date had exceeded US\$ 50 billion for financing more than 5500 operations.

With regard to financing intra-trade among OIC member countries, which is one of the main activities of the Bank, the volume of trade financing by IDB programs and windows have increased immensely to reach US \$ 2.8 billion over the past year 1427H/2006, while the target this year is in excess of US\$ 3 billion. The Bank has approved financing to the tune of US\$ 26.73 billion for trade.

Your Excellency the President,
Brothers and Sisters,

Until now, 37 countries have joined the membership of ITFC. Twenty-six member countries have submitted their instruments of ratification of the ITFC's Articles of Agreement. Eighteen financial institutions have joined the membership of the Corporation. The ITFC Second Meeting in Senegal (27 May 2007) has approved the first general increase of subscribed capital from US \$ 500 million to US \$ 750 million.

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) continues to perform its mission of supporting export flows of member countries and attracting investments to these countries.

ICIEC was established to contribute to strengthening cooperation among member countries, enlarge the scope of trade transactions by providing insurance against risks. ICIEC has been enjoying continuous support from COMCEC ever since it was established a decade ago. Its operations have been growing steadily during 1427 H, culminating in insurance commitments to the tune of US\$ 736 million. New insurance commitments have increased by 70% to reach US\$ 808 million. The volume of insured business grew by 83% to reach US\$ 618 million. Thus, total insurance commitments rose to US\$ 2.4 million.

ICIEC is currently implementing its Investment Technical Assistance Program (ITAP) which aims at capacity building for national investment promotion agencies in member countries in cooperation with international institutions specialized in this field.

Concerning the Islamic Corporation for the Development of the Private Sector (ICD) which is now in its 8th year of operations, out of 50 member

countries which signed its Framework Agreement, forty- four have ratified it. The Corporation business grew rapidly to reach 4.7 million financing 68 projects.

The Bank, as it expresses its thanks and appreciation to member countries for their effective role in assisting these technical agencies, calls upon the countries which are yet to accede to the membership of ICIEC to do so as soon as possible.

Your Excellency the President,
Brothers and Sisters,

As you know, the 3rd Extraordinary Islamic Summit Conference held in Makkah on 7-8 December 2005 mandated the IDB Board of Governors to take the necessary measures to increase the Bank's authorized and subscribed capital in order to enhance its role of providing financial support and technical assistance to member countries. Pursuant to this mandate, the Board of Governors issued a resolution to increase the authorized capital of the Bank from ID 15 billion to ID 30 billion and its subscribed capital from ID 8.1 billion to ID 15 billion.

Your Excellency the President,
Brothers and Sisters,

The Bank established a special program, pursuant to COMCEC's resolutions, to provide technical assistance to OIC member countries (1997) on WTO related questions. The program seeks to upgrade human and institutional capacities of member countries. It comprises a number of events and activities such as training courses, symposiums, workshops, studies and direct technical assistance to member countries. In this respect, the Bank has so far organized nearly 40 such training courses, symposiums and workshops. It has also instituted a consultative forum for exchange of views and coordination of positions as often as possible on scheduled matters on the agenda of WTO ministerial conferences.

Your Excellency the President,
Brothers and Sisters,

The Bank has contributed to the financing of the Expansion and Trade and Investment Forum on the cotton sector in OIC member countries in Ouagadougou (18-19 April 2005), and the meetings of experts on enhancing productivity and competitive capacity of the OIC cotton producing member countries (18-19 April, 2006). In addition to these efforts, the Bank contributed and participated in financing the Cotton Investment Forum for OIC member countries in Istanbul (12-13 November, 2007).

Your Excellency the President,
Brothers and Sisters,

I wish to inform you that the European Parliament has lately passed a resolution adding the Bank to its list of fourteen zero-risk multilateral development banks in accordance with EU criteria. It might seem just another testimony to be added to previous ones from commercial rating agencies except that the European resolution was issued by a sovereign body, giving the rating added weight. This development will help the Bank in mobilizing resources from the European market on reasonable terms and conditions and at lower costs.

The IDB also was accorded excellent credit AAA rating by the Standards & Poor's Agency (for the long term) and +1-A rating (for the short term), for six years running. The Moody's Agency confirmed the AAA rating (for the long term), and 1st Rate (in the short term) for the second year. The two agencies agreed that the future outlook of the Bank is "stable".

In addition, the IDB Group was accorded observer status by the United Nation's General Assembly, which indicates international appreciation of the Group's distinctive contribution to development and the welfare of humanity.

As you all know the Bank has been adopting an overarching vision up till 1440 H. called "A vision for Human Dignity" that focused on 9 integrated strategic areas including poverty alleviation, improvement of health services and women empowerment, etc.The Bank, embarking on the initial implementation of the guidelines enshrined in this vision in relation with the

overall development of the Bank, has recently launched a process involving organizational structure, policy making, human resources and labor culture. For more beneficiaries to join in the process, the Bank will be paying visits to a number of countries to take account of their respective outlooks in this regard.

Your Excellency the President,
Brothers and Sisters,

Your Institution, the Islamic Development Bank, prides itself on fruitful and continuous cooperation with your esteemed Committee, and it will forge ahead, informed by this cooperation, in pursuit of our desired goals of promoting economic and commercial cooperation among member countries, and addressing the challenges and obstacles which hamper economic growth in these countries. The numerous achievements of your institution would not have been possible without the sustained support of your esteemed Committee and of the member countries, especially the host country, the Kingdom of Saudi Arabia.

I would like to take this opportunity to express our thanks and appreciation to the General Secretariat of the OIC and its specialized affiliates, and to all the institutions which contribute effectively to the progress and prosperity of our member countries. Your institution will remain a bastion of cooperation in pursuit of economic development and social progress for all the peoples of the Muslim Ummah.

In conclusion, I would like to reiterate my thanks to Your Excellency, the Ministers and all the participants. It gives me great pleasure to reiterate our sincere thanks and appreciation to the government and people of the Republic of Turkey for the warm welcome and generosity with which all of us have been received.

I pray to Allah Almighty that He may grant us success in our endeavors and guide us in the service of our member countries, and that He may make our present meeting a resounding success.

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh

ANNEX

5

Original: English

**STATEMENT BY
H.E. SHAIKH SALIH BIN ABDULLAH KAMEL
PRESIDENT OF THE ISLAMIC CHAMBER OF COMMERCE AND
INDUSTRY (ICCI)
BEFORE THE 23RD SESSION OF THE COMCEC**

(Istanbul, 14-17 November 2007)

In the name of Allah, the Most Gracious, the Most Merciful

His Excellency President Abdullah Gul,
President of the Republic of Turkey
Chairman of COMCEC,

Excellencies and Dignitaries
Brothers and Sisters

Assalam Alikum Wa Rahmat Allah Wa Barakatu,

Praise be to Allah, the All-Knowing, the acquainted with all things, Who established for us the optimum guides for this world and the hereafter. Allah Almighty ordained on us to endeavor in the walks of life for the aim of reconstructing earth under His Guidance and to ultimately attain the progress of Muslim Ummah within the context of prosperity of society based on lofty noble principles, which deserve the denomination of Allah Almighty" You are the best of People evolved for mankind".

Peace and Blessings be upon our Leader and Emam Mohammed Ibn Abdullah.

I would like to avail this chance to congratulate your Excellency on the event of your election as the President of the Republic of Turkey and to convey my felicitation to COMCEC for its being blessed with your chairmanship.

It is worth mentioning that your Excellency is one of the distinguished leaders of economic and commercial development and a highly qualified pioneer in the economic field of our Ummah, which represents the most vital field, upon which depends the prosperity and misery of our peoples at the same time. I pray to Allah Almighty to bless your efforts in this highly difficult and challenging mission.

H.E. Mr. President

We look forward to COMCEC under your leadership to shoulder major burdens and duties for the service of the Ummah economic development. To that effect, the Ten-year Plan has been adopted by Makkah Extraordinary Summit, as well as the Islamic Development Bank Vision and Ten-Year Plan of the Islamic Chamber of Commerce and Industry (ICCI). All these endeavors represent concerted and comprehensive tributaries in this respect. We wish the COMCEC would complement these efforts in order to realize major achievements in the field of alleviating poverty, unemployment and enhancing comprehensive development.

Ladies and Gentlemen:

During my visit to your beloved country last year, I heralded the audience about the Plan of the Islamic Chamber of Commerce and Industry. In the meantime, I have been graced by visiting more than thirty countries, where I had been honored with meeting fifteen of their majesties and excellencies the kings and presidents of these countries. During my tours, I held meetings with senior economy, planning, commerce, labor and tourism officials as well as business unions and federations, in order to put the foundations for realizing the plan. Praise to Allah, many achievements materialized including the First Forum on Tourism in Islamic countries held at the beginning of this month under the auspices of ICCI.

The forum findings included entering agreements with various companies in Saudi Arabia, Sudan, Qatar, Azerbaijan, Iran and Pakistan to establish a tourism promotion company in OIC countries. At a later stage, the door would be open for more companies to enter this field. Another company for investment in infrastructure of the tourism industry was also established.

In the field of labor, a feasibility study was established for founding a holding company with branches in more than 12 labor importing and exporting countries and also to be in charge of training, qualification and marketing of labor.

Foras company has been launched to draft the First Investment Plan in OIC countries. Two studies in this respect were completed in Benin and Senegal. Studies are underway in other three countries. Another study was completed for intra-trade between Central and West Africa with North Africa including Burkina Faso, Cameroon, Mali, Senegal, Egypt, Morocco and Tunis. Efforts are exerted to establish 6 new companies in fields of Agriculture, Poultry, Medicines, Electricity, Highways and Technology in Mauritania, Sudan, Benin and Senegal.

In regard to combating poverty, in Kuala Lumpur, the International Zakat Organization has been announced in the presence of the representatives of many OIC countries. The International Fiqh Academy convened a symposium on the issues of basic Fiqh subjects related to the mechanism of the international Zakat Organization. The Academy approved establishment of the Organization. Agreements were entered to establish branches of the International Zakat Organization in each of Egypt, Benin, Senegal and Mauritania.

In order to accelerate autonomy and cooperation between Islamic countries in fields of economy and commerce, the Articles of Association for Business Owners Union was approved and preliminary agreements reached between businessmen to join the union in many countries including Saudi Arabia, Egypt, United Arab Emirates, Kuwait, Malaysia, Indonesia, Qatar, Oman, Mauritania and Senegal. It is our aspiration that the Business Owners Union would act as an umbrella for providing basic information and data on investment chances for businessmen and also for marketing projects and products and finance as well as sharing multiple benefits to form intra-trade and bilateral and collective cooperation:

Ladies and Gentlemen,

Although I really appreciate the positive response and the major achievements so far realized, I look forward to further cooperation from business circles and chambers of industry and commerce. The more interaction and enthusiasm for implementing the plan, the more results would be reaped. In fact, it represents a real renaissance for the Ummah in the field of economics, I hereby appeal to all those concerned to participate in its attainment. More efforts could be exerted by business people to support our actions for furthering our goals in a more dedicated and persevering manner.

On the other hand, government authorities and bodies in OIC countries are kindly requested to cooperate with us, because some of these countries react to the Plan in a bureaucratic way not matching with its intended development role. I would like to appeal to your excellency to kindly have the COMCEC to issue an urgent proclamation for more efforts to be exerted to settle hindrances in the way of implementing the plan as well as all obstacles obstructing the smooth role of the private sector.

Thanks to Allah, our countries are endowed by huge and various resources along with human skills, which if well utilized, would be transferred from being burdens on local economics to a huge generating power, to enable achievements based on sincere intentions, dedication and piety of Allah because in the remembrance of God, hearts find satisfaction, sources develop and progress and prosperity of mankind definitely realized.

The term of piety and fear of Allah is stated 87 times in the Holy Quran intentionally because the Holy Quran is a way of life and worship combining faith with effort. Allah Almighty is keen that we realize our economic benefits through piety, which turn work into worship and work for the Ummah as sacrifice, and group cooperation and solidarity which deserve reward. If we really practice piety comprehensively, Allah would bestow His abundant bounties and blessings upon us and God speaks the truth.

Wassalam Alaikum Wa Rahamatu Allah Wa Barakatu.

ANNEX

6

Original: English

**AGENDA
OF THE TWENTY-THIRD SESSION
OF THE COMCEC**

(Istanbul, 14-17 November 2007)

1. Opening Session
2. Adoption of the Agenda
3. Review of the Implementation of the OIC 10-Year Program of Action relating to Economic Cooperation
4. Reports on Developments of OIC Economic Affairs
 - i. Annual Economic Report
 - ii. Report of the 23rd Meeting of the Follow-up Committee of COMCEC
 - iii. Background Report and Implementation of the Plan of Action of COMCEC
 - Report of the OIC General Secretariat
 - Strategic Plan for Tourism Development in OIC Member Countries
 - Report of the Sessional Committee
5. Expansion of Intra-OIC Trade and Investment
 - i. Annual Report on Intra-OIC Trade
 - ii. Private Sector Meetings of Islamic Countries
 - iii. Trade Fairs of Islamic Countries
6. Second Round of Trade Negotiations on Trade Preferential System among the OIC Member States (TPS-OIC) (Ankara Round)
7. Matters Related to the World Trade Organization (WTO) Activities
8. Cooperation among the Stock Exchanges of OIC Countries
9. Capacity Building Program for Poverty Alleviation in OIC Member States
 - Review of the Implementation of the "Action Plan of OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011)"
10. Exchange of Views on "Micro-Credit Financing and Poverty Alleviation in Member States"
11. Matters Related to Economic Assistance to Some Islamic Countries
12. Any other business
 - i. Renewal of Membership of the COMCEC Bureau
 - ii. Proposal by SESRTCIC on Vocational Education and Training and Action Program for the OIC Member Countries
 - iii. Date of the Twenty Fourth Session of the COMCEC
 - iv. Development of OIC Halal Food Standards
13. Adoption of the Report and Resolutions of the Twenty Third Session of the COMCEC
14. Closing Session

ANNEX

7

Original: English

**TEXT OF PRESENTATION BY H.E. DR. AHMET TIKTIK
UNDERSECRETARY OF STATE PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY AND CHAIRMAN
OF THE SENIOR OFFICIALS MEETING ON THE OUTCOME OF THE
EXCHANGE OF VIEWS ON "MICRO-CREDIT FINANCING AND
POVERTY ALLEVIATION IN MEMBER STATES"**

(Istanbul, 16 November 2007)

Mr. Chairman,
Excellencies,
Distinguished Delegates,

I would like to submit to the august house a summary of the deliberations made by the senior officials on the theme of this year's Exchange of Views, namely, "Micro-Credit Financing and Poverty Alleviation in Member States".

This year, we here introduced new concepts into the exchange of views session. We have invited eminent experts of the field to both Senior Officials Meeting and Ministerial Session. In this respect, we have been honoured by the presence of Professor Muhammed Yunus among us.

Secondly, this year SESRTCIC took an initiative to compile project proposals on the theme of "Micro-Credit Financing and Poverty Alleviation" prior to and during the Workshop held on the subject in July 2007 in Turkey.

During their deliberations, the Senior Officials stressed that Micro-credit is a useful tool to outreach the poorest segments of the society and they made the following useful recommendations:

Member countries are invited;

1. **to develop** a national microfinance strategy in their respective countries and provide a better environment for the Micro Finance Institutions (MFIs).

2. **to consider** the establishment of national funds in the OIC member countries for initial capital injections into MFIs and **requested** the IDB to study the best ways and means of taking up this issue.
3. **to enhance cooperation in** the creation of a legislative framework conducive to the development of the microfinance sector.
4. **to support** raising awareness for microfinance applications in the member countries to expand its outreach and improve technical assistance to build up human resources in the field of microfinance.

In this regard, **improving networking** among MFIs in the member countries and **creating MFI incubators** and **launching degree programs** in the field of microfinance in the OIC countries has been also noted by the Senior officials.

Apart from these recommendations, Senior Officials have also considered project proposals of the workshop compiled by SESRTCIC. These proposals will be submitted to this august body by Dr. Savaş Alpay, Director General of SESRTCIC, therefore I skip them.

These recommendations which are incorporated into the Draft Resolution Number One are made available to you in three OIC languages.

This completes my presentation on the outcome of this year's Exchange of Views Session, held at the level of Senior Officials.

Thank you.

ANNEX

8

REPORT AND RECOMMENDATIONS OF THE WORKSHOP

A. BACKGROUND

In the year 2000, at the UN Millennium Summit, the world community agreed on a common platform and agenda to alleviate extreme poverty in the world by adopting the UN Millennium Declaration. The Millennium Development Goals (MDGs) promote policies that would reduce gender inequalities, and empower people to better opportunities. The UN Millennium Project underlined the efficacy of microfinance as an effective anti-poverty tool by identifying it as: *"one of the development strategies ... that should be implemented and supported to attain the bold ambition of reducing world poverty by half"* A powerful endorsement of the importance of the microcredit financing has come from the United Nations when year 2005 was designated as *the International Year of Micro-Credit*.

The Nobel Peace Prize has been awarded to 94 individuals and 19 organizations since 1901. The 2006 Nobel Prize laureate, Dr. Muhammad Yunus, is a rare economist with this very prestigious title. He shared the prize with his brainchild, the Grameen Bank. The Swedish Nobel Academy declared that he and the Grameen Bank were given this honor for "their efforts to create economic and social development from below." What made him eligible for the prize was the unorthodox idea that poor people are creditworthy. Today, about two decades after his establishment of the Grameen Bank to reach the poor, thousands of institutions are in the business of microfinance, and the excitement for its potential for poverty alleviation is as high as ever.

The 22nd Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC) held in Istanbul in November 2006 designated the SESRTCIC to take full responsibility as the coordinator institution for the exchange of views sessions of the COMCEC. The Session also designated "Micro-Credit Financing and Poverty Alleviation in Member States" as the theme for the Exchange of Views at the 23rd Session of the COMCEC, due to take place in November 2007 in Istanbul, and requested the SESRTCIC, in collaboration with the IDB, the OIC General Secretariat, relevant OIC institutions and other related international organizations,, to organize a workshop on this topic prior to the 23rd Session of the COMCEC and to submit its report to the said Session.

Traditional banking sector cannot reach millions of poor for whom small loans could make huge differences. Due to the moral hazard problem (that individuals will take excessive risk in using others' money unless they have something to lose as well in case of bad luck), banks have to require physical collateral to secure the loan in case of default in the conventional system. However, poor people in most countries lack physical assets that could be used as collateral. Furthermore, economic activities undertaken by the poor, such as agriculture, are intrinsically riskier than most other activities in the economy. As a result, the poor cannot have access to credit through the traditional banking system. The only source of credit is local money-lenders at exorbitantly high interest rates. Given the large poor populations in most developing countries, a large proportion of the population is excluded from the formal financial sector. In some countries such as Ghana and Tanzania, only about 5-6 % has access to the banking sector.

Microfinance institutions alleviate the moral hazard problem through some innovative techniques such as group lending, sequential lending or progressive lending. In group lending models, social trust is used as the collateral. Borrowers form small groups which will be responsible for the

payment of loans received by any one of their members. These groups are usually self-selected. This way, the micro-finance institution solves two major problems of financial markets; adverse selection and moral hazard. Adverse selection refers to the finding that higher interest rates will attract riskier borrowers while moral hazard refers to the observation that people tend to take more risk when the cost is borne by someone else. Group lending alleviates the problem of adverse selection as riskier individuals will have difficulty to find a group that will support them. Similarly, the group will monitor the activities of its members in order not to be liable for the loans taken by a reckless member. This is one of the reasons why the repayment rates are surprisingly high for the microfinance sector. Sequential lending and periodical lending are based on repeated interaction between the microfinance institution and the micro-entrepreneur. More loans are disbursed as the micro-entrepreneur proves its creditworthiness by regular repayments.

Despite the strong endorsement by the prestigious international bodies such as the United Nations and the Swedish Nobel Academy, microfinance is not a panacea for poverty alleviation. Although microfinance is considered as a successful poverty alleviation tool, the sector faces serious problems such as outreach and sustainability.

Poor's access to credit comes at a steep price. The cost of operating microfinance institutions is much higher than their traditional commercial counterparts. There are significant overhead costs, such as costs of making payments, keeping open offices, the cost of loan monitoring, etc., which is independent of the size of transaction. As a result, the cost per dollar for a microfinance institution that mostly deals with transactions less than \$500, in some cases even less than \$50, is much higher than that for a commercial bank. Furthermore, most poor are rural, they are dispersed, and they have low education levels, if at all. As a result, loan officers will have to spend more time per transaction, raising the operating costs even further. In order to cover these higher operation and administrative costs, these institutions need to charge higher interest rates. This reality creates a tension between the sustainability of microfinance sector and the depth of its outreach. In some cases, interest rates charged by microfinance institutions reach above 60%. The average interest rate charged is above 30%. These high interest rates invite questions about the efficacy of microfinance as a poverty alleviation tool. Microfinance mainly benefits the poor, right below the poverty line, and the vulnerable non-poor, right above the poverty line. High interest rates discourage the poorest to use credit even if it would be profitable for them to borrow at commercial interest rates. Thus, high administrative costs creates a tension between sustainability and outreach; two significant issues in microfinance.

A large proportion of MFIs is not sustainable, and they rely on donor support for capital costs, training or technical assistance. Although there are some arguments against such support such as crowding out other important causes and crowding out commercially minded MFIs, there are also several arguments in its favor. These arguments emphasize the view that MFIs are powerful tools of alleviating poverty. One of these arguments suggests that micro-loans empower the poor in a way charity cannot. Since most microfinance institutions target women, the empowering impact is especially strong for women. Micro-loans enable the poor to earn a living on their own. Instead of relying on donor support on an indefinite basis, micro-entrepreneurs can escape the poverty cycle. Another argument for supporting MFIs is their informational advantage. Since the MFIs are in the field, they can target their assistance much better than a centrally administered charity. There is also a multiplier effect of funds which are donated to support the microfinance sector. An MFI may leverage the support by mobilizing savings or accessing capital markets. Furthermore, a successful MFI can return some assistance to donors. Supporting microfinance sector also creates some

external benefits by mobilizing savings under the mattress, and contributes to the development of the financial sector of the economy.

Experience has shown that governments should not be directly involved in the delivery of financial services or the management of microfinance initiatives. Governments should develop appropriate policies for healthy development of the sector, such as the regulatory and supervisory framework and the integration of microfinance with the traditional financial sector. These frameworks need to be well-adapted and flexible, depending on the stage of maturity of the microfinance sector and its specific local characteristics.

Another issue is the form of the support to be given to the MF sector, if there is a supply of funds dedicated for this purpose. If not well-designed, subsidies may distort incentives. They may encourage the survival of inefficient MFIs at the expense of more efficient ones. If some MFIs get support for their operating expenses while others do not, then subsidized MFIs may not act responsibly, while more commercially minded ones will find it difficult to compete with inefficient, though subsidized, MFIs. If the MFIs keep getting support due to their high operating expenses, this could put a break on their incentive to innovate. Hence, support for the MFI sector must be well-designed not to distort incentives and not to lead to inefficient firms gaining advantage over efficient ones.

What is the best way of helping the microfinance sector? One way of providing non-distortionary assistance is the establishment of start-up funds for newly established firms to help with their start-up costs. This will ease the burden of establishing a new firm, but it will not affect the decisions at the margin, ensuring a competitive marketplace. If on-going support is needed, this must be designed not to distort incentives. For example, support money could be used to fund an apex organization or network of microfinance institutions. Such a network could undertake significant activities that will help the entire sector and improve the overall efficiency in the market. Programs such as offering training to managers on a periodical basis, educating loan officers for microfinance institutions, organizing contests for innovative methods, translating material published in another language to the local languages, improving infrastructure, etc. will improve the overall efficiency of the market.

In order to build successful inclusive financial systems, some critical factors should be taken into account. In addition to having access to credit, members of poor communities also need income generating skills, and an understanding of market structures. Government programs could run alongside microfinance institutions to provide these supporting services in partnership with these institutions. The sector will also immensely benefit from training provided to junior and senior level microfinance staff. The aim of government support should be strengthening private sector institutions, and it should not put political pressures on the management of the MFIs.

An important Islamic prohibition is the involvement in usury. This creates reluctance for being involved in the traditional financial sector for many Muslims. This led to the creation of Islamic finance strategies that incorporate interest-free operations. Islamic finance methodologies are being applied by new microfinance programs as well. Developing this sector is also a crucial task as this will immensely increase the number of poor people who would like to make use of opportunities brought by micro-credit financing.

After being assigned the responsibility for coordinating the exchange of views session at the 23rd Session of the COMCEC with the theme "Micro-Credit Financing and Poverty Alleviation in OIC Member States," SESRTCIC designed a questionnaire to be sent to the OIC member countries to identify common problems of and future expectations for microfinance operations in the member countries. The responses to the questionnaire highlighted that there were five main problems encountered by the users of microfinance: lack of awareness, lack of familiarity with the formal financial sector, scarcity of credit, rigid practices and the cost of seeking finances, at rates similar to each other, around 20%. Regarding the major problems faced by the microfinance institutions, the three most highlighted responses were lack of a network, maintaining sustainability, and inefficient institutions. According to the questionnaire results, although all respondents found training necessary, only 67% of MFIs offered training to their loan users. Policy makers were able to receive training in only 12% of the respondent countries. These responses were instrumental in setting up the workshop program. The questionnaire and its results in detail are presented in Appendix 4 and Appendix 5, respectively.

B. WORKSHOP

As a second step towards realizing the objectives of the Exchange of Views session, SESRTCIC worked on to organize a workshop on the topic. The ultimate goal of the Exchange of Views session, and hence of the workshop, was to propose policies to alleviate the problems of microfinance industry as identified in the literature and survey responses. In this connection, the SESRTCIC contacted experts and practitioners of microfinance that could identify the problems and/or solutions to these problems in microfinance.

The objective was to construct a common pool of project ideas, which could bring forth innovative approaches, never practiced before, and/or could expand proven practices to new frontiers. The purpose was to come up with a menu of project ideas from which interested parties (governments, microfinance network or individual microfinance institutions) could try what they find suitable for their circumstances.

In this framework, the main themes of the workshop were determined as to

- > highlight some success stories and best practices of micro-credit financing systems and institutions in and outside the member countries and draw useful lessons from their experience,
- > discuss the possibility of improving networking and training in the micro-credit financing sector in the OIC member countries,
- > discuss how to raise awareness of microfinance, and
- > assess the role of micro-credit in financing small and medium sized enterprises (SMEs).

On July 9-10, 2007, SESRTCIC organized the workshop entitled "Microcredit Financing and Poverty Alleviation in OIC Member States" with generous financial support from the Islamic Development Bank. The workshop program is given in Appendix 1. The workshop brought together a diverse, international group of speakers from microfinance institutions, international organizations and the OIC institutions who shared their experiences and opinions on different aspects of microcredit financing. The list of participants and their institutions are listed in Appendix 3.

C. PRESENTATIONS

In the opening session, Mr. Albaraa Tarabzouni, representing OIC General Secretariat, Mr. Nuri Birtek, the Secretary General of ADFIMI, Mr. Ferruh Tigli, Head of COMCEC Coordination Office, and Mr. Nedhal al-Ajuan from Bahrain Development Bank (BDB) reviewed the current situation of OIC Member Countries with regard to main socioeconomic indicators and emphasized the importance of microfinance in alleviating poverty. The final speaker of the opening session, Dr. Savaş Alpay, Director General of the SESRTCIC, emphasized the important role that could be played by microcredit financing in poverty alleviation, and expressed his expectation that the workshop would lead to some concrete policy proposals to improve the expansion and poverty alleviating impact of microfinance in OIC member states.

The workshop incorporated five sessions of invited presentations and two sessions of open discussion. The discussion sessions aimed to elaborate the ideas presented during the day to form the basis of the project ideas to be presented to the COMCEC. The workshop schedule and the summary of each presentation are included in the appendices of this report. Full presentations are available at the SESRTCIC web-page.

The first session of the workshop, "Challenges Facing the Microfinance Sector in OIC Member States," dealt with macro issues in microfinance. In this session, chaired by Ms. Attiya Nawazish Ali from ICO, Mr. Abdulaziz Slaoui discussed the activities of the IDB to promote microfinance in its member countries; Mr. Abdoul Anziz Said Attoumane informed the audience about the BIFSA (Building Inclusive Financial Sectors in Africa); Mr. Nimal Fernando summarized the Asian Development Bank's activities in microfinance, the necessity to develop a microfinance strategy and its components; and finally Mr. Abdulrahman Sehebani talked about the SMEs, the institutions financing the SMEs, and the recommendations for the development of these institutions in Saudi Arabia.

The second session of the workshop addressed meso issues in microfinance, including networking and training & technical cooperation, and was chaired by Mr. Nimal A. Fernando from the Asian Development Bank (ADB). Mr. Raja Mohammad Anayat, Dr. Mostaq Ahmmed, Mr. Abdoul Anziz Said Attoumane, and Mr. Youssef Mohammad Fawaz presented their works in this session. While Mr. Anayat discussed activities of Technical Cooperation Office at the IDB, the other three speakers summarized the activities of three major networks in the OIC member countries as well as the important points of establishing a network. Mr. Ahmmed summarized the activities of the FINCA network with special focus on Afghanistan, Mr. Attoumane talked about the African Microfinance Network, and Mr. Fawaz discussed the activities of Sanabel.

The last session of the first day of the workshop was devoted to a general discussion of issues and concerns in the microfinance industry. The participants divided into two discussion groups, covering macro issues (policy making, regulation) and meso issues (training, networking, technical cooperation), with the objective of sharing ideas to come up with project proposals and recommendations. These recommendations and proposals are given in the last section of the report.

Chaired by Prof. H. I. Latifee from Grameen Trust-Bangladesh, the fourth session of the workshop explored the issue of financing SMEs. Ms. Nedret Ugur Yavuz discussed the activities of KOSGEB, Small and Medium Sized Industry Development Organization in Turkey, Ms. Attiya Nawazish Ali emphasized the importance of creating a network of SMEs in OIC member states,

while Mr. Amadou Cire Sail discussed the benefits of forming export consortia in terms of adding strength to the SME sectors in member states.

Held under the chairmanship of Mr. Ferruh Tigli from COMCEC Coordination Office, the fifth session of the workshop was devoted to workings of some of the most successful microfinance institutions in the world. Mr. Hossain I. Adib from BRAC-Bangladesh, Mr. Ismanto from Bank Rakyat Indonesia, and Prof. H. I. Latifee from Grameen Trust narrated the successful applications undertaken by their corresponding institutions.

Chaired by Mr. Youssef Mohammad Fawaz from Sanabel, the sixth session of the workshop was dedicated to innovative practices in the microfinance industry. Mr. Abbas Arabmazar from Bank Keshavarzi of Iran discussed the qard al hassan funds in Iran; Mrs. Aicha El Hammoumi from Zakoura Foundation talked about the audio visual programs prepared by the Zakoura as well as its easy-to-read newspaper; Ms. Belgin Guzaltan from KEDV discussed how they started microfinance following two devastating earthquakes in Turkey in 1999; Mr. Mahmoud Assad from RCDP-Syria talked about Rural Community Development at Jabal al Hoss in Syria, an initiative supported by the UNDP; and finally Mr. Shelby Clark explained how the unique internet loan system introduced by Kiva Microfunds enables regular citizens in developed countries to contribute to the funding of the microfinance institutions in developing countries.

The last session of the second day of the workshop was devoted to discussion regarding various issues and concerns in relation to the microfinance industry. The participants shared their views on innovative/best microfinance practices to come up with project proposals and recommendations to overcome the problems faced as well as to facilitate or enhance the operation of microfinance industry at national, regional, and OIC level. These proposals and recommendations are summarized in the following section.

D. RECOMMENDATIONS

Participants in the workshop agreed on the following recommendations:

- > Development of a national microfinance strategy in each interested Member Country.
- > Organizing more specific workshops on detailed aspects of microfinance. Government officials should be invited to such workshops.
- > Creation of a legislative framework conducive to the development of the sector with the following steps:
 - Formulating a national vision prior to legislation.
 - Preparing a model law serving as an outline for countries to build on, depending on their domestic legislative conditions. The model law should also take into consideration future dimensions.
 - Undertaking consultation with the microfinance actors.
 - Organizing a series of workshops focusing solely on the legal aspects of the microfinance sector.
 - Enacting legislation allowing deposits where there is demand for it.
- > Providing a better environment for the MFIs:

- Eliminate inappropriate interventions of governments.
 - Governments should create enabling conditions to secure access to the market and microfinance operations.
 - Governments should undertake investments in infrastructure so as to facilitate the operation of the MFIs by enabling easier access to remote areas, which will decrease operation costs and result in better outreach.
- > Establishing a fund within the Islamic Development Bank for microfinance.
 - > Raising awareness for microfinance applications to expand the outreach.
 - > Improve technical assistance.
 - > Improve networking among MFIs.
 - > Establishment of export consortia
 - > Establishment of a network of SMEs across the OIC
 - > Creation of MFI incubators in Africa and elsewhere
 - > Establishment of funds for MFIs in OIC member countries for initial capital injections
 - > Combination of environmentally friendly practices with SME development
 - > Formation of degree programs in the field of microfinance in OIC countries.

E. PROJECT PROPOSALS

The workshop is organized with the objective of formulating remedies for some of the current problems in the microfinance sector. Both prior to the workshop and during the workshop SESRTCIC staff compiled a menu of project ideas to propose to the COMCEC meeting to inform the governments about the possible ways to improve the effectiveness of the microfinance sector in reducing poverty and to make these available for the microfinance sector at large. It has to be clearly stated that what works wonders in one country/region may not be applicable in another country, and individual MFIs will be the best judges on what works in their specific contexts. The purpose is to make the results of the research by the Centre available for all the interested parties, and make some suggestions to the OIC related institutions to improve the workings of the sector.

The submitted project proposals are classified under five categories:

- > Establishing Networks for Microfinance and SMEs
- > Raising Awareness of Microfinance
- > Education and Training
- > Innovative Use of Technology
- > Islamic Microfinance

Establishing Networks for Microfinance and SMEs

Both the initial research conducted and the discussions during the workshop highlighted the significance of establishing a microfinance network that will facilitate the dissemination of knowledge among the OIC countries. Networks could undertake many activities that will improve the working of the entire sector by organizing training for junior and senior staff at the MFIs, such

as translating essential publication to local languages, and organizing programs to encourage innovation.

Three project proposals have been submitted under this category:

- > *Center for Microfinance*, by Foundation for International Community Assistance (FINCA) - Afghanistan
- > *The OIC Network of SMEs Agencies (ONSA)*, by Institution/Organization: Islamic Chamber of Commerce and Industry (ICCI)
- > *Export Consortia*, by Islamic Centre for Development of Trade (ICDT)

Title: *Center for Microfinance*

Institution/Organization: Foundation for International Community Assistance (FINCA) - Afghanistan

Description of the Project: Establishing a center for microfinance will be instrumental for the following purposes:

- a) Awareness and advocacy for microfinance and SME development
- b) Training and capacity building
- c) Skill development and vocational training
- d) Resource mobilization
- e) Building linkages with the capital markets to generate investment funds
- f) Legal framework and policy formulation
- g) Human resource development and exchange of expertise in the region
- h) Financial education
- i) Research and documentation
- j) On-line documentation and audio-visual

Who will benefit from a potential project?

All parties that could be potentially involved in microfinance will benefit from a centre that will organize the activities mentioned above, and facilitate communication among the partners.

Which institutions could implement such a project?

FINCA will be willing to take part in this project in coordination with major microfinance partners in the OIC member countries such as Sanabel, BRI, ICMSE, ADB as well as OIC and its institutions.

Which activities are essential at the outset?

The following must be undertaken prior to the establishment of a microfinance center:

- 1) Preparing Businesses Plan and Technical Project Proposal
- 2) Raising Initial seed money to initiate the project
- 3) Identify the country location for Head Office
- 4) Registration
- 5) Promotion and communication
- 6) Program implementation and piloting the project activities

Which institutions could monitor the progress of a project based on the presentation ?

A management monitoring cell would be created through ensuring participations from each partner organization. In addition, periodical supervision and an analysis of performance indicators would be introduced.

What would be the criteria in evaluating the progress?

Outreach measures, sustainability and profitability.

Title: *The OIC Network of SMEs Agencies (ONSA)*

Institution/Organization: Islamic Chamber of Commerce and Industry (ICCI)

Description of the Project: ONSA would be assigned the responsibility of reviewing, selecting and implementing SME development initiatives, including coordinating exchanges of SME Development Experts between member countries; providing a platform for exchange of information; supporting technology upgrading; promoting trade and joint ventures between SMEs in OIC countries; developing an effective e-marketplace for SMEs in member countries; organizing SME Trade Fairs and matchmaking between SMEs.

Who will benefit from a potential project?

Private Sector, SME Agencies, Non-Governmental Organizations (NGOs), Financial Institutions

Which institutions could implement such a project?

All Member Chambers, SMEs Agencies, SME Financing Institutions of the OIC Member Countries; Special Unit for South-South Cooperation would act as partners in implementing the project, while OIC related institutions could also act in implementing the project.

Which activities are essential at the outset?

Support from the COMCEC and by the relevant OIC foras for the establishment of the concerned body

Which institutions could monitor the progress of a project based on the presentation ?

ICCI along with the Committee Members of the Network would monitor and manage the progress of the project.

Title: *Export Consortia*

Institution/Organization: Islamic Centre for Development of Trade (ICDT)

Description of the Project: SMEs find it difficult to export because of large fixed costs of exporting. Establishing export consortia will collect the strength of these small firms together, and will enable to compete in export markets. This way, they will not replicate the fixed costs such as marketing, information costs, market research, etc.

Who will benefit from a potential project?

SMEs, those employed by SMEs in OIC member states.

Which institutions could implement such a project?

ICDT and Chambers in member states.

Which activities are essential at the outset?

Determining the type of export consortia (sector-specific, location-specific, etc); finding funding; determining activities to be shared.

What would be the criteria in evaluating the progress?

The export revenue earned by SMEs, the share of SMEs in total exports.

Raising Awareness of Microfinance

In the survey conducted by the SESRTCIC among the OIC member states, lack of awareness was listed among the top problems facing the microfinance institutions. In many countries, the poor may not be even aware of the possibility of finding funds to realize their dreams. On the other hand, we came across several innovative ways of raising awareness of microfinance in member states. Some of these methods include rewarding the most successful micro-entrepreneurs, or making TV shows that exemplifies the lives of some micro-entrepreneurs to be models for other aspiring individuals. We summarize some methods below. Although these methods are implemented by the individual MFIs, governmental and intergovernmental institutions have important roles to play. For example, state-funded media may devote some time to tell the story of the successful micro-entrepreneurs awarded by the microfinance networks, or they may develop model video programs which could be edited by the individual MFIs according to their context.

In this concern, four project proposals have been submitted under this category:

- > *Moufida*, by Zakoura Foundation (Morocco)
- > *Microfinance Infomercials*, by Zakoura Foundation (Morocco)
- > *Micro-entrepreneur of the Year Award*, by Sanabel (Egypt)
- > *Microfinance Promotion Contest*, by Consultative Group to Assist the Poor (CGAP)

Title: Moufida

Institution/Organization: Zakoura Foundation (Morocco)

Description of the Project: The education level among the microfinance clients could be very low. Informative/inspiring TV shows could help to improve the knowledge of such clients. While they wait for their loan disbursement at the microfinance institution's office, a video show aired could inform them on a variety of subjects.

Who will benefit from a potential project?

The primary beneficiary is the micro-borrowers who will gain some knowledge through this project. Microfinance institution may also benefit as this show helps them to deal with more knowledgeable clients.

What will be the process ?

Short visual shows could be prepared by the national/regional network. These shows are then distributed to the microfinance institutions which are interested to show them at their offices at no or minimal fees.

Which institutions could implement such a project?

A network/alliance of microfinance institutions could implement such a project. Alternatively, one major MFI could produce such a show and sell it to other interested MFIs.

Which activities are essential at the outset?

To determine the contents of the show, to estimate the number of clients that could be reached with such shows

Which institutions could monitor the progress of a project based on the presentation?

Individual MFIs

Title: Microfinance Infomercials

Based on: Moufida by Zakoura Foundation (Morocco)

Description of the Project: Lack of awareness has been listed as one of the most significant problems facing microfinance institutions. This lack of awareness could be overcome with the help of visual media. Most poor households have access to TV, and airing short infomercials about microfinance industry and/or some short success stories will raise the awareness of the existence of the microfinance sector.

Who will benefit from a potential project?

Both the poor households who were not aware of the availability of micro loans and the microfinance institutions which will have increased their number of customers.

What will be the process?

Short infomercials will be prepared or commissioned by the ministry dealing with microfinance or poverty reduction. These will be aired by the TV stations that are willing to contribute to the promotion of the microfinance sector. Even if commercial TV stations are not willing to air these shows, state-run TV stations could be used for this purpose.

Which institutions could implement such a project?

Two institutions are crucial for the success of such a project: one that will pay for the preparation of the show, and the TV station that will air the show. The scope for cooperation across OIC member states is limited since these shows must be culture-specific to be more effective.

Which activities are essential at the outset?

Preparing effective scenarios; securing air-time for the show.

Which institutions could monitor the progress of a project based on the presentation ?

Relevant ministry in consultation with the microfinance institutions in the country/region.

What would be the criteria in evaluating the progress?

Rating of the TV show; change in the number of clients which could not be accounted by other positive factors.

Title: *Micro-entrepreneur of the Year Award*

Institution/Organization: Sanabel (Egypt)

Description of the Project: A fixed number of micro-entrepreneurs are chosen to be the "Micro-entrepreneur of the Year" based on some predetermined criteria such as profitability, change in assets, improvement in the welfare of their family, etc. Winners will be announced to celebrate their success, and they will be given some grants to expand their business.

Who will benefit from a potential project?

All micro-entrepreneurs: the winner will win the prize. Others will win as they will have something to aspire to, and hence they will work more to be the winner.

What will be the process?

Announcing the prize (Visual media could be the most effective) and the criteria to win; selecting the winner.

Which institutions could implement such a project?

These awards could be implemented at different levels of integration: regional awards by a regional network (as in the case of Sanabel), national awards by a national network or national government, individual MFIs.

Which activities are essential at the outset?

Determining the criteria; finding the funding for the prize.

Which institutions could monitor the progress of a project based on the presentation ?

Funding institutions.

What would be the criteria in evaluating the progress?

Monitor the performance of micro-entrepreneurs in the indicators chosen as the criteria identified to choose the winner.

Title: *Microfinance Promotion Contest*

Institution/Organization: Consultative Group to Assist the Poor (CGAP)

Description of the Project: A fixed number of visual/audio promotion tools (short movie, song, photography as in the case of CGAP, etc.) are selected from entries to an annual contest.

Who will benefit from a potential project?

Both the winners who have a chance to promote their work and the microfinance sector as it will have a chance to choose better promotion tools.

What will be the process ?

The contest and the acceptable media are announced. A jury is formed from the MFI officials and MFI clients. A fixed number of winners are selected. Winners' output are used in various media to raise microfinance awareness.

Which institutions could implement such a project?

Networks; large MFIs; government.

What are pre-requisites for the project? Which activities are essential at the outset?

Determination of the acceptable media; how to announce the contest; how to make use of the winning entries; funding the prize.

What would be the criteria in evaluating the progress?

Number of entries; the impact on raising awareness.

Education and Training

One of the bottlenecks for the development of microfinance sector is training. This is a multi-dimensional problem. Both the senior and junior level MFI management needs training to improve the management of these institutions. Loan officers need training to better interact with clients. Clients need training to better understand how to do business. Each of these requires different modes of delivery. It is possible to offer training to senior level management at far away places, but on-line courses could be the best way to offer training to loan officers.

In this concern, five project proposals have been submitted under this category:

- > *Microfinance Managers Training Program*, by Consultative Group to Assist the Poor (CGAP)
- > *Financial Education for the Poor*, by Bank Rakyat Indonesia (BRI)
- > *Technical Assistance for MFI Business Development*, by Bank Rakyat Indonesia (BRI)
- > *On-line Training Program for Loan Officers*, by Grameen-Jameel
- > *Microfinance Translation Project*, by OIC Institutions

Title: *Microfinance Managers Training Program*

Institution/Organization: Consultative Group to Assist the Poor (CGAP)

Description of the Project: CGAP offers short practical courses to managers of MFIs to widen their skills, and hence to improve the quality of management in the MFI sector. These courses are offered in Boulder and in CGAP partners across the world. Similar programs could be arranged by regional networks in appropriate languages and locations, partnering with CGAP if needed.

Who will benefit from a potential project?

The entire MF sector will benefit from better management.

What will be the process?

Determining the languages/locations to deliver training programs, consulting with CGAP to secure their assistance; carrying out translation if needed; finding partnering universities to use teaching facilities; finding instructors.

Which institutions could implement such a project?

An MFI network/center; partnering educational institutions.

What would be the criteria in evaluating the progress?

The number of managers attending the program; the change in the quality of management.

Title: *Financial Education for the Poor*

Institution/Organization: Bank Rakyat Indonesia (BRI), Microfinance Opportunities, Freedom from Hunger (www.globalfinancialeducation.org)

Description of the Project: Most micro borrowers have inadequate knowledge and skills in financial management. These problems can be alleviated through financial training that could be offered in conjunction with microfinance services.

Who will benefit from a potential project?

Micro borrowers (and savers, when relevant), microfinance institutions as they deal with better informed clients.

What will be the process ?

Financial education could be required for first-time borrowers; and borrowers may have to attend a training session prior to obtaining their loans. The following subjects could be taught: budgeting; debt management; banking products; marketing strategies; business development; savings.

Which institutions could implement such a project?

Microfinance institutions; apex organizations; government institutions.

Which activities are essential at the outset?

Conducting market research to determine needs; finding donors/investors to fund training sessions; developing/obtaining training material; planning for accommodation and transportation.

What would be the criteria in evaluating the progress?

Number of repeated loans; number of clients' business expansion; number of clients' turnover.

Title: *Technical Assistance for MFI Business Development*

Institution/Organization: Bank Rakyat Indonesia (BRI)

Description of the Project: Most MFIs depend on donors due to low productivity. Technical assistance from a well-established MFI may help them to achieve sustainability.

Who will benefit from a potential project?

MFIs that are at the verge of sustainability.

What will be the process?

Sustainability could be achieved by receiving technical assistance/consulting services on human resource management, product development, marketing strategies, risk management, staff training and development and monitoring, reporting and supervision.

Which institutions could implement such a project?

BRI is willing to take partners.

Which activities are essential at the outset?

Finding donors/investors, planning the budget, establishing a marketing linkage.

Which institutions could monitor the progress of a project based on the presentation?

Donors/investors; institutions that are giving the training.

What would be the criteria in evaluating the progress?

Profitability, meeting loan demands, outreach coverage.

Title: *On-line Training Program for Loan Officers*

Institution/Organization: Grameen-Jameel

Description of the Project: As the MF sector grows, there will be an increased demand for loan officers who are dealing with poor clients face-to-face. In order to train an adequate number of loan officers, on-line training programs could be an appropriate way. Since the loan officers will be able to stay in their hometowns, this will not interrupt their work. Such training will focus on how best to deliver microfinance services.

Who will benefit from a potential project?

Loan officers, MFIs employing more skilled officers.

What will be the process?

Developing/borrowing training material.

Which institutions could implement such a project?

Individual MFIs, national/regional apex organizations.

Which activities are essential at the outset?

Developing the material; securing funding; securing faculty to monitor the progress of on-line trainees.

What would be the criteria in evaluating the progress?

Performance criteria for the MFI; number of on-line trainees; the rate of graduation.

Title: *Microfinance Translation Project*

Institution/Organization: OIC Institutions

Description of the Project: There is a good amount of material available on microfinance published by international bodies such as CGAP, MFC, MicroSave, etc. However, due to language problems, some MFI staff may not be able to have access to this material. Translation of this material to local languages of OIC member states may help MFIs in these countries to train their staff.

Who will benefit from a potential project?

MFIs in countries where English is not a commonly spoken language.

What will be the process?

Source materials to be translated will be identified; the permissions to translate the material will be secured; languages for the materials to be translated will be determined; translations will be carried out.

Which institutions could implement such a project?

An OIC branch institution could be designated for this job. Alternatively, if an OIC-wide MFI network is established, this network could carry out the translation project.

What would be the criteria in evaluating the progress?

The amount of material translated; the number of users.

Innovative Use of Technology

This category highlights the importance of technology in renovating the microfinance sector so as to better operate for the benefit of all the stakeholders of microfinance, whose use of technology significantly enhances their ability to carry out their mission and to achieve their objectives. In this regard, the project proposals here aim to integrate technology with microfinance applications in an innovative way to address the challenging problems in the microfinance sector.

In this concern, two project proposals have been submitted under this category:

- > *Internet Loans*, by Kiva Microfunds
- > *Village Phone*, by Grameen Foundation

Title: *Internet Loans*

Institution/Organization: Kiva Microfunds

Description of the Project: An internet fund collects deposits from individuals for partnering MFIs. These loans are supposed to be paid back with no interest payments. This way, the same individual can keep giving loans for new individuals as earlier loans are paid back. MFIs will have access to low-cost capital, making it easier for them to invest in their productivity.

Who will benefit from a potential project?

MFIs, micro-entrepreneurs.

What will be the process?

Establish the internet fund company in consultation/partnership with Kiva; find partnering MFIs in OIC member states, enable individuals to send deposits to the company, channel funds to partnering MFIs.

Which institutions could implement such a project?

An internet fund company monitored by a governmental/inter-governmental agency.

What would be the criteria in evaluating the progress?

Amount of funds collected; repeat loaners; repayment rate; productivity improvement in partnering MFIs.

Title: *Village Phone*

Institution/Organization: Grameen Foundation

Description of the Project: A kit that includes a mobile phone, booster antenna, recharging solution and cables, are sold to an individual in a remote village on credit. The person who purchased the kit sells telecommunication services in this remote area. The loan is repaid with revenues generated.

Who will benefit from a potential project?

Villagers who have access to telecommunication services; the micro-entrepreneur who is running the Village Phone business.

What will be the process?

Determine the areas which do not have access to telecommunication services; find an MFI that will be willing to enter this business.

Which institutions could implement such a project?

Grameen Foundation in collaboration with individual MFIs in interested OIC member countries.

Which activities are essential at the outset?

Determining the regions where there is demand for telecommunications services; finding an MFI that will be able to give out the loans.

What would be the criteria in evaluating the progress?

Volume of calls made to/from the village; proportion of micro-entrepreneurs who are able to pay back their loans.

Islamic Microfinance

Due to the prohibition of usury, many Muslims avoid formal/micro finance business. Developing Islamic microfinance alternatives is crucial to take into account the considerations of people who are sensitive in religious issues.

In this concern, one project proposal has been submitted under this category:

- > *Village Development Funds*, UNDP- Rural Community Development Program (RCDP) - Syria

Title: *Village Development Funds*

Institution/Organization: UNDP- Rural Community Development Program (RCDP) - Syria

Description of the Project: This is a self-reliant local microfinance institution. Savings of a village is the source of loans given in the village. This system mobilizes local savings and uses local human resources. Owner-members choose financial products. Profits are used to cover the administrative costs. Personal/group guarantees or physical collateral are required to reduce the risk.

Who will benefit from a potential project?

Villagers.

What will be the process?

Initial capitalization through member share capital; donors' capital injection after satisfactory performance.

Which institutions could implement such a project?

Donors, banks.

Which activities are essential at the outset?

Selecting appropriate villages (with populations of 300 or more).

What would be the criteria in evaluating the progress?

Outreach indicators, repayment performance, socio-economic impact, profitability.

ANNEX

9

Original: English

**THE REPORT
OF THE FORUM ON ENHANCEMENT AND
PROMOTION OF TRADE AND INVESTMENT IN
COTTON SECTOR AMONG OIC MEMBER COUNTRIES**

(Istanbul, 12-13 November 2007)

1. The Forum on Enhancement and Promotion of Trade and Investment in Cotton Sector among OIC Member Countries was held in Istanbul, Republic of Turkey, on 12-13 November 2007.

2. The Forum was attended by the representatives of the following Member States of the Organization of the Islamic Conference (OIC):

1. Republic of Azerbaijan
2. People's Republic of Bangladesh
3. Republic of Benin
4. Burkina Faso
5. Republic of Cote d'Ivoire
6. Arab Republic of Egypt
7. Republic of Indonesia
8. Republic of Kazakhstan
9. Malaysia
10. Kingdom of Morocco
11. Federal Republic of Nigeria
12. Islamic Republic of Pakistan
13. Republic of Senegal
14. Republic of Sudan
15. Syrian Arab Republic
16. Republic of Tajikistan
17. Republic of Tunisia
18. Republic of Turkey
19. Turkmenistan
20. Republic of Uganda
21. Republic of Uzbekistan

3. The Meeting was also attended by the OIC General Secretariat, the COMCEC Coordination Office (CCO), Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC), Islamic Centre for Development of Trade (ICDT), the Islamic Development Bank (IDB), Islamic Chamber of Commerce and Industry (ICCI), African Development Bank, BSIC (CEN-SAD), BADEA. The Forum was also attended by 46 private companies and 17 chambers of trade and commodity exchange in Turkey and representatives of 20 private companies from other member countries. The Forum was also attended by 9 international organizations. A copy of the List of Participants is attached as Annex-I.

4. Following a recitation of verses from the Holy Qur'an, Ambassador Nabika DIALLO, Adviser to H.E. Secretary General of the OIC read out the message of the H.E Prof. Ekmeleddin IHSANOGLU. In his message, H.E Prof. IHSANOGLU expressed his deep gratitude to the Government and people of the Republic of Turkey and particularly Ministry of Industry and Trade, for the successful organization of this important Forum. He mentioned that this cotton forum will look into all the challenges facing the member countries in cotton sector and evolve ways and means to allow for an optimum development of this important sector in the member states. Prof. IHSANOGLU stated that the Third Expert Group Meeting on Enhancing Production Efficiency and International Competitiveness in OIC Cotton Producing Countries, held in Antalya, Turkey, on 9-12 October 2006, adopted the Action Plan for OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011) and this Action Plan was approved by the 22nd Session of the COMCEC. He hoped that the implementation of this Five-Year Action Plan will increase the cotton production efficiency and the higher competitiveness for this product in the OIC Member States. A copy of the Statement of H.E Prof. Ekmeleddin IHSANOGLU, Secretary General of the OIC is attached as Annex-II.

5. H.E. Zafer ÇAĞLAYAN, Minister of Industry and Trade of the Republic of Turkey, addressed the meeting. In his statement, H.E. ÇAĞLAYAN welcomed the delegates and expressed his pleasure for hosting the Cotton Investment Forum in Istanbul. H.E. ÇAĞLAYAN emphasized in his speech that the forum developed within the framework of the "OIC 5-year cotton action plan", which stipulates the strengthening of economic and commercial relations

between the member countries and the "OIC ten-year program of action" which provides valuable improvements to the member countries of the organization.

He also emphasized that the forum will directly serves to mobilize the internal and external dynamics of the Islamic world in the field of cotton production and trade where the representatives of the member countries, international and national organizations and the organizations of the private sector would come together in bilateral and multilateral negotiations to enhance cooperation among themselves and investment concrete projects will be established.

The Minister also stressed that Turkey is ready to help and cooperate with its sister Islamic countries by the help of the strong trade and industry infrastructure available in Turkey. In this connection, he mentioned that Turkey is ready to present the products of the Islamic countries via Turkish Stock Exchange System. Moreover and support various activities such as; establishing centers of excellence and using the institutions in our country to this end, implementing expert exchange and training programs, arranging mutual visits between businessmen and experts, arranging a fair for cotton and processed cotton products, establishing common development and investment programs, strengthening the communication channels and improving the network which was formulated for this forum and using it in cotton action plan studies. A copy of the Speech of H.E. ÇAĞLAYAN is attached as Annex-III.

6. Mr. Halim METE, Vice President of the Union of Chambers and Commodity Exchanges of Turkey, Mr. Tuğrul YEMISCI, member of the Turkish Parliament, Mr. Musa KULAKLIKAYA, Vice President of the Turkish International Cooperation and Development Agency, have addressed the opening speeches.

7. H.E. Alhaji Ahmed Garba BICHI, Minister of State for Commerce and Industry of Nigeria, has made a statement on behalf of guest ministers. H.E. BICHI expressed his deep gratitude to the Government of the Republic of Turkey and particularly Ministry of Industry and Trade, for the organization of this Forum.

8. The Forum elected the Bureau as follows:

- Chairman : Republic of Turkey
- Vice Chairman : Burkina Faso
- Vice Chairman : Arab Republic of Egypt
- Rapporteur : Islamic Republic of Pakistan

9. The forum was chaired by Assoc. Prof. Dr. Yusuf BALCI, Undersecretary, Ministry of Industry and Trade of the Republic of Turkey who started the Working Session of the forum by inviting Mr. Mehmet Vehbi GUNAN, the Director General, Ministry of Industry and Trade, to brief the forum on the achievements since Third Experts Group Meeting, held in Antalya in October 2006. Mr GUNAN mentioned that the Ministry of Industry and Trade of Turkey has developed a website devoted to OIC Cotton Producing Countries and also to facilitate the preparation of the Forum. He also informed the Forum that the Ministry has circulated a questionnaire on the needs and capacities in cotton sector to the concerned Member Countries and, in this regard, he called upon those countries to respond to the said questionnaire as soon as possible.

10. Prof. Dr. Adnan DEGIRMENCIOGLU presented the productivity potentials of the cotton producing areas in the OIC member states. He mentioned analysis of cotton trade among the OIC member countries in his presentation.

11. The representative of MUSIAD, Dr. Erol YARAR, presented the importance of cotton trade and the cooperation opportunities among the OIC member states. He also mentioned in his speech that Cotton Program may be a basis for Cotton Union just like the Iron-Steel Union of Europe that evolved to Economic and Political Union.

12. Mrs. Attiya Nawazish Ali, Assistant Secretary General for Coordination of Islamic Chamber of Commerce and Industry presented a comprehensive paper titled "Cooperation opportunities for energizing Trade and Investment in Cotton Sector among OIC Member Countries" which is in line with the 5-Year Action Plan for Cotton Producing Countries. In her paper she highlighted the importance of Cotton and its critical role in the socio-economic development of many OIC countries, particularly in West and Central Africa. She stated that despite having the comparative advantages, cotton industry in most of the OIC Member Countries are still characterized by several production, processing,

institutional and structural weaknesses that jeopardize its viability in an era of increasing globalization and cut throat competition in world cotton marketing.

13. Mr SALL Amadou Cire, in Charge of Trade & Information System in the Islamic Centre for Development of Trade (ICDT), presented the outcomes of the study on sales promotion and marketing of cotton and derived products in OIC member states, current state and prospects. He gave an image of intra-OIC trade of the marketing of Cotton and made some concrete proposals likely to create enabling conditions for boosting the existing industrial capacities and infrastructures, promoting foreign direct investments and developing industrial, financial, commercial and technical partnership among the OIC member countries. Expertise exchanging in the areas of cotton processing and training in textile industries is also important. In the context of the follow up of the recommendations of the 'Expansion of trade and investment in the cotton sector in the OIC Member States' organized on the initiative of the OIC, by the government of Burkina Faso, with ICDT and the IDB in Ouagadougou-Burkina Faso, on 18 and 19 April 2005, the ICDT is planning to organize a buyers/sellers meeting on textile industry and cotton processing products and thereof, with the support of ICAC, on the sidelines of the 67th ICAC annual Meeting to be held in November 2008 in Burkina Faso.

14. Free discussion on investment and cooperation opportunities for the cotton trade and derived products was moderated by Mr. Mehmet KUMBARACI, Turkish Confection Industry Association-General Secretary and Member of the Board.

15. The representative of SESRTCIC, Mr. Nabil DABOUR, Senior Researcher/Acting Director of Economic Research Department, presented a working paper titled "The Cotton Sector in The OIC Countries: Problems and Possibilities of Cooperation". The paper highlights the importance of cotton in the OIC member countries in terms of production and trade. It investigates the challenges facing the OIC cotton producing member countries, particularly those in West and Central Africa. The paper also provides a brief analysis of the world cotton markets and elaborates on some possible ways of cooperation among the OIC member countries in this important sector. It concluded with the recommendation of establishing an OIC Cotton Alliance among OIC cotton producers, traders and industrialists to coordinate such cooperation.

16. Free discussion on investment and cooperation opportunities for production inputs, production, ginning, storage, thread, cotton fabric, textile and was moderated by Mr. QAZI Zaheer Ahmed, Deputy Secretary of the Ministry of Commerce, Government of Pakistan.

17. Dr. Sebahattin GAZANFER, member of the Advisory Board of International Cotton Advisory Committee (ICAC) made a presentation firstly introducing the ICAC and its activities in the Cotton sector, highlighting the valuable information on statistics, technical information and its work with the Common Fund for Commodities, which co-finances a number of cotton projects which are of immense importance to the cotton producing OIC countries. In the second part of his presentation, he made concise report on the cotton production, consumption, international trade and prices in recent years, emphasizing that price increases can be expected due to lower stock to use ration as well as due to general trade of price increases in alternative crops, such as wheat, soya, and cocoa.

18. Mr. Nazeem NOORDALI, head of the Sub Saharan Africa Department of Islamic Development Bank presented the role of IDB in the cotton sector in Sub-Saharan Africa.

19. Mr. Toubia BEDINGAR, Principal Agricultural Economist of African Development Bank Group made a presentation on the Bank's Cotton program in West and Central Africa. The objective of the program is to contribute to poverty reduction in the cotton producing countries. Four countries have benefited from the program, namely Benin, Burkina Faso, Mali and Chad for a total financing of about US\$52 million. He informed that a round table will be organized in the near future to share the program with other development partners in order to mobilize additional resources for the rest of the program.

20. Mr. David Yuen Hoi LEE on behalf of UNIDO, presented the strategies for national competitiveness: UNIDO Approach on Upgrading Productive and Trade Capacities in Cotton, Textile and Garment Industries. His paper elaborated on the initiatives of UNIDO for the development of the cotton sector.

21. Free discussion on the other dimensions of investment and cooperation was moderated by Mr. Nazeem NOORDALI.

22. During the Forum several bilateral meetings were held on enhancing cooperation in cotton investment and trade among the major cotton producing countries with the participation of the representatives of the private companies in these countries. The outcomes of these bilateral contacts will be published I the forum website (www.oic-cif.org).

23. The final report of the Forum will be submitted to the 23rd Session of the COMCEC which is going to be held on 14-17 November 2007 in Istanbul for consideration.

24. **The Forum adopted the following recommendations and proposals:**

- a. The Forum identified the following Centers of Excellence in the area of Research in Cotton and Textile to represent the three regions, as follows:
 - Africa: Nigeria (Institute for Agricultural Research Ahmadou Bello University Centre) and Senegal (to be designated in due course by the country)
 - Asia: Pakistan (to be designated in due course by the country) and Turkey (Nazilli Cotton Research Institute)
 - Arab: Egypt (Cotton Research Institute) and Syria (Cotton Research Administration).
- b. The Forum also designated Nazilli Cotton Research Institute of the Republic of Turkey to coordinate research activities in cotton and textile. The research centers will prepare programs to be submitted to the IDB, international, regional and national institutions for financing.
- c. The Forum decided to hold its meetings every two years.
- d. The Forum called upon the member countries to provide the Ministry of Industry and Trade of the Republic of Turkey of their web admin for the use of the forum website (www.oic-cif.org) in order to use the facilities of this website particularly for the implementation of the OIC Five-Year Cotton Action Plan (2007-2011).

- e. The Forum called upon concerned Member States, OIC Institutions, international and regional organizations to host and/or undertake different activities with a view of ensuring the speedy and effective implementation of the 5-Year OIC Plan of Action on Cotton Producing Countries in Islamic Countries.
- f. The program of the implementation of the 5-Year OIC Plan of Action on Cotton will be approved by the Steering Committee which will comprises of: Republic of Turkey as the Chairman; while members would be Burkina Faso; Arab Republic of Egypt; Islamic Republic of Pakistan; Secretary General of the OIC or his representative; Islamic Development Bank; SESRTCIC; ICDT; and ICCI.
- g. Meeting of the Steering Committee will be held once a year before the Follow-up Committee of the COMCEC. The report of the Steering Committee will be submitted to the COMCEC through the General Secretariat of the OIC for endorsement and guidance.
- h. A Project Committee will be established under the authority of the Steering Committee and will review the programs and projects submitted by Member States, Research Centers, OIC Institutions, regional and international organizations in the domain of cotton, textiles and related activities and make a recommendations to the Steering Committee through General Secretariat of the OIC.
- i. The Forum designated the following institutions to be members of the Project Committee: IDB, Chairman; General Secretariat of the OIC; SESTRCIC; ICDT; ICCI and two institutions from each Africa, Asia and Arab countries.
- j. The Project Committee would identify and/or approve the programs and projects within the 5-Year OIC Plan of Action on Cotton Producing Countries in Islamic Countries.
- k. The Forum took note of the initiatives started by ICDT in the field of cotton such as the use of Trade Fair of Islamic Countries; organizing Buyers-Sellers Meetings; the use of ICDT's Virtual Fair;

and helping Member States in construction their website on Cotton Sector.

1. The Forum called upon the Member Countries to organise and host 'a cotton and cotton-related products fair' on an annual basis. Benin has indicated their intention to host the 1st Fair in 2008. Confirmation will be communicated to General Secretariat OIC.
- m. The Forum took note of the SESTRCIC recommendation of establishing an OIC Cotton Alliance among OIC cotton producers, traders and industrialists to coordinate such cooperation.
- n. The Forum took note of the recommendations of the representative of the IDB on (i) support facilities for sharing experiences and for specialized training in areas like integrated crop/pest management among member countries, (ii) providing assistance for improving training facilities in cotton ginning, (iii) supporting quality farm and ginning machinery manufacturing in IDB member countries and (iv) sponsoring small and short-term research projects related to production and fiber quality.
- o. The Forum took note of the MUSIAD recommendation of establishing a "Cotton Union among OIC Countries" to achieve cooperation starting from the cotton fields to the textile markets on technological and economic means between governments, private enterprises and universities and research and development centers.
- p. The Forum took note of the proposal submitted by Syria for establishing a centre of excellence in the field of cotton's organic farming and biological control of cotton pest in Syria. The project proposal will be submitted to the Steering Committee for further consideration.
- q. The Forum took note of the Izmir Trade Exchange recommendation to the formation a licensed warehousing company acting in OIC Member Countries to facilitate trade.

- r. The Forum took note of the readiness of some Turkish private companies to transfer the harvester technology and experience to the concerned OIC member countries.
- s. The Forum took note of the recommendation of the UNIDO to create a strong seed system for sustainable development of cotton farming.
- t. The Forum took note of the recommendations of the Turkish Cooperatives Unions (TARIS, CUKOBIRLIK and ANTBIRLIK) on providing the Member Countries of experience in the areas of farming management, cotton oil processing and biodiesel.
- u. The Forum took note of the proposal of the representative of Bangladesh in cooperation for research on short lives high yielding cotton varieties and enhancing the human resources development and skills in cotton growing (the project proposal will be sent to the OIC General Secretariat in due course).
- v. The Forum recommended the cooperation with concerned regional and international institutions for the successful of implementation of program.
- w. The Forum requested the Steering Committee and the Project Committee to study these proposals as well as other proposals which will be implemented in the same domain and adopt appropriate measures and actions for the implementation whenever necessary and feasible.
- x. Kingdom of Morocco proposed a financial program for optimisation of water for cotton culture. In fact the objective is to permit the cotton producer to have better price for its production. Researches must be done to increase productivity.

25. The Forum expressed its deep gratitude to the Government of the Republic of Turkey and particularly Ministry of Industry and Trade, for the organization of this important Forum as well as for all the arrangements made for the success of this event. The Forum thanked the Secretary General of the

OIC for the support he gave for this cotton initiative. The participants also expressed their appreciations to the IDB for the financial support provided to this forum as well as to the all Turkish institutions which sponsored the forum. The Forum called upon the IDB to continue contributing to the financing of the activities related to the OIC Five Year Cotton Action Plan.

ANNEX

10

Original: English

RESOLUTION (1)
OF THE TWENTY-THIRD SESSION
OF THE COMCEC

(Istanbul, 14-17 November 2007)

The Twenty-third Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), held in Istanbul from 14 to 17 November 2007,

Recalling the relevant Resolutions of the OIC Summit Conferences and the Islamic Conferences of Foreign Ministers;

Recalling the Strategy and Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States of the Organization of the Islamic Conference, approved by the Tenth Session of the COMCEC and endorsed by the Seventh Islamic Summit Conference;

Taking into consideration the resolutions adopted at the previous Sessions of the COMCEC and the recommendations made at the Twenty-Third Meeting of its Follow-up Committee;

Considering the Declaration of the Third Extraordinary Session of the Islamic Summit Conference held in Makkah Al-Mukarramah, Kingdom of Saudi Arabia from 6 to 7 Dhul Qaidah 1426H (7-8 December 2005);

Welcoming the adoption of the OIC Ten-Year Programme of Action to address challenges facing the Muslim Ummah in the 21st Century;

Noting that the OIC Ten-Year Programme of Action provides the Islamic Ummah with a new forward-looking vision that enables the Islamic world to address the challenges of the Twenty-first Century by leveraging on the collective will and Joint Islamic Action;

Reaffirming the commitment to remove all obstacles to foster closer economic and commercial cooperation among OIC Member States;

Having considered the current international situation and its economic and financial repercussions on the OIC Member States;

Taking into consideration the Resolution adopted at the Tenth Session of the COMCEC calling for the organization of exchange of views sessions at the annual COMCEC Sessions on major world economic developments relating to Member States;

Taking cognizance of the need to follow-up on the outcome of the exchange of views sessions and coordinate the positions of Member States in relevant international fora in the areas covered at these sessions;

Reaffirming the commitment of Member States to the strengthening of the intra-OIC trade through mutual economic cooperation and progressive trade liberalization for the development of economic and commercial infrastructure; and **recalling** the related decision of the COMCEC that the subject be included on its agenda as a permanent item;

Recognizing, in this respect, the need for enhanced cooperation and coordination among OIC Member States to ensure an increase in their share of world trade, and to reach the target of increasing intra-OIC trade to 20% by the end of 2015 as set out in the OIC Ten Year Program of Action;

Expressing its satisfaction for the entry into force of the Framework Agreement on Trade Preferential System among the OIC Member Countries (TPSOIC) and opening of the Protocol on the Preferential Tariff Scheme of the TPSOIC (PRETAS) for signature of the Member States after the successful conclusion of the First Round of Trade Negotiations;

Expressing its satisfaction vis-à-vis the opening of the TPSOIC Rules of Origin for signature of the Member States upon the successful conclusion of the Second Round of Trade Negotiations;

Lauding the establishment of the Islamic Solidarity Fund for Development in Dakar, Senegal on May 30th, 2007, with a pledge of more than US\$2.6 billion from OIC Member States;

Noting background and progress reports, working papers and studies submitted by the OIC General Secretariat, the COMCEC Coordination Office, the Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRTCIC), the Islamic Center for Development of Trade (ICDT), the Islamic Development Bank (IDB) and the Islamic Chamber of Commerce and Industry (ICCI) on the agenda items;

Appreciating efforts made by the OIC General Secretariat and related institutions working in the area of economic and commercial cooperation, namely, the SESRTCIC, ICDT, IDB, ICCI, Islamic University of Technology (IUT) and the Organization of Islamic Ship-owners Association (OISA), and **appealing** to Member States to give them the support and assistance required and to meet their financial obligations to these institutions so that they may continue to perform their functions effectively.

Review of the Implementation of the OIC 10-Year Program of Action Relating to Economic Cooperation (Agenda Item: 3)

The OIC General Secretariat presented the report on the Review of the Implementation of the OIC 10-Year Program of Action.

Background Information

1. The OIC Ten-Year Program of Action was adopted by the 3rd Extraordinary Session of OIC held on 7-8 December 2005 in Makka Al-Mukarrama.
2. All organs of the OIC met on March 4, 2007 and reviewed extensively the provisions of the OIC Ten Year Program of Action. The meeting was also attended by the representatives of the three Standing Committees of the OIC, namely COMCEC, COMSTECH and COMIAC. The coordination meeting approved the Roadmap for implementation of the OIC Ten Year Program of Action and made special recommendations for the increase of intra OIC trade.
3. The 22nd Follow-up Committee of COMCEC recommended that the review of the implementation of the OIC Ten-Year Program of Action be a permanent agenda item of COMCEC.

4. The 33rd and 34th Islamic Conference of Foreign Ministers (ICFM) held in Baku, and Islamabad respectively in 2006 and 2007 emphasized that the TPS-OIC Framework Agreement and the PRETAS would be the basis for reaching the 20% intra-OIC trade target.

5. The 23rd Follow-up Committee took note of the UNIDO's draft proposal on technical cooperation between UNIDO and the OIC to be discussed with the OIC General Secretariat, CCO, SESRTCIC and ICDT. This proposal mainly covers three areas, namely trade capacity building, poverty alleviation (cotton) and technical assistance to SESRTCIC and ICDT. The Committee recommended that the draft proposal of the UNIDO be further considered and developed by the Task Force on Enhancing Intra-OIC Trade for submission to the 23rd Session of COMCEC.

Resolutions

6. **Welcomes** the proposal to establish a Task Force to help reach the 20% target for intra-OIC trade set out by the OIC Ten Year Program of Action.

7. **Calls upon** Member States to provide full political, moral and financial support for the implementation of the OIC Ten-Year Program of Action; Encourages Member States in coordination with OIC General Secretariat and OIC institutions to consider to bring their various existing initiatives, projects and programs, in areas where they have comparatively higher interest or capability, in line with the objectives of the OIC Ten Year Programme of Action.

8. **Takes note** of the steps already taken by the Secretary General including the holding of a coordination meeting of OIC institutions for the implementation of the OIC Ten-Year Programme of Action;

9. **Calls upon** the OIC institutions to set up their Plans of Action and Program, with a view to achieving the goals set forth in the OIC Ten-Year Program of Action and **entrusts** them to report to the annual sessions of the COMCEC and other OIC fora concerned.

10. **Extends thanks** to the Member States which have announced their contributions to the resources of the Islamic Solidarity Fund for Development, with special appreciation to the Custodian of the Two Holy Mosques, King Abdullah Ibn Abdulaziz Al Saud of Saudi Arabia for the generous contribution of 1 billion US Dollars to this

Fund; and the state of Kuwait which contributed 300 million US Dollars and Islamic Republic of Iran, People's Democratic Republic of Algeria, State of Qatar and other countries for their contributions.

11. **Welcomes** the launching of the Islamic Solidarity Fund for Development in Dakar, Senegal on 29-30 May 2007 and **urges** all the Member States, which have not yet done so, to announce their generous financial contributions to this Fund.

12. **Requests** the IDB, in cooperation with the OIC General Secretariat and SESRTRIC, to prepare a report to be submitted to the 31st Session of the Islamic Commission for Economic, Social and Cultural Affairs, on ways and means of synergizing the OIC Program for Development in Africa, the IDB new Initiative for Africa and the NEPAD Program.

13. **Calls upon** the OIC General Secretariat, the IDB, ICDT, ICCI, SESTRCIC and the relevant sub-regional African organizations to organize at the earliest convenience in West and Central Africa, meetings for the presentation of national, regional or sub-regional projects to be considered within the framework of the OIC Ten-Year Programme of Action and the programme emanating from the Ouagadougou Declaration initiated by the IDB for Africa as well as the sectoral programmes on the expansion of trade and investments in the cotton sector in OIC African Member States.

14. **Welcomes** the offers of Burkina Faso and Cameroon to host one of these regional meetings separately in 2008 and invites Member States and OIC institutions and international, regional institutions to extent full support to Burkina Faso and Cameroon for organizing these fora and invites African Member States to actively take part in these events.

15. **Requests** the OIC General Secretariat, IDB, ICDT, SESRTCIC and ICCI to organize a forum on ways and means of energizing trade and investment in food industry in Africa within the framework of the OIC Ten-Year Programme of Action in the year 2007/2008 and welcomes the offer of the Republic of Mali to host the First Forum on Energizing Food Industry in Africa, which could be held in 2008.

16. **Invites** the OIC institutions to provide full information in the various programs and plans initiated in the domain of intra OIC Economic and Commercial Cooperation with a view to help beneficiary countries and people to benefit more from these programs and plans.

17. **Calls on** Member States and OIC institutions to establish focal points for the implementation of the OIC Ten Year Program of Action.
18. **Calls for** strengthening coordination between the focal points of the Member States and the focal points of the OIC institutions.
19. **Calls on** the General Secretariat of OIC to organize, meetings of focal points for the implementation of the OIC Ten Year Program of Action on the margin of OIC Summit and ICFM.
20. **Welcomes** the establishment of a Task Force by COMCEC to help reach the %20 target for intra-OIC trade set out by the OIC Ten Year Program of Action.
21. **Urges** all Member States to announce their contributions to the increase in the IDB's subscribed capital decided by the IDB Board of Governors.
22. **Welcomes** the establishment of the International Islamic Trade Finance Corporation (ITFC).
23. **Welcomes** the holding of a special Meeting of OIC Trade Promotion Organs in Dakar, Republic of Senegal on 22 November 2007 in accordance with the ICDT Plan of Action 2006-2016 to implement the OIC Ten-Year Programme of Action.
24. **Takes note** of the progress report study by ICDT on Free Trade Areas.
25. **Underlines** the need to organize forums in different sectors like food processing etc. And calls upon the Member Countries to host such events.
26. **Requests** ICDT to prepare a study on the impact of high oil and commodity prices on the economies of Member Countries and submit it to the 24th Session of the COMCEC.
27. **Requests** all the Member Countries in collaboration with IDB to introduce and publicize more extensively about the facilities of the poverty alleviation fund.

**Reports on Developments in OIC Economic Affairs
(Agenda Item: 4)**

(i) Annual Economic Report

Background Information

28. SESRTCIC, as per the relevant decision of the 12th Session of the COMCEC, has been preparing annual reports on recent world economic developments and their implications on the OIC Member States for submission to annual sessions of the COMCEC.

29. Under this Agenda Item, SESRTCIC presented the Annual Economic Report on the OIC Countries 2007 in a new format, with "Country Profile" pages. These pages provide data and graphical analysis on the major economic indicators of each member country. The Report, among others, draws the following salient conclusions:

- (i) Comprising a substantial part of the developing countries, the OIC countries as a group followed, in general, similar trends over the past five-year period. However, the economic performance of the OIC countries, in terms of the group average, remained below the level maintained by the group of developing countries as a whole. This reflects greater vulnerability of the OIC group to the adverse external shocks in the world economy such as the slowdown in the major developed economies and the volatility of international commodity and financial markets. This situation becomes worse in the face of the high external debt burden and unsatisfactory levels of FDI inflows in a large number of OIC countries.
- (ii) The overall economic growth and performance of the OIC countries as a group is still highly dominated by the performance of a few members as only 10 major countries account for more than 60% of the total OIC output and exports, which, in turn, reflects a wide income divergence within the OIC community and a huge gap between rich and poor member countries and constitutes a basic factor that continues to hinder the efforts of the member countries to strengthen intra-OIC economic cooperation, particularly in the areas of enhancing intra-OIC trade and investment.

- (iii) The structure of output and exports of the OIC countries remained almost unchanged during the period under review, where around half of the members continued to remain as primary-product exporters (mostly fuel and agricultural products). The persistence of the large shares of such products in the output and exports of these countries, in turn, increases the risk of exposure to price fluctuations in the world commodity markets and negatively affects sustainable economic growth and long-term policymaking.

Resolutions

30. **Emphasizes** that further efforts should be made by the member countries to decrease their vulnerability to the adverse shocks in the world economy through, *inter alia*, creating an environment more conducive to sustainable development, pursuing more coherent and practical development strategies and enhancing sectoral diversification and structural reforms with the active participation of the private sector.

31. **Underlines** that further efforts should be made by the member countries to increase their share in the world economy and trade through, *inter alia*, devising ways and means to diversify their economies, maximise the complementarities among their economies, increase the volume of intra-trade and investments, improve the quality and increase the value-added of their products and rapidly develop the requisite conditions to attract larger and continued flows of foreign investment.

32. **Entrusts** the SESRTCIC with continuing to monitor world economic developments and their implications on the OIC Member States and to report thereon to the annual sessions of the COMCEC with a set of policy recommendations.

(it) Report of the 23rd Meeting of the Follow-up Committee of COMCEC

The COMCEC Coordination Office submitted the report of the 23rd Follow-up Committee of COMCEC.

Background Information

33. The 23rd Meeting of the Follow-up Committee was held in Turkey on 29-31 May 2007 in Ankara and drew up the draft agenda of the 23rd Session of the COMCEC.

Resolutions

34. **Takes note** of the Report of the Follow-up Committee of COMCEC held on 29-31 May 2007 and **endorses** the recommendations made by the Follow-up Committee at its 23rd Meeting.

(iii). Background Report and Implementation of the Plan of Action of COMCEC

- Report of the OIC General Secretariat

35. The General Secretariat of the OIC presented the report on recent developments and various activities undertaken by the Member States of OIC in the field of economic cooperation.

Resolutions

36. **Takes note** of the Background Report by the OIC General Secretariat on the progress achieved by Member States and the OIC institutions working in the field of economic and commercial cooperation.

37. **Requests** the OIC General Secretariat to continue submitting to the Annual Sessions of the COMCEC a periodical review on the implementation of the Plan of Action.

38. **Recognizes** the importance of the cotton sector for the economies of several member states, and **urges** the member states concerned to implement the Plan of Action for the Cotton Sector in the OIC member countries expeditiously.

39. **Takes note** of the Report prepared by the SESRTCIC considering the existing OIC Agreements and Statutes on Economic, Commercial and Technical Cooperation in terms of the needs of the Member States.

40. **Urges** the member countries that have not yet signed and ratified these agreements to accelerate the completion of the necessary legal procedures in this regard and facilitate their early implementation.

41. **Requests** the General Secretariat of the OIC to revise these agreements in collaboration with the related OIC institutions with a view to rendering them compatible with the new developments in a fast-changing global environment.

42. **Calls upon** the Member Countries and the OIC institutions concerned, working in the field of economic and commercial cooperation under the auspices of the COMCEC, to continue to extend the necessary assistance to Member States in this regard.

- Strategic Plan for Tourism Development in OIC Member Countries

Background Information

43. The Fifth Islamic Conference of Tourism Ministers was held in Baku, the Republic of Azerbaijan, on 9-12 September 2006.

44. The International Conference on Tourism and Handicraft was organized on 7-13 November 2006 in Riyadh, Saudi Arabia, jointly by the Supreme Commission of Tourism of the Kingdom of Saudi Arabia and the Research Centre for Islamic History, Art and Culture (IRCICA).

45. The Second Experts Group Meeting on Tourism Development for the preparation of a Strategic Plan for Tourism Development of OIC Member Countries was held in Istanbul, Republic of Turkey on 9-11 May 2007.

46. The International Scientific Conference on the Role of Tourism in the Economies of OIC Countries was held on 21-22 June 2007 in Baku, Republic of Azerbaijan.

Future Activities

47. The 6th Islamic Conference of Tourism Ministers will be held in Damascus in 2008.

48. The Seminar on Development of E-Tourism Technology in Islamic Countries, scheduled to be held at the IUT headquarters in Dhaka, Bangladesh from 1 to 3 April 2008.

Resolutions

49. **Recognizes** the importance of tourism as an area of cooperation among the OIC Member States and **welcomes** the commitment and interest of the OIC Member States in this area as reflected in the convening of five ministerial meetings to this effect.

50. **Thanks** the Government of the Republic of Turkey for hosting the 2nd Experts Group Meeting on Tourism Development in Istanbul, also thanks the Government of the Republic of Azerbaijan for hosting the International Scientific Conference on the Role of Tourism in the Economies of OIC Countries in Baku.

51. **Requests** the Conference of Tourism Ministers to consider the Plan of Action for appropriate action and **urges** the OIC Member States to actively participate in the Sixth Islamic Conference of Tourism Ministers to be held in Damascus in 2008 and **also requests** that steps required be taken for interim implementation of the said plan.

52. **Takes note** of the Strategic Plan for Tourism Development in OIC Member Countries finalized by the 2nd Expert Group Meeting and planned to be presented to the 6th Islamic Conference of Tourism Ministers to be held in Damascus in 2008 with a view to adopting and submitting it to the 24th COMCEC for final approval. **Also requests** Republic of Turkey and Syrian Arab Republic to work closely for the preparations of the Conference and paving the ground for implementation of the Strategic Plan.

- Report of the Sessional Committee:

Background Information

53. The COMCEC prepared and adopted "The Strategy to Strengthen Economic Cooperation among OIC Member States" and "the Plan of Action to Strengthen Economic and Commercial Cooperation among the Member Countries of the OIC", which were later endorsed by the 7th Islamic Summit in 1994. The 7th Summit also mandated COMCEC with their implementation and revision, when necessary.

54. Reviewing the status of implementation of the Plan of Action is a regular agenda item of the COMCEC sessions, as stipulated for in its Follow-up and Implementation Mechanism.

55. In accordance with "the Implementation and Follow-up Mechanism of the Plan of Action", four sectoral experts' group meetings (EGM) have been held so far to implement the Plan of Action, namely, (i) Sectoral EGM on "Money, Finance and Capital Flows" in 1997, Turkey, (ii) "Foreign Trade" in 1997, Pakistan, (iii) "Technology and Technical Cooperation" in 1998, Turkey and (iv) "Implementation of the OIC Plan of Action in the Area of Tourism" in 2005, Tehran.

56. The COMCEC Coordination Office prepared a study in pursuance of Recommendations 21 and 23 of the 18th Meeting of the Follow-up Committee on devising an appropriate mechanism to accelerate the implementation of the recommendations of the above-mentioned EGM for the Implementation of the OIC Plan of Action, in collaboration with the OIC institutions concerned.

57. The COMCEC Coordination Office, after having received the contributions of the OIC Institutions and Member States, completed its study called "Supplementary Mechanism", which was subsequently submitted to and endorsed by the 19th Session of COMCEC in 2003.

58. The Supplementary Mechanism envisages the Sessional Committee of the COMCEC as the appropriate body, under whose supervision the OIC institutions concerned are to function and coordinate their activities in fulfilling their mandates with regard to the implementation of the OIC Plan of Action. The Sessional Committee, under its new mandate, has held 11 meetings so far.

59. As an ongoing COMCEC Project, the First Conference on "Technical Cooperation Among The Industrial Property Offices in OIC Member States" was organized in Ankara from 14 to 16 December 2006 by the Turkish Patent Institute and ICDT in collaboration with IDB and World Intellectual Property Organization (WIPO) and the Second Conference was held in Casablanca from 11 to 13 July 2007.

60. The 22nd Session of COMCEC approved the recommendations of the Sessional Committee, and recommended that project proposals be circulated through the OIC General Secretariat.

Resolutions

61. **Welcomes** the progress in some of the COMCEC projects considered by the 11th Sessional Committee **noting** that in some of the projects, there is no implementation or

there has been no progress in them due to the lack of interest, etc., **decides** the deletion of the projects mentioned in the report of the 11th Sessional Committee meeting.

62. **Requests** the coordinating OIC institutions and the owners of the projects to make necessary efforts for early implementation of these projects and also **calls** on all the member states and OIC Institutions to propose new projects and programmes to enrich the agenda of the COMCEC through the Sessional Committee.

63. **Welcomes** the announcement of the IDB that full financing of the feasibility study of the Project on "Cooperation in the Area of Technical Development: Medium Range Regional Turbofan Airliner" proposed by TUSAŞ Aerospace Industries of Turkey (TAI), is under consideration.

64. **Takes note** of the ICDT's progress report on the Regional Project Committee on "Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa" and **calls upon** Member States and OIC institutions namely IDB and ICDT to take an active part in and/or lend support to this Project.

65. **Takes note** of the progress made in the implementation of the project for Technical Cooperation among the Industrial Property Offices in OIC Member States and **calls upon** Member States and the relevant OIC Institutions namely IDB Group and ICDT to implement the business plans adopted by the Second Conference held in Casablanca in July 2007; in collaboration with the Turkish Patent Institute (TPI) and submit progress reports to the COMCEC and to other OIC fora.

66. **Reaffirms** the importance of the need to develop region-based projects by a group of Member States to get the support of the regional institutions accordingly and **stresses** the importance of ensuring active involvement of regional groupings, such as the Economic Cooperation Organization (ECO), the Gulf Cooperation Council (GCC), and the Arab Maghreb Union (AMU) and West African Economic and Monetary Union (WAEMU), in future experts group meetings.

67. **Takes note** of the Report of the 11th Sessional Committee and approves the recommendations contained therein.

68. **Renews its appeal** to Member States to take the measures needed for their greater involvement in the activities of the OIC subsidiary organs as well as affiliated and specialized institutions.

69. **Requests** the Sessional Committee to consider dropping the projects where there has been no progress.

Expansion of Intra-OIC Trade (Agenda Item: 5)

**(i) Reports by IDB, ICDT and ICCI on the Expansion of Intra-OIC Trade
(Agenda Item: 5.i)**

70. The IDB, ICDT and ICCI presented their respective reports on the expansion of intra-OIC trade.

Background Information (IDB)

71. A major factor hampering intra OIC trade is the lack and absence of direct correspondent banking relationships between OIC banks. They have low risk appetites due to lack of understanding of their counterparts and overreliance on reports of international rating agencies on lending risks.

72. Important milestones of IDB trade financing programme include mandates of Tehran Summit in 1997 (13% target by 2002), Makkah Declaration of 2005 (20% target by 2015) and approval of establishment of the International Islamic Trade Finance Corporation (ITFC) by the IDB Board of Governors at its Annual Meeting in Malaysia in 2005.

73. The IDB approval of total trade financing to date (since 1397H/1911) is put at about US\$27 billion with about 75% for intra trade financing . The amount approved in 2006 (1427H) was US\$2.8 billion.

74. Achievements of the IDB trade financing programme include:

- (i) Good repayment record with overdues (Non- Performing loans) of about 2.0 per cent. Also good utilization of about 65 - 70 per cent rate of disbursement.
- (ii) L/C value-adding function of Irrevocable Commitment to Reimburse (ICR) by IDB, which reduces transactional costs.
- (iii) Facilitating growth of correspondent banking network.

- (iv) Use of structured financing as risk mitigation measure in Least Developed Member Countries or LDMCs (Sub Saharan Africa). In 1427H, the approval level was about US\$140 million; mainly against assignments of export receivables and collateral management. The IDB is looking at financing transactions secured against commodities or warehouse receipts focusing more on transactional risk mitigation.
- (v) Risk sharing through IDB-arranged short term trade syndications/co-financing. The IDB uses its Triple A status to act as a bridge to mobilise funds from OIC banks in resource-rich countries to benefit LDMCs. There is also a good support from Western banks. Presently, more than US\$ 1 billion has been raised annually from the market.

Resolutions

75. **Takes note** that the ITFC, the new autonomous trade financing entity of the IDB with an authorized capital of US\$3.0 billion and subscribed capital of US\$750 million, will commence operations in 1429H, and carry on with the trade financing activity of the Bank with parallel focus on development and commercial objectives and **calls upon** Member States to support its establishment and business activities.

76. **Calls upon** the Member States to complete the ratification procedures regarding the Articles of Agreement (AOA) of the ITFC as soon as possible to enable the corporation to commence its operation.

77. **Also takes note** of parallel efforts of the IDB to increase intra-OIC trade through financing trade-related projects and technical assistance; and further urges Member States to support the program of the ICIEC and other schemes of the IDB designed to boost intra-OIC trade.

78. **Calls upon :**

- (i) Richer OIC countries and banks to help enhance Least Developed Member Countries' trade and investment capabilities.
- (ii) Banks in the OIC Member Countries to play a bigger role in accelerating intra trade. This includes supporting trade syndications/co-financing arranged by the IDB.

- (iii) Other stakeholders to support the IDB's catalytic role in expansion of the intra trade in order to achieve the 20% target set under the 2005 Makkah Declaration.
- (iv) OIC Countries to also enhance their trade links with the non-OIC countries such as India and China, which have sizeable Muslim population.

79. **Requests** the IDB to continue providing technical assistance for capacity building in the Member States.

80. **Takes note** of the ICDT's 2007 Annual Report on "trade between the Member States of the OIC Member States" and noted with satisfaction that the share of the OIC Member States in World trade reached 8.5% of the world trade and that the intra-OIC trade recorded positive results since the share of the intra-OIC trade in the overall trade of the OIC Member States has recorded a positive evolution rising from 14.5% in 2004 to 15.5% in 2005.

81. **Requests** the Member States to keep on providing the ICDT with data relating to trade and investment statistics and regulations.

82. **Entrusts** the IDB and the ICDT to follow-up on the issue of the expansion of the intra-OIC trade and report to the COMCEC and other OIC fora.

(ii) Private Sector Meetings among OIC Member States
(Agenda Item: 5.ii)

Background Information

83. Islamic Chamber has broadened its scope of private sector activities, while taking account of its needs. Hence, in addition to the Private Sector Meetings it also organizes forums and workshops for the Businesswomen from Islamic countries and trade delegations as well as exhibitions. The objective of these events is to provide more opportunities for networking for interaction on a one to one basis. Furthermore, through training programs and workshops, the skills of the private sector are upgraded, so as to bring them at par with the world market and at the same time, depending on the requirements, technology is transferred.

84. ICCI submitted its report on its numerous activities with regard to the private sector, in addition to its reports on "Workshop of Marketing and Packaging of Agro-

Products" and the "2nd International Islamic Economic, Cultural & Tourism Conference".

85. The report of the Workshop emphasized the urgent need to organize a series of national/regional workshops to provide training on how to successfully start, manage and sustain small businesses, as well as to enhance capacity in the areas of entrepreneurship, human resource development, export and international trade development, animal product processing technology, marketing and packaging of halal food, fish and fish products, and creation of green houses.

86. The report of the 2nd International Islamic, Economic, Cultural and Tourism Conference recognized the essential links between trade, investment, tourism and culture for sustainable economic development. The recommendations called upon the need to review governmental policies, for the development and promotion of economic, cultural and tourism activities, as a catalyst to economic progress in OIC countries.

87. The Committee was also informed about the progress achieved on the ICCI Work Plan, which is a mechanism by means of which the ICCI will implement the tasks mandated to it through the OIC 10-Year Program of Action.

Future activities

88. Islamic Chamber also submitted a list of future activities for 2008

- The 3rd Forum for the Businesswomen to be held in Doha - State of Qatar on 13-15 January 2008 under the kind patronage of H.H. Sheikha Moza Bint Nasser Al-Misnad, wife of H.H. the Emir of Qatar.
- 3rd Investment and Privatization Conference to be held in Tehran - Iran from 17-19 February, 2008.
- The 6th OIC Task Force Meeting on SMEs to be held in Lahore on 24-26 March 2008.
- Workshop on "**Promotion of Export Processing of Value-Added Fishery Products**" to be held in Republic of Benin in March 2008.
- Workshop on "**Coffee Processing**" to be held in Uganda in March 2008.
- Workshop on "**Hand-made Tiles**" to be held in Lahore-Pakistan in April 2008.
- Workshop on "**Small-scale Food Processing**" to be held in Islamabad-Pakistan in April 2008.
- Workshop on "**Storage**" to be held in Bosnia-Herzegovina in May 2008.

- Training workshop for "*Incubator Management Training in Islamic Countries*" to be held in Ankara-Republic of Turkey in April 2008.
- Workshop on "*Oilseed Processing for Small-Scale Producers*" to be held in the African Region in September 2008.
- Workshop on Agro-Processing "*Guava*" to be held in Nigeria in September 2008.
- 4th Businesswomen Forum to be held in Damascus (Syria) in November 2008.
- Workshop on "*Export Competitiveness*" to be held in Lebanon in November 2008.
- The 12th Private Sector Meeting of the Islamic Chamber in 2008.
- 3rd International Islamic, Economic, Cultural and Tourism Conference to be held in 2008.

Resolutions

89. **Takes note** of the efforts of the Islamic Chamber as the major representative of the private sector to broaden its base of activities for the greater benefit of this sector through its activities for economic empowerment, trade facilitation, capacity building and bridging the gap of information.

90. **Takes note** of the 10-Year Work Plan of ICCI and its projects, such as: International Zakat organization, Waqaf Fund, Al-Emmar Bank and Company for Infrastructure Development, and urges all member countries and the private sector to facilitate activation of the mechanisms outlined in the said Plan as per the Makkah Declaration and the OIC 10-Year Programme of Action.

91. **Reiterates** its support and calls on member countries to cooperate and extend the required support to ICCI for issuance of certificates in the field of quality and ethical dealings in order to face the challenges of globalization.

92. **Commends** the efforts of ICCI towards bridging the gap of information, trade facilitation and tapping of trade information with the establishment of a dedicated web platform "OIC Businesswomen Information Network"; SS-GATE System for South-South Cooperation for exchanges of assets, equity, technology, and financial resources among SMEs; and setting up an ICCI-Data Bank.

93. **Takes note** of the progress made in implementation of the project on "Incubator Management Training in Islamic Countries" and welcomes the organization of the Training workshop in April 2008 and the Forum in 2009.

94. **Calls upon** all the OIC Institutions and National Chambers to extend full support the initiatives of the ICCI related to the development of the private sector and to encourage their members to attend all the events organized by ICCI for the enhancement of intra OIC-trade, investment, economic cooperation and integration.

**(iii) Trade Fairs of Islamic Countries
(Agenda Item 5.iii)**

95. The ICDT submitted a Progress Report on the preparation of the forthcoming trade fair activities.

Future Activities

96. The 11th Trade Fair of Islamic Countries will be organized in coordination with International Center for External Trade of Senegal (CICES) in Dakar, Republic of Senegal from 21 to 25 November 2007. ICDT's report indicates that 32 Countries have so far confirmed their participation in this fair.

97. The ICDT will also organize the Second Tourism Fair of the OIC Member States in Beirut, Republic of Lebanon in 2008 and the 3rd Tourism Fair of the OIC Member States will be held in Egypt in 2009.

98. The Second Agro-Business Exhibition of the OIC countries will be organized in Iran in collaboration with ICDT.

99. The ICDT will organize a specialized exhibition and supply/demand workshop on the New Information and Telecommunication Technologies in the Member States of the Organization of the Islamic Conference in The State of United Arab Emirates (Sharjah).

Resolutions

100. **Takes note** of the apologies of the Republic of Iraq for not being able to host the 12 Session of the Trade Fair of Islamic countries scheduled to be held initially in 2008.

101. **Welcomes** the offers of the Arab Republic of Egypt and the Republic of Guinea to host the 12th and the 13th editions of the Trade Fair of Islamic Countries in 2009 and 2011, respectively.

102. **Also welcomes** the offers of the Republic of Lebanon, the Arab Republic of Egypt, Syrian Arab Republic and Islamic Republic of Iran to host the Second, Third, Fourth and Fifth Tourism Fairs in 2008, 2010, 2012 and 2014, respectively, and calls upon the Member States to actively participate in the Tourism Fairs.

103. **Invites** the Republic of Lebanon to confirm the hosting of the Second Tourism Fair of the OIC Member States before the 31st December 2007 in order to allow the ICDT to organize this fair as scheduled and **requests** that ICDT follow up this matter.

104. **Requests** the ICDT to hold more sector specific trade fairs and to use professional expertise in these activities.

105. **Requests** the ICDT to prepare regularly progress reports on the Trade Fairs of Islamic Countries as well as the Tourism Fairs of OIC Member States and other specialized exhibitions and submit them to the COMCEC Sessions and related OIC fora.

106. **Takes note** that the MUSIAD Trade Fair and Business Forum will be held concurrently with 24th Session of the COMCEC and **calls upon** the member countries to publicize this event in their countries for greater private sector involvement.

IV. Report of the Trade Negotiating Committee (TNC) on Establishing Trade Preferential System (TPS) among the OIC Member States (Agenda Item: 6)

107. The Secretariat of the TNC briefed the Session on the results of the second round of TPSOIC negotiations.

Background Information

108. The first round of trade negotiations has been completed with its special session during the 21st Session of the COMCEC. The Member States of the Trade Negotiating Committee (TNC) actively participated in the first round. Some regional economic groups representing OIC member states only, namely the Economic Cooperation Organization (ECO) and the Gulf Cooperation Council (GCC), also participated as observers in the said meetings.

109. At the end of the first round, the TNC concluded a tariff reduction modality in the Protocol on the Preferential Tariff Scheme of the TPS-OIC (PRETAS), which also covers para-tariff and non-tariff barriers. The PRETAS sets specific tariff reduction targets in accordance with a timetable.

110. The 21st Session of the COMCEC approved the PRETAS and opened it for signing and ratification by the Member States. As of mid-May 2007, ten TNC Member States, namely Bangladesh, Cameroon, Egypt, Jordan, Malaysia, Pakistan, Syria, Tunisia, Turkey and United Arab Emirates have signed and two member states namely Jordan and Malaysia have ratified the PRETAS.

111. The 21st Session of the COMCEC welcomed the decision of the TNC to launch the second round of trade negotiations in 2006. Both the Framework Agreement and the PRETAS envisage successive rounds of trade negotiations in order to deepen and expand the trade system among the OIC members.

112. The Road Map for the Implementation of the Ten-Year Program of Action calls for ensuring the implementation of the PRETAS and launching the 2nd round of trade negotiations under the TPSOIC. It states that the COMCEC and OIC General Secretariat would adopt appropriate measures with a view to achieving this, and called upon the OIC General Secretariat to mobilize the political will to sign and ratify the PRETAS.

113. The 33rd ICFM welcomed the decision of the 21st Session of the COMCEC to launch the second round of trade negotiations in 2006 and urged Member States of the Trade Negotiating Committee to sign the PRETAS at their earliest convenience.

114. The 33rd ICFM also recommended that the ministers of commerce of the Member States of the Trade Negotiating Committee inaugurate the second round of

trade negotiations in a special ministerial session in order to demonstrate the political will to establish the Trade Preferential System among the Member States of the OIC, as well as to expedite the ratification process of the PRETAS and to design a road map for the second round.

115. The Second Round was launched by the Ministers of Commerce of the Member States of the Trade Negotiating Committee on 24th November, 2006, in Istanbul. The Ministerial Declaration, adopted in the said meeting, set the target date of 1st of January, 2009 as the deadline for establishing the TPSOIC and making it operational.

116. The 22nd Session of COMCEC and 34th ICFM emphasized that the Framework Agreement on TPSOIC and the PRETAS constitute the basis for reaching the 20% intra-OIC trade target set by the OIC Ten-Year Program of Action.

117. At the end of four successive meetings of the TNC, the second round of trade negotiations has been successfully completed on 12 September, 2007 in Ankara.

118. During the Second Meeting of the Ministers of Commerce of the Member States of the TNC on 12 September, 2007, the TPSOIC Rules of Origin were signed by 5 member countries namely Republic of Guinea, Hashemite Kingdom of Jordan, Republic of Tunisia, Republic of Turkey and State of United Arab Emirates.

Future Activities

119. The Republic of Turkey will host a TNC meeting in the year 2008.

Resolutions

120. **Adopts** TPSOIC Rules of Origin.

121. **Expresses its appreciation** to the Republic of Turkey for hosting, in collaboration with the IDB, the Second Round of Trade Negotiations, to the COMCEC Coordination Office and the Islamic Centre for Development of Trade for the excellent performance of their role as the Secretariat of the Trade Negotiating Committee.

122. **Welcomes** the offer of the Republic of Turkey to host a TNC meeting in the year 2008 to consider the last preparations undertaken by the TNC Member States before the implementation of the TPSOIC system.

123. **Welcomes** Qatar, Saudi Arabia and Oman as new members of the TNC.

124. **Endorses** the establishment of the prospective Trade Preferential System among the member states of OIC (TPS-OIC) and its legal instruments i.e. the Framework Agreement and the PRETAS on 1 January 2009, as the basis for reaching the 20% intra-OIC trade target set by the Ten-Year Program of Action.

125. **Urges** the Member States to sign and ratify the Framework Agreement, PRETAS and TPS-OIC Rules of Origin in order to expedite the establishment of the TPSOIC, at their earliest convenience.

V. Matters Relating to WTO Activities (Agenda Item: 7)

126. The IDB and ICDT submitted their monitoring reports on the World Trade Organization (WTO) activities.

Background Information (IDB)

127. The 12th Trade Policy Course was organized in the Arabic Language in Casablanca, Kingdom of Morocco from 15 January to 2 February 2007.

128. A Consultative Meeting of the Permanent Missions of the OIC Member Countries accredited to the WTO was organized in Geneva on 5 February 2007.

129. The IDB organized a Workshop on WTO Accession Issues for the CIS Countries from 13 to 15 March 2007, in Bishkek, Kyrgyz Republic.

130. A Seminar on "WTO Accession Negotiations" for selected Arab Countries was organized from 1 to 4 April 2007, in Damascus, Syria.

131. The IDB organized a Workshop jointly with the WIPO on Intellectual Property and Transfer of Technology for Arab countries, in Riyadh, on 4-6 June 2007.

132. The 13th Trade Policy Course in French Language was organized in Libreville, Gabon, from 4 to 22 June 2007.

133. An Intensive Course on Trade Negotiation Skills for Arab Countries was organized in Sana'a, Republic of Yemen from 11 to 15 August 2007.

134. The IDB organized a Seminar on WTO Rules, in Istanbul, Turkey, from 4 to 6 September 2007.

135. A Seminar on "Negotiations on Agriculture" was organized for all Member Countries at IDB Headquarters, Jeddah, Saudi Arabia, from 29 to 31 October, 2007.

Future Activities

136. IDB will organize:

A workshop on Trade Negotiation Skills for Syrian WTO Accession negotiating team in Damascus from 25 to 28 November 2007.

A consultative meeting for OIC member countries' Geneva-based permanent missions in December 2007 to exchange views on the latest stage of the Doha Round.

The 14th Trade Policy Course in English Language in Malaysia, from 22 January to 8 February 2008.

137. ICDT will organize:

in collaboration with the IDB, a Seminar on Multilateral Trade Negotiations relating to Intellectual Property Rights (TRIPS) in the OIC Member States.

in collaboration with the Turkish Patent Institute, a Seminar on "Geographical Indications" in Ankara in 2008.

Resolutions

138. Notes the resumption of the Doha Work Programme negotiations and urges the OIC Member States to participate in them actively with a view to safeguarding the interests of their economies especially those relating to agriculture, including cotton, industrial products, and services.

139. **Urges** the Member States, who are already the members of the WTO, to support the other OIC Member States seeking accession to the WTO in related fora.

140. **Calls on** the IDB, the ICDT and other related OIC institutions to continue extending technical assistance to the Member States in the context of the multilateral trade negotiations.

141. **Calls on** the IDB and the ICDT to pool and coordinate their efforts to reinforce human and institutional capacities of OIC Member States so as to facilitate their full integration into the multilateral trading system on equitable and fair basis. In this connection, **requests** the IDB and the ICDT to coordinate the positions of Member States within the WTO with a view to setting up a common platform of negotiations.

142. **Entrusts** the IDB and the ICDT to monitor matters relating to WTO activities and report them to the annual sessions of the COMCEC and other fora concerned.

VI. Cooperation among the Stock Exchanges of the OIC Member States (Agenda Item: 8)

Background Information

143. The Round Table Meeting on "Promotion of Cooperation among the Stock Exchanges of the OIC Member States" was held in Istanbul on 28 - 29 March 2005.

144. The 21st Session of COMCEC noted the creation of a platform called "OIC Member States Stock Exchanges Forum" and the establishment of two Working Committees namely the "Technical Committee" and the "Information Technology Committee" as an outcome of this Round Table Meeting.

Resolutions

145. **Requests** the OIC Member States' Stock Exchanges Forum to keep up its efforts for prospective results at its next meeting in 2008.

146. **Calls upon** the Member States to inform their stock exchanges about the "OIC Member States Stock Exchanges Forum" and promote it, and **invites** them to join the Forum and the Committees.

147. **Welcomes** the offer of Istanbul Stock Exchange of the Republic of Turkey to host the Second Round-table Meeting of the "OIC Member States' Stock Exchanges Forum" and the Working Committee Meetings in the first half of 2008 and requests all the member countries to encourage their stock exchanges to actively participate in this meeting.

148. **Also welcomes** the offer of the Cairo & Alexandria Stock Exchanges of Egypt to host a staff training program covering capital market activities.

149. **Takes note** of the current preparations being undertaken by SESRTCIC for Training Programs on Capacity Building to the benefit of Capital Market Authorities and Central Banks in the Member Countries.

150. **Requests** the OIC General Secretariat, in collaboration with Istanbul Stock Exchange, the SESRTCIC, the ICDDT and the IDB to follow-up on the developments on the subject and report to the next Session of the COMCEC.

VII. Capacity Building Program for Poverty Alleviation in OIC Member States (Agenda Item: 9)

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

Background Information

151. The issue of poverty alleviation in the less-developed and low-income OIC countries has remained on the agenda of various Islamic Summits and Foreign Ministers' Conferences with a view to reducing poverty in those countries by the end of next decade.

152. As a recent concrete step, Malaysia established a Capacity Building Program in the OIC Countries for Poverty Alleviation in less-developed and low-income OIC Countries. The first phase of the Program comprising of three pilot projects, was launched in March 2005 in Kuala Lumpur, and thereafter welcomed by the 21st Session of the COMCEC. Beneficiaries in the first phase were Indonesia, Bangladesh, Mauritania, and Sierra Leone.

153. The 33rd ICFM and the 21st Session of COMCEC called upon the Member States to lend all support to the Program in the spirit of progress and development of the OIC Countries.

154. The 21st Session of the COMCEC took note of the 8 capacity-building programs offered by Malaysia for implementation (2006-2008) in the area of trade, investment, SMEs, trade facilitation, development of women entrepreneurs, products and standards, and urged the Member Countries to participate in them.

155. The Third Extraordinary Session of the Islamic Summit underlined the importance of cooperation in the fields of poverty alleviation, capacity building, literacy, as well as eradication of diseases and epidemics such as AIDS, Malaria and Tuberculosis as well as the need to mobilize necessary resources to this end by establishing a special fund within the IDB. The Conference mandated the IDB Board of Governors to implement this proposal.

156. The Ten-Year Program of Action mandates the Islamic Development Bank to coordinate with the OIC General Secretariat in order to make necessary contacts with the World Health Organization and other relevant institutions to draw up a program for combating diseases and epidemics to be financed through the special fund planned to be set up within the IDB.

157. The Ten-Year Plan of Action commissions the IDB Board of Governors to take the necessary measures for ensuring a substantial increase in the Bank's authorized, subscribed, and paid-up capital, so as to enable it to strengthen its role in providing financial support and technical assistance to the OIC Member States, and to reinforce as well the Islamic Trade Finance Corporation recently established within the IDB.

158. Three OIC capacity building activities in the area of cotton so far are in place; namely the First EGM on Enhancing Production Efficiency and International Competitiveness in the Cotton Producing Member States, Jeddah, on 22-23 March 2005, the Forum on Energizing Trade and Investment in the Cotton Sector of the OIC Member States, Ouagadougou, on 18-19 April 2005, and the Second EGM on Enhancing Production Efficiency and International Competitiveness in the Cotton Producing Member States, from 28 to 30 March 2006, in Izmir, Turkey.

159. The Second EGM agreed that the Revised Plan of Action for cooperation among the OIC Member States in the area of cotton, which was drafted by the First EGM and

finalized at the Third EGM, was held from 9 to 12 October 2006, in Antalya, Turkey, and adopted by the 22nd Session of the COMCEC. Lastly, the 34th ICFM endorsed the above mentioned Plan of Action.

160. The 22nd Session of COMCEC requested the OIC General Secretariat, in collaboration with IDB, to monitor matters regarding the Capacity Building Program in the OIC Countries and to report to the annual sessions of the COMCEC and other OIC fora concerned.

161. The OIC Cotton Investment Forum was held in Istanbul on 12-13 November 2007 with the participation of a large number of businessmen and sector representatives.

Future Activities

162. The Action Plan which has a 5-year time frame from 2007 through 2011, have a Mid-Term review of the Action Plan for OIC Cotton producing Countries' Cooperation Development Strategy in the year 2009.

Resolutions

163. Welcomes the holding of OIC Forum on Enhancement and Promotion of Trade and Investment in Cotton Sector which was held in Istanbul, Turkey on 12-13 November 2007 with the contribution of OIC General Secretariat, IDB, ICCI, SESRTCIC, ICDT etc. and takes note of its outcomes and recommendations, notably;

- i. The Forum identified the following Centers of Excellence in the area of Research in Cotton and Textile to represent the three regions of:

Africa: Nigeria (Institute for Agricultural Research Ahmadou Bello University Centre) and Senegal (to be designated in due course by the country)

Asia: Pakistan (to be designated in due course by the country) and Turkey (Nazilli Cotton Research Institute)

Arab: Egypt (Cotton Research Institute) and Syria (Cotton Research Administration)

- ii. Establishing a Steering Committee and a Project Committee to study Project proposals as well as other proposals which will be implemented in the same domain and adopt appropriate measures and actions for implementation whenever necessary and feasible.

164. Calls upon the Member Countries to support the OIC Cotton Plan of Action and deepen cooperation in this important sub-sector.

165. Requests the Member States concerned to nominate their focal points for the implementation of the Action Plan and to define web-admins operating the Cotton Forum web-side (www.oic.-cif.org)

166. **Endorses** the recommendations of the Cotton Investment Forum.

167. **Requests** the OIC General Secretariat, in collaboration with the IDB, the SESRTCIC, the ICCI and the ICDT, to monitor the implementation of the Action Plan and report to the annual sessions of the COMCEC and the other OIC fora concerned.

VIII. Exchange of Views on "Micro-Credit Financing and Poverty Alleviation in Member States" (Agenda Item: 10)

168. The SESRTCIC submitted a Report to the Session about the outcomes of the Workshop entitled "Micro-Credit Financing and Poverty Alleviation in Member States" which was organized in Istanbul, Turkey, from 9 to 11 July 2007 by the SESRTCIC in collaboration with the IDB and the OIC General Secretariat.

169. The SESRTCIC also submitted a Terms of Reference (TOR) document on a new mechanism for the preparation and implementation of the exchange of views sessions and the results of the questionnaire it circulated to the member countries on the proposed themes for the COMCEC exchange of views sessions.

Background Information

170. The 22nd Session of the COMCEC decided to designate "Micro-Credit Financing and Poverty Alleviation in Member States" as the theme for the Exchange of Views at the Twenty Third Session of the COMCEC and requested the SESRTCIC, in collaboration with the IDB, the OIC General Secretariat, the relevant OIC institutions

and other related international organizations, to organize a workshop on the said topic prior to the Twenty Third Session of the COMCEC and submit its report to the Session.

171. The 23rd Meeting of the Follow-up Committee of the COMCEC requested SESRTCIC, in its capacity as the coordinating institution of the exchange of views sessions of the COMCEC, to explore the member countries' views on each of the proposed themes for the exchange of views sessions to be held during the subsequent COMCEC Sessions through regular circulation of a special questionnaire to the member countries and analysis of their responses on the subject matter.

172. The 23rd Meeting of the Follow up Committee also requested the SESRTCIC, in collaboration with the IDB, to prepare a Terms of Reference (TOR) document on a new mechanism for the preparation and implementation of the exchange of views sessions and to submit it to the next Session of the COMCEC for approval.

173. The SESRTCIC organized a Workshop on "Micro-Credit Financing and Poverty Alleviation in Member States" in Istanbul, Turkey, from 9 to 11 July 2007 in collaboration with the IDB and the OIC General Secretariat and with the participation of delegates from Micro Finance and related institutions in the OIC member countries and others. The Workshop adopted a set of recommendations and brought together a number of project proposals for submission to the 23rd Session of COMCEC.

Resolutions

174. **Takes note** of the recommendations of the Workshop on "Micro-Credit Financing and Poverty Alleviation in Member States", some of which are as follows:

Developing a national microfinance strategy in each interested member country and providing a better environment for the Micro Finance Institutions (MFIs) through, inter alia, creation of enabling conditions and undertaking of investments by governments to secure access to microfinance operations and to facilitate active operation of the MFIs in order to secure easier access to remote areas, decrease operation costs and ensure better outreach.

Creation of a legislative framework conducive to the development of the microfinance sector through, inter alia, formulating a national vision in consultation with the microfinance actors, preparing a model law to serve as

an outline for interested member countries to build on, depending on their domestic legislative conditions and taking into consideration future dimensions, and organizing a series of workshops focusing solely on the legal aspects of the microfinance sector.

Raising awareness for microfinance applications in the member countries to expand outreach and improve technical assistance to build up human resources in the field of microfinance through organizing training programmes on detailed aspects of microfinance with the participation of government officials working in the field.

Establishing national funds in the OIC member countries for initial capital injections into MFIs and requesting the IDB to study the best ways and means of taking up this issue.

Improving networking among MFIs in the member countries and creating MFI incubators and degree programs in the field of microfinance in the OIC countries.

175. **Commends** the initiative of the SESRTCIC to compile the following project proposals on the theme "Micro-Credit Financing and Poverty Alleviation" of the Exchange of Views Session prior to and during the Workshop. The details on these project proposals are available in the Report of the Workshop.

176. Project Proposals of this workshop are as follows:

Establishment of an OIC Centre for Microfinance with the following mandates:

- (i) Increasing awareness and advocacy for microfinance and SMEs development in the member countries and facilitating human resource development through vocational training and capacity building and exchange of expertise in these areas.
- (ii) Supporting development of legal framework and policy formulation for the microfinance sector in the member countries and building linkages with the capital markets to generate investment funds.

Establishment of an OIC Microfinance Network that will facilitate the dissemination of knowledge among the member countries by organising training programs for staff at the MFIs, translating essential publications to local languages, and organising programmes to encourage innovation in the microfinance sector.

Establishment of an OIC Network of SMEs Agencies (ONSA) to review, select and implement SMEs development initiatives, such as coordinating exchanges of SMEs Development Experts between member countries; providing a platform for exchange of information; supporting technology upgrading; promoting trade and joint ventures between SMEs in OIC countries; developing an effective e-marketplace for SMEs in member countries; and organizing SME Trade Fairs.

Developing Programmes to Provide Financial Education for the Poor (micro borrowers) offered in conjunction with microfinance services to be implemented by microfinance institutions, apex organizations and government institutions.

Developing Programmes to Provide Technical Assistance for MFIs Business Development to help them achieve sustainability by well-established MFIs supported by donors/investors and having a marketing linkage. Sustainability could be achieved by receiving technical assistance/consulting services on human resource management, product development, marketing strategies, risk management, staff training and development and monitoring, reporting and supervision.

Developing Microfinance Managers Training Programmes in the form of short practical courses organized for managers of MFIs in the member countries to develop their skills and improve the quality of management in the microfinance sector. These courses are offered in Boulder and in Consultative Group to Assist the Poor (CGAP) partners across the world. Similar programs could be developed by the above-proposed OIC Centre for microfinance in collaboration with educational institutions and regional networks in OIC countries in appropriate languages and locations.

Establishment of On-line Training Programme for Loan Officers by individual MFIs and national/regional apex organizations. As the MF

sector grows, there will be an increased demand for loan officers who are dealing with poor clients face-to-face. In order to train an adequate number of loan officers, on-line training programme could be an appropriate way which also will keep the loan officers in their hometowns, with no need to interrupt their work. Such training will focus on best practices of delivering microfinance services.

Initiation of Microfinance Translation Projects by MFIs in countries where English is not a commonly spoken language. There is a good amount of material available on microfinance published by international bodies such as CGAP, MFC, MicroSave, etc. However, due to language problems, some MFIs staff may not be able to have access to such material. Translation of this material to local languages of OIC member states may help MFIs in these countries to train their staff.

Establishment of Village Development Funds as a self-reliant local microfinance institution. Savings of a village is the source of loans given in the village. These Funds will facilitate the mobilisation of local savings and use local human resources. Owner-members choose financial products. Profits are used to cover the administrative costs. Personal and/or group guarantees or physical collateral are required to reduce the risk.

177. **Calls upon** the Member States to endeavour to implement the recommendations and project proposals of the workshop by showing a strong sustained high level of political will and commitment.

178. **Takes note** of the results of the questionnaire circulated by the SESRTCIC to the member countries on the proposed themes for the COMCEC exchange of views sessions in which the responding countries prioritise the following themes:

Theme 1: Improving investment climate

Theme 2: E-government applications

Theme 3: Vocational training applications/models and their economic impacts

Theme 4: The impact of Exchange Rate Policies and currency harmonization on intra-OIC trade.

179. **Calls upon** the Member States to promptly respond to the SESRTCIC questionnaire on the theme-selection to enhance related procedures and end up with a better identification of the areas where there is need and demand by member countries.

180. **Decides** to designate "Improving investment climate" as the theme for the Exchange of Views at the Twenty Fourth Session of the COMCEC and requests the IDB, in collaboration with the SESRTCIC (the coordinating institution for the exchange of views sessions), the OIC General Secretariat, relevant OIC institutions and other related international organisations to organise a workshop on this topic prior to the Twenty Fourth Session of the COMCEC and to submit its report to the next COMCEC Session.

Any Other Business (Agenda Item 12)

i. Renewal of the Members of the COMCEC Bureau.

181. Agrees on the new composition of the Follow-up Committee as follows:

| | | |
|-----|------------------------------|---|
| 1- | Republic of Turkey | Chairman (Permanent) |
| 2- | Kingdom of Saudi Arabia | Vice-Chairman (Permanent) |
| 3- | State of Palestine | Vice-Chairman (Permanent) |
| 4- | Malaysia | Chairman of the Current 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 |

ii. Proposal by SESRTCIC on vocational education and training and action programme for the OIC Member Countries.

Resolutions

182. Supports the initiative of SESRTCIC on Vocational Education Programme among the OIC Member States and mandates it to form a consultative group as

mentioned in the proposal to work on the modalities for launching and financing such a programme.

iii. Date of 24th Session of COMCEC.

183. **Decides** that the Twenty Fourth Meeting of the Follow-up Committee be held from 13 to 15 May 2008 and the Twenty Fourth Session of the COMCEC be held from 21 to 24 October 2008, in Istanbul.

184. **Invites** Member States to send to the OIC General Secretariat, sufficiently in advance of the Twenty Fourth Session of the COMCEC, country reports reflecting their experiences on the subject matter for exchange of views.

185. **Requests** the Follow-up Committee, at its Twenty Fourth Meeting, to draw up the draft agenda of the Twenty Fourth Session of the COMCEC and recommend alternative themes on which exchange of views would take place during the subsequent COMCEC sessions.

186. **Requests** the OIC General Secretariat to communicate to the Member States on the dates and distribute relevant documents of the Twenty Fourth Session of the COMCEC and the Twenty Fourth Meeting of the Follow-up Committee through diplomatic channels, websites, e-mail, etc.

187. **Welcomes** the establishment of the COMCEC website namely www.comcec.org and **requests** the OIC institutions to communicate their studies in a timely manner prior to the COMCEC Meetings to the COMCEC Coordination Office to make website more effective.

188. **Requests** the COMCEC Coordination Office to work on a modality for simplifying the COMCEC agenda and submit a report to the 24th Meeting of the Follow-up Committee.

iv. Development of OIC Halal Food Standards.

Background Information

189. Proposal for Halal food standard was first brought to 32nd Islamic Conference for Foreign minister in Sana, Republic of Yemen by the Malaysian Government in 2005.

Today, especially in conducting international trade among OIC member countries and non member countries, there is a need for common understanding of what halal is or not. The aim of developing halal food standard is to provide the much needed international benchmark for halal food products certification for the common good of the Islamic communities all over the world even if in non Muslim countries. On the consumer side, there is a growing demand for halal food in international trade which should be perceived as a consumer right.

Resolutions

190. **Welcomes** the offer of the Republic of Turkey to host 9th Meeting of OIC Standardization Expert Group in March 2008 with a task of studying and developing OIC Halal Food Standards.

Thanks and appreciation

191. **Expresses its thanks and appreciation** to the Member States, OIC Institutions and all the cooperating partners that have carried out the activities stated in these resolutions or have contributed to them.

ANNEX

11

Original: English

RESOLUTION (2)
ON MATTERS RELATED TO ECONOMIC ASSISTANCE
TO SOME COUNTRIES AND PEOPLES

(Istanbul, 14-17 November 2007)

Twenty-Third Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), which was held in Istanbul on 14-17 November 2007;

Requests the Member States to send detailed reports on the assistance to other OIC Member States to the OIC General Secretariat for compilation and submission to annual COMCEC Sessions in order to follow-up on the resolutions adopted under this set of Resolution 2.

A. Economic Measures in Support of Palestine

Recalling the resolutions adopted by OIC Summits in support of the Palestinian people;

Recalling Also the previous resolutions adopted by the Standing Committee at Ministerial Meetings and at meetings of the other committees;

Recalling further the resolutions adopted by the 34th Islamic Conference of Foreign Ministers in support of the State of Palestine;

Condemning the repeated Israeli aggressions against the Palestinian people and occupation of Palestinian territories in violation of the resolutions of international legitimacy and agreements signed and recognized internationally and demanding the cessation of all forms of aggression and violation of Muslim and Christian holy places and also demanding the immediate cessation-lift of financial siege on the Palestinian National Authority and also demanding the immediate withdrawal of the Israeli occupation forces from all the Palestinian territories as well as the cessation of assaults against the

Palestinian people, and the insistence on erecting the separation wall on Palestine territories about overwhelming international opposition;

Noting the role played by the Palestinian National Authority in all cities, hamlets and camps, including East Jerusalem in order to improve living conditions of the Palestinian people and build up national economy;

1. **Appeals** to the Quartet to send a peace-keeping force to secure the implementation of the Road-Map plan.
2. **Notes**, with deep appreciation, the assistance provided by some Member States and the OIC relevant institutions.
3. **Commends** efforts made by the Palestinian National Authority in Palestinian territory and camps to reconstruct what had been destroyed by Israeli occupation as well as Palestinian steadfastness in the face of Israeli aggression and **urges** Member States and other relevant parties to exert further efforts and provide greater assistance to build up, develop and strengthen national economy.
4. **Expresses** deep appreciation for the assistance provided by some Member States to the Palestinian people to build up their national economy and **urges** Member States and relevant OIC bodies to provide, as early as possible, the required and approved assistance to enable the Palestinian National Authority and the Palestinian people to build up national economy and consolidate national institutions the infrastructure of which had been totally destroyed by the Israeli occupying forces.
5. **Reaffirms** previous resolutions on providing all forms of support and assistance; economic, technical, material and moral, to the Palestinian people and the Palestinian National Authority, recommending preference in import to Palestinian products while exempting them from customs duties and taxes.
6. **Urges** businessmen and investors of Member States to contribute to the implementation of economic, industrial, agricultural and housing projects in the Palestinian territory, with a view to building up national economy and enabling the Palestinian National Authority and national institutions to

implement their development programmes for the coming period in the various economic, social and health fields.

7. **Appeals** to Member States to provide employment opportunities the Palestinian labor force, given harsh conditions imposed by the Israeli occupation forces, with a view to enhancing the socio-economic status of the Palestinian people and eradicating unemployment.

8. **Urges** the Member States to conclude bilateral agreements with the Palestine Liberation Organization and its National Authority covering economic, commercial and social areas, with a view to enhancing the socio-economic status of the Palestinian people.

9. **Urges** all OIC Member States and affiliated institutions to provide urgent assistance to build up a strong and independent Palestinian national economy.

10. **Requests** the OIC Secretary General to pursue his efforts aimed at implementing the previous resolutions adopted in support of the State of Palestine and to submit a progress report thereon to the next COMCEC Session.

B. Assistance to Lebanon

The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC),

Recalling resolution 13/10-EC(IS) adopted by the 10th Session of the OIC Summit;

Recalling resolution (3/34-E) adopted by the 34th Session of the OIC Ministers of Foreign Affairs;

Also recalling the Israeli aggression on Lebanon in the summer of 2006, its consequent damage and losses of life and property, and its repercussions on the political and economic conditions in Lebanon;

Appreciating efforts exerted by the Government of Lebanon to achieve security and stability, extend its sovereignty, under resolution No. 1701(2006) of the UN Security Council, over its territories, complete the reconstruction process, and cater to the needs of Lebanese citizens in the regions hit by the Israeli aggression;

Taking into consideration the difficulties faced by Lebanese citizens living in the region once brought under Israeli occupation and in neighbouring areas;

Having regard to the Secretary General report in this connection:

1. **Expresses** its appreciation to Islamic and Arab countries for the assistance extended within the framework of the International Conference To Support Lebanon (Paris 3) and calls upon them to keep up support to the efforts of the Lebanese government in this respect.
2. **Expresses** its appreciation for the assistance offered by OIC relevant bodies.
3. **Condemns** Israel's repeated aggressions against Lebanon; the latest of which took place in the summer of 2006, as well as its persistent refusal to withdraw from parts of the Lebanese territory, including the Shaba'a Farms, and beyond the internationally recognized Lebanese borders.
4. **Condemns** Israel for refusing to hand over detailed maps of areas where landmines were planted in South and West Bekaa region, a matter that exposes civilian life to extreme danger. Also **condemns** Israel for detaining Lebanese citizens in its prisons.
5. **Calls upon** the international community to support the UNIFIL forces in performing their mission; and **urges** Israel to strictly abide by Security Council Resolution No. 1701 and relevant international resolutions.
6. **Emphasizes** its support to Lebanon vis-à-vis its sovereign right to exercise its political options within the framework of its constitutional procedures and institutions, bearing in mind Lebanon's right to maintain relations with sisterly and friendly countries on the basis of mutual respect for

sovereignty, independence, its national interests, good neighborliness, equality and reciprocity.

7. **Condemns** deliberate Israeli assaults on public facilities and infrastructures in Lebanon, holding Israel fully responsible for this aggression and its consequences. It also considers Israel accountable for compensating the Republic of Lebanon and Lebanese citizens for the heavy losses inflicted on the Lebanese economy.

8. **Reaffirms** its previous recommendations on the necessity of extending various financial, humanitarian and in-kind assistance to Lebanon in the light of its economic and technical requirements and training needs and **reiterates** its **call** on OIC Member States and other international and regional organizations to urgently and actively move in contribution to the reconstruction of what had been destroyed by the Israeli occupation and in response to the invitation to hold a Donor Countries Conference for this purpose.

9. **Calls upon** Member States to provide exceptional facilities to give access -without barriers- to their markets of Lebanese products in order to reinforce Lebanon's economy considered to be the mainstay of its steadfastness in the face of Israeli aggression.

10. **Requests** the Secretary-General to follow up on this issue and to report to the next COMCEC Session.

C. Economic Assistance to the Republic of Albania

Recalling relevant resolutions of the 10th Islamic Summit Conference (resolution 18/10-EC), the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC;

1. **Expresses deep appreciation** for the assistance extended by some Member States and OIC relevant bodies.

2. **Expresses** its strong support to the people of Albania gutted in major economic difficulties at the present phase of their transition towards a market economy.

3. **Urges** OIC Member States, Islamic institutions and international organizations to grant generous economic assistance to Albania so that the Government of Albania may successfully implement its development programme.
4. **Requests** the Secretary General to follow up on this matter and report to the next COMCEC Session.

D. Economic Assistance to the Republic of Cote d'Ivoire

Recalling relevant Resolutions of the 34th Islamic Conference of Foreign Ministers (ICFM) and the 22nd Session of the COMCEC;

Considering particularly the decision to create a Special Fund to assist in the reconstruction efforts of the Republic of Cote d'Ivoire;

Considering also the role played by the Republic of Cote d'Ivoire, within the framework of the Organization of the Islamic Conference to establish peace and security in some member countries, and economic stability in the sub-region;

1. **Expresses** its support and solidarity to the people and government of Cote d'Ivoire;
2. **Appeals** to the OIC Member States and the international community to provide the Republic of Cote d'Ivoire with substantial financial and economic support to enable it to redress current difficulties faced by the country;
3. Requests the Secretary General to undertake appropriate steps for the organization of a donor conference for the reconstruction of Cote d'Ivoire.
4. **Requests** the OIC Secretary General to take appropriate measures required to urgently establish the Special Fund to bring about disarmament, demobilization and reintegration of ex-combatants in the socio-economic fabric as well as enhance post-reconstruction efforts in Cote d'Ivoire;

5. **Requests** the OIC Secretary General to establish as soon as possible the Contact Group on Cote d'Ivoire, as enunciated in the above 34th ICFM Resolution;
6. **Further requests** the OIC Secretary General to urgently visit the Republic of Cote d'Ivoire as stated in the above ICFM Resolution;
7. **Requests** the OIC Secretary General to follow up on the matter and to report thereon to the following COMCEC meeting.

E. Economic Measures in Support of Uganda

Recalling relevant resolutions of the 10th Islamic Summit Conference (resolution 20/10-EC), the 34th Islamic Conference of Foreign Ministers (ICFM) and the 21st and 22nd Session of the COMCEC;

1. **Invites** Member States, Islamic institutions and international organizations to extend urgent financial and economic assistance to Uganda so that it would deal with the refugee problems and other related **consequences** as well as implement its economic, social and cultural programmes.
2. **Urges** Member States and Islamic institutions and organizations to extend urgent and substantial assistance to the people of Northern Uganda.
3. **Reminds and requests** the Secretary General to liaise with the Government of Uganda and to follow-up on this matter urgently.

F. Economic Measures in Support of the Islamic State of Afghanistan

Recalling earlier resolutions of the 10th Islamic Summit Conference (resolution 19/10-EC), the 34th Islamic Conference of Foreign Ministers (ICFM) and the 22nd Session of the COMCEC;

Taking into account the participation of the Member States and the Secretary General of the OIC in the Donors Conference held on 21-22 January 2002 in Tokyo; and in March 2004 in Berlin;

Noting that about 70% to 80% of its economic and social infrastructures had been destroyed during two decades of war;

1. **Recognizes** that the Islamic State of Afghanistan was on the verge of a dramatic human tragedy, thus its perilous humanitarian calamity calls for immediate emergency relief measures.
2. **Urges** the Member States and Islamic institutions to extend urgent and substantial assistance to the people of the Islamic State of Afghanistan.
3. **Commends** those Member States that have already provided assistance to the people of the Islamic State of Afghanistan.
4. **Expresses its deep appreciation** for the creation of a fund for the Afghan people at the 9th Extraordinary Session of the Islamic Conference of Foreign Ministers (ICFM) and recommends that this fund be established as soon as possible.
5. **Expresses its gratitude and appreciation** to the OIC Member States for their generous contribution to the newly formed OIC Fund for the Welfare of Afghan Refugees to help with their repatriation from neighbouring and other countries.
6. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

G. Economic Measures in Support of the Republic of Somalia

Recalling resolutions of the 10th Islamic Summit Conference (resolution 15/10-EC), the 34th Islamic Conference of Foreign Ministers (ICFM) and the 22nd Session of the COMCEC;

1. **Expresses appreciation** for the assistance extended by some Member States and OIC relevant bodies.
2. **Urges** OIC Member States to provide material and other assistance on emergency basis to Somalia.

3. **Commends** those Member States that have already provided aid and assistance to the people of Somalia.
4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

H. Economic Assistance to the Kyrgyz Republic

Recalling relevant Resolution of the 10th Islamic Summit Conference (resolution 22/10-EC), the 34th Islamic Conference of Foreign Ministers (ICFM) and the 22nd Session of the COMCEC;

Expressing its understanding of the situation brought about in the Kyrgyz Republic upon attainment of independence and sovereignty;

Taking into consideration the economic difficulties accompanying the transitional period to free market economy;

1. **Expresses deep appreciation** for the assistance extended by some Member States and OIC relevant bodies.
2. **Appeals** to all Member States and Islamic financial institutions to contribute generously to the process of overcoming economic difficulties experienced by the Kyrgyz Republic, either on bilaterally or through multilateral and regional organizations, in order to enable the Kyrgyz Republic to fulfil its economic programme.
3. **Also appeals** to the Islamic Development Bank to increase its financial and technical assistance to the Kyrgyz Republic.
4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

I. Economic Measures in Support of the Republic of Azerbaijan

Recalling the resolutions adopted by the 10th Islamic Summit Conference (resolution 21/10-EC), the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC expressing support and assistance to the Republic of Azerbaijan;

Referring to the relevant UN Security Council Resolutions;

1. **Strongly condemns** continuous aggression by the Republic of Armenia against the Republic of Azerbaijan resulting in the occupation of one fifth of its territory and leaving behind one million Azerbaijani refugees and displaced persons.
2. **Reaffirms** its support to the sovereignty and territorial integrity of the Republic of Azerbaijan and full solidarity of OIC Member States with the government and people of Azerbaijan at this very critical time in the history of the country.
3. **Recognizes** the need to reinforce formidable solidarity of OIC Member States with the government and people of Azerbaijan.
4. **Welcomes and appreciates** the assistance extended by OIC Member States and relevant bodies, as well as United Nations institutions and international organizations.
5. **Appeals** to Member States and Islamic institutions to make available to the Government of Azerbaijan the much needed economic and humanitarian assistance with a view to alleviating the sufferings of the Azerbaijani people.
6. **Calls upon** the international organizations to continue to offer humanitarian and economic assistance to the Republic of Azerbaijan.
7. **Requests** the Secretary General to follow up on the matter and to submit a report thereon to the next COMCEC Session.

J. Economic Measures in Support of Bosnia-Herzegovina

Guided by the principles and objectives of the Charter of the Organization of the Islamic Conference emphasizing common goals and destiny of the Muslim peoples and their commitment to the consolidation of international peace and security;

Recalling previous resolutions adopted by the OIC in expression of its Members' full solidarity with the Government and people of Bosnia-Herzegovina;

Also taking into account the resolutions adopted by the Extraordinary Sessions of the Islamic Conference of Foreign Ministers on the situation in Bosnia-Herzegovina held in Istanbul and Jeddah and followed by the special Ministerial Meeting held in Islamabad as well as the 21st through 34th Islamic Conferences of Foreign Ministers, 10th Islamic Summit Conference (resolution 14/10-EC), and 22nd Session of the COMCEC;

Expressing its appreciation for the work of the Assistance Mobilization Group for Bosnia-Herzegovina, formed in 1995 during the Kuala Lumpur Meeting of the OIC Contact Group Ministers of Foreign Affairs and Defense for the provision of humanitarian and economic assistance in favor of concrete rehabilitation and reconstruction projects in Bosnia-Herzegovina;

1. **Expresses deep appreciation** for the assistance extended by Member States and OIC relevant bodies, and **stresses** the importance of the continuation of activities undertaken by the OIC Assistance Mobilization Group and noted with appreciation the special programme of the Islamic Chamber of Commerce and Industry designed to assisting the private sector of Bosnia-Herzegovina.

2. **Welcomes** the contribution of OIC Member States at the Donor Conference for the Reconstruction of Bosnia-Herzegovina held in Brussels in April 1996 which prompted OIC Member States to pursue their efforts vis-a-vis the payment of financial contributions for the repatriation of refugees which was adopted at the OIC Conference held in Doha in May 2001 and **expresses its satisfaction** for the efforts exerted by the OIC Committee for the Reconstruction of Bosnia-Herzegovina.

3. **Appeals** to Member States, Islamic institutions and other donors to make generous donations and provide financial aid to step up the early implementation of the IDB programme aimed at providing humanitarian assistance to the Government and people of Bosnia-Herzegovina for the reconstruction of the country.
4. **Expresses its appreciation** for the assistance provided by the OIC Member States as well as for the commendable efforts of Islamic and other international humanitarian bodies in the area of providing relief and assistance to war victims in Bosnia-Herzegovina.
5. **Urges** the international community to take effective measures to ensure the rehabilitation and reconstruction of Bosnia-Herzegovina.
6. **Persistently demands** that the sovereignty, territorial integrity and political independence of Bosnia-Herzegovina be safeguarded and protected within its internationally recognized borders and **supports** the Government of Bosnia-Herzegovina in its intent to proceed on this sound basis en route to a just and lasting solution to help restore the confidence of its people so that they may continue to live as a multi-ethnic, multi-cultural and multi-religious society.
7. **Requests** the OIC Member States, at the same time members of the Peace Implementation Council in Bosnia-Herzegovina and its Coordination Committee, to direct the largest portion of international assistance to the reconstruction of Bosnia-Herzegovina.
8. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

K. Assistance to the Republic of Guinea

Recalling earlier resolutions of the 10th Islamic Summit Conference (resolution 16/10-EC), the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC;

Considering the role played by the Republic of Guinea, within the framework of the Organization of the Islamic Conference, to establish peace and ensure stability in some Member States, victims of armed conflicts;

Considering the presence of a massive number of refugees from Liberia and Sierra Leone which constitutes an appalling burden on the economy of the Republic of Guinea;

Being gravely concerned over repeated aggressions against the Republic of Guinea along its borders with Liberia and Sierra Leone, resulting in human losses, serious material damage and extensive displacement of the population within Guinea;

Considering the Declaration issued on 13 September 2000 by the UN Security Council, condemning these aggressions;

Considering the Final Communiqué of 13 September 2000 of the Coordination Meeting of Foreign Ministers of Member States of the Organization of the Islamic Conference condemning these aggressions and expressing its solidarity with the Republic of Guinea;

Considering the need for the Republic of Guinea to reconstruct its country, secure the survival of the displaced population and the return of the refugees to their respective countries;

Noting with satisfaction that a joint OIC/IDB mission visited areas affected by rebel attacks with a view to assessing the damage and destruction resulting from the attacks and to elaborate a reconstruction program;

1. **Expresses** its support to and solidarity with the people and the Government of Guinea.
2. **Invites** the international community and the OIC Member States to provide the Republic of Guinea with substantial financial and material assistance, so that it would deal with the difficulties triggered by the assaults against the Republic of Guinea and the presence of hundreds of thousands of refugees, the majority of whom are Muslims, on its territories.

3. **Appeals** to the Islamic Development Bank to increase its assistance, in the form of subsidies or loans with favorable terms, to the Republic of Guinea, so that it may establish the social infrastructures needed for the displaced population and the refugees, and get over the deleterious situation brought about due to this gross human presence.
4. **Requests** the Secretary General to follow up on the matter and to report to the following COMCEC Session.

L. Assistance to the Republic of Sierra Leone

Recalling relevant Resolutions adopted by the 10th Islamic Summit Conference (resolution 17/10-EC), the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC;

1. **Appeals** to Member States and Islamic institutions of the Organization of Islamic Conference of which Sierra Leone has always been an active member, whose people have experienced the most brutal acts of violence, to urgently extend substantial financial and material assistance to the war ravaged country to enable its people to rebuild the infrastructure and to undertake the much needed rehabilitation, reconstruction and resettlement of returnees and displaced inhabitants of about 1,5 million.
2. **Appeals** to those Member States which have not generously contributed to the OIC Trust Fund for the reconstruction and economic rehabilitation of Sierra Leone to kindly do so to accelerate the reconstruction efforts currently undertaken by the Government of the Republic of Sierra Leone.
3. **Requests** the Secretary General to use his good offices to accelerate the approval of projects already identified for Sierra Leone.
4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

M. Economic Assistance to the People of Jammu and Kashmir

Recalling the relevant Resolutions of the 10th Islamic Summit Conference, the 34th Islamic Conference of Foreign Ministers and the 22nd Session of COMCEC;

Noting that the people of Jammu and Kashmir in the Indian occupied Kashmir have sustained grave atrocities and repressive practices resulting in more economic hardships to be borne by the people;

Welcoming the appointment of Ambassador Ezzat Kamel Mufti as Special Representative of OIC Secretary General, on Jammu and Kashmir and hoping that this appointment would also facilitate implementation of OIC's decisions regarding economic assistance to the people of Jammu and Kashmir;

1. **Recognizes** the need for immediate economic assistance to alleviate the sufferings of the innocent and displaced Kashmiris.
2. **Appeals** to all Member States and Islamic institutions, particularly the Islamic Solidarity Fund and the Islamic Development Bank to offer immediate assistance to the Kashmiri people.
3. **Also appeals** to all OIC Member States and Islamic institutions to grant scholarships to Kashmiri students in different universities and educational institutions in the OIC countries.
4. **Requests** the Secretary General to follow up on the matter and to report to the next COMCEC Session.

N. Economic Assistance to the Republic of Yemen

Recalling relevant resolutions of the 10th Islamic Summit Conference (resolution 24/10-EC), the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC;

Taking into consideration the economic difficulties faced by the Republic of Yemen, having emerged from the burdensome task of reunification

and the massive losses incurred by the abortive secession attempt in June 1994 as well as the devastating floods that swept the country in 1996;

Appreciating the efforts made and success achieved by the Government of Yemen in implementing the Economic Reform Policy and the Poverty-Fighting Programme;

Taking into consideration the heavy burden borne by the Yemeni Government to provide shelter for groups of refugees from neighboring African countries;

Recalling that Yemen is one of the least developed countries:

1. **Expresses** its appreciation for the efforts of the Yemeni Government to overcome its economic difficulties and to implement the Comprehensive Programme of Administrative and Financial Reform and the success achieved in this regard.
2. **Also expresses** its appreciation for the assistance extended by some Member States and the relevant organs of the Organization of the Islamic Conference.
3. **Renews its call** to Member States as well as to all regional and international organizations to extend all kinds of economic assistance to the Yemeni Government to support its efforts aimed at implementing the Comprehensive Programme of Administrative and Financial Reform and alleviating sufferings generated by floods and the heavy burden of sheltering large numbers of refugees from neighbouring African countries.
4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

O. Economic Assistance to Tajikistan

Recalling relevant resolutions of the 10th Islamic Summit Conference (resolution 27/10-EC), the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC;

Taking into account the objectives and principles of the OIC Charter as well as members' commitment to consolidate international peace and security;

Deeply concerned over the critical situation in Tajikistan in the aftermath of six years of bloody civil war, which resulted in numerous deaths, injuries and the displacement of thousands of people as well as the devastation of its economic and social infrastructures;

Noting the return of about 200,000 Tajik refugees to their homeland which necessitates substantial financial and technical support;

Recalling the report of the World Food Programme which estimates that 25 per cent of the Tajikistan population are in dire need of food aid;

Noting with concern the marked spread of contagious diseases such as tuberculosis and diarrhea, victims of which are especially infants, children and women;

1. **Expresses deep appreciation** to the assistance extended by some Member States.
2. **Appeals** to all members and Islamic financial institutions to make their generous contributions to the process of overcoming the economic hardships experienced by Tajikistan either on bilateral basis or through multilateral and regional organizations to enable Tajikistan to implement its rehabilitation programmes.
3. **Urges** the Islamic Development Bank to increase its financial and technical assistance to Tajikistan.
4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

P. Economic Assistance to Guinea Bissau

Recalling earlier resolutions of the 10th Islamic Summit Conference, the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC;

Noting the political and social disorders that have recently erupted in Guinea Bissau and their consequences on the economic activities of the country, namely loss of agricultural and export products, mass displacement of the population and devastation of the basic socio-economic infrastructure, such as schools, dispensaries, hospitals, markets, residential areas, etc;

1. **Urges** Member States and the International Community to provide Guinea Bissau with urgent aid to facilitate the reintegration of its people in active life.
2. **Appeals** to Member States and to OIC institutions to participate in the rehabilitation and economic revival programme of Guinea Bissau.
3. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

Q. Economic Assistance to Countries Affected by Drought and Natural Disasters

Recalling earlier resolutions of the 10th Islamic Summit Conference (resolution 10/10-EC), the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC;

Noting with concern the grave situation brought forth by drought and natural disasters, and their scathing effect on economic and social conditions especially as regards agricultural, economic and social infrastructures, as well as public services and utilities;

Noting with satisfaction efforts made by some Member States and the Islamic Development Bank which have extended and continue to extend technical and financial assistance as well as aid to Member States hit by drought and natural disasters;

Fully aware that afflicted Member States, most of them belonging to the category of the Least Developed Countries, cannot by themselves, bear the exorbitant cost of anti-drought and anti-desertification campaigns and the implementation of major related projects;

1. **Expresses its gratitude** to Member States, which provided and are still providing assistance and food aid to the Member States affected by drought and natural disasters.
2. **Expresses also its gratitude** to IDB for its continuing assistance to Member States afflicted by drought and natural disasters and encourages the Bank to keep up its assistance to this end.
3. **Appeals** to the international community also to extend assistance to Member States plagued by drought and natural disasters.
4. **Calls upon** the Member States and OIC Institutions to extend urgent assistance to OIC countries of Inter-governmental Authority for Development and the Campaign Against Drought (IGAAD) and Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) to enable them to deal with the difficult situation they were in and which has been threatening them for a long time.
5. **Notes with appreciation** the meeting of donor countries and national and regional financial institutions held by Kuwait at the IDB Headquarters in June, 1998 to consider appropriate mechanisms for financing the new programmes.
6. **Welcomes** the contribution of 30 million US\$ by the State of Kuwait in the form of soft development loans as well as the 20 million US\$ contributed by the Islamic Development Bank for the new programme.
7. **Also notes with appreciation** that the Kingdom of Saudi Arabia has embarked on the implementation of its new programme for the control of drought and desertification in the Sahelian African States.
8. **Also expresses** its appreciation to the Great People's Socialist Libyan Jamahiriyyah for the support and assistance it provides to Islamic States to help improve their infrastructure, mollify the ills of abject poverty, drought and natural disasters and ameliorate health, social and cultural conditions through donations, soft loans and assistance in kind.

9. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

R. Assistance to Sahelian African States Afflicted by Desertification, Drought and Locust Invasion

Having taken cognizance of resolution (27/7-IS) of the 7th Islamic Summit on Islamic Solidarity with the Peoples of the Sahel;

Recalling resolutions of the 10th Islamic Summit Conference, the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC;

Taking into account the need for the urgent implementation of the OIC/CILSS/IDB Programme for the Sahel, which could be compromised if not implemented as soon as possible;

1. **Expresses** deep appreciation for the assistance extended by some Member States and relevant OIC bodies.
2. **Appeals** to all Member States and Islamic institutions to extend urgently special assistance to enable Sahelian African States to make up for the shortage of cereal crops and poor grazing land as a result of scarce rain falls and locust invasion.
3. **Expresses** its appreciation of the efforts made by the OIC General Secretariat, CILSS and the IDB vis-à-vis the elaboration and finalization of the OIC/CILSS/IDB Programme for the Sahel.
4. **Reaffirms** the necessity of giving priority to the rapid implementation of the Special OIC/CILSS/IDB Programme for the Sahel.
5. **Appeals** urgently to Member States to contribute generously and substantially to the funding of the OIC/CILSS/IDB Programme in favour of the Sahel populations to crystallize the OIC Member States solidarity with these populations, alleviate their sufferings and ensure sustained development for the Sahel region.

6. **Notes** with appreciation the meeting of donor countries and national and regional financial institutions in Kuwait in June 1998 to consider the appropriate mechanisms for financing the new programme.
7. **Welcomes** the 30 million US \$ contribution made by Kuwait in the form of soft development loans as well as the 20 million US \$ provided by the Islamic Development Bank for the new programme.
8. **Also notes** with appreciation the initiation by the Kingdom of Saudi Arabia of the third phase of its program in favour of the Sahelian African States to combat drought and desertification.
9. **Urges** the Member States to announce their contributions to the new programme in favour of the Sahelian African States.
10. **Requests** the OIC General Secretariat to follow up on this matter and to report to the next COMCEC Session.

S. Economic Assistance to the Republic of Mozambique

Noting with satisfaction that the Mozambique Presidential and Legislative elections held on 1-2 December, 2004, was carried out peacefully and in a transparent manner, which created conditions to reinforce the democratic process and to proceed with the implementation of economic and social programmes,

Appreciating efforts being made by the Government of Mozambique concerning the implementation programme for eradication of poverty as well as for economic development;

1. **Appeals** to the Islamic Development Bank, all Islamic Institutions and the international community in general to continue rendering their assistance in order to ensure the socio-economic development of Mozambique.
2. **Urges** the developed countries to write off the external debt of Mozambique in the light of its current efforts to eradicate poverty.
3. **Calls upon** all Member States to continue their support to the implementation of the programme of reconstruction of Mozambique.

4. **Expresses deep appreciation** for the assistance extended by some Member States and relevant OIC institutions.
5. **Urges** the international community to render assistance for setting up national, sub-regional, regional and international disaster prevention, preparedness and management mechanisms, including early warning systems.
6. **Requests** the Secretary General to follow up on the implementation of this resolution and to submit a report thereon to the next Session of the COMCEC.

T. Economic Assistance to the Republic of Sudan

Recalling the resolutions adopted by the Islamic Summit Conference and the Foreign Ministers meetings in earlier sessions on the support of Sudan

1. **Expresses deep concern** over the sufferings of the war-ravaged Sudan the influx of refugees and the displaced as a corollary of disputes, natural disasters, drought, desertification and floods;
2. **Appraises** positive developments in the Republic of Sudan that favorably led to the conclusion of the Comprehensive Peace Accord in January 2005. **Also welcomes** the formation of the national unity government and the signing of the Abuja Peace Agreement in Darfur and **appeals** to the rest of the factions which have not done so to speedily accede to the Peace Agreement. **Also welcomes** the conclusion of the Asmara Accord to bring to an end the problem of East Sudan and **asserts** its assistance to Sudan to help it build peace and development for the sake of its unity and stability.
3. **Lauds** the positive response by the Islamic Development Bank to the Urgent Assistance Programme, already initiated, and **calls upon** the other states and institutions to extend urgent assistance to support the programme with a view to obliterating the traces of war, drought, desertification and natural disasters and redressing their implications on infrastructure and social and economic structures;

4. Requests the Secretary-General to follow up on this matter and to report to the upcoming COMCEC Session.

U. Economic Assistance to the Republic of Chad

Recalling Resolutions of the 34th Islamic Conference of Foreign Ministers (3/34-E (G)) and the 22nd Session of the COMCEC;

Considers the massive presence of refugees on the Chadian territories on the one hand, and the continued situation of the displaced Chadian population who are living under drastically deplorable conditions on the other hand;

Takes note of the principles and objectives of the OIC Charter and the commitment of the member states to the strengthening of international peace and security.

1. **Invites** Member States, Islamic institutions and the international organizations to extend urgent financial and economic assistance to Chad in order to face the multiple problems of refugees and the displaced who are living on its territory and to implement its socio-economic programs.

2. **Appeals** to Member States, Islamic institutions and humanitarian organizations to provide the necessary assistance to the population of East Chad.

3. **Requests** the Secretary General to ensure the implementation of this Resolution and to report to the next COMCEC Session.

V. Economic Assistance to the Republic of Djibouti

Recalling relevant resolutions of the 10th Islamic Summit Conference, the 34th Islamic Conference of Foreign Ministers and the 22nd Session of the COMCEC;

Deeply concerned at the recent floods in Djibouti causing a drastic loss in livestock, as well as serious damage to roads and health establishments thus causing cholera and malaria epidemics;

1. **Appeals** to the Member States to provide substantial financial and material support to the Republic of Djibouti for the consolidation of peace, the reconstruction of the country and the implementation of its structural adjustment programme.
2. **Calls on** the Member States to assist the Republic of Djibouti in its struggle against the disastrous consequences of the recent drought at the social and economic levels.
3. **Requests** the Secretary General to follow up on the implementation of this resolution and to submit a report thereon to the next Session of the COMCEC.

ANNEX

12

Original: English

**REPORT OF THE
11th SESSIONAL COMMITTEE OF COMCEC
(Istanbul, 13 November 2007)**

1. The 11th Sessional Committee of the COMCEC was held on 13 November 2007, prior to the 23rd Session of 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 Centre for Islamic Countries (SESRTCIC)
 - Islamic Centre for Development of Trade (ICDT)
 - Islamic Development Bank (IDB)
 - Islamic Chamber of Commerce and Industry (ICCI)
 - Islamic University of Technology (TUT)

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

4. Concerning the Draft Agenda of the Sessional Committee, the representative of the ICCI took the floor to propose consideration of the new proposals of the President of ICCI, H.E. Saleh Kamel, under the agenda item "any other business". This proposal was adopted by the Committee.

The Meeting agreed the following agenda items for consideration:

1. Review of the Proposed Cooperation Projects of COMCEC.
2. Review of the Draft Terms of Reference (TOR) of the Task Force established to study ways and means of increasing the Intar-OIC trade to 20% by 2015.
-Presentations by the COMCEC Coordination Office and the IDB.
3. Any other business.

Under Agenda Item 1:

4. The COMCEC Coordination Office (CCO) made a presentation on the recent developments regarding the Project Proposals. Thereafter, the owners and the coordinators of the Project Proposals discussed recent developments of relevance.
5. The Committee issued the following recommendations regarding the Projects, stated below:

For the project entitled "Technical Cooperation Among Patent Offices in OIC Member States", the representatives of the Turkish Patent Institute (TPI) and ICDT have presented the latest developments of this project since the last meeting of the Sessional Committee. They informed the Committee that the ICDT and the TPI, in collaboration with the Moroccan Office for Industrial and Commercial Property (OMPIC), organised the Second Conference on "Technical Cooperation between the Industrial Property Offices in the Member States of the Organisation of the Islamic Conference (OIC)", in Casablanca, Kingdom of Morocco on 11-13 July 2007.

The main goal of this Conference is to adopt the work programmes of the two sub-committees that were set up during the 1st Conference on the basis of the responses to the questionnaire sent by the ICDT in March 2007.

This Conference was attended by 30 OIC Member States, the Gulf Cooperation Council (GCC), the Arab Maghreb Union (UMA) the OIC General Secretariat and the World Intellectual Property Organisation.

This Conference was concluded by the adoption of the business plans of the two sub committees on "Institutional Capacity Building", and on "information technologies" and requested the Director General of ICDT and the President of TPI, to undertake a special mission to Jeddah, Kingdom of Saudi Arabia, in order to meet Prof. Dr. Ekmeleddin IHSANOGLU, the Secretary General of the OIC and Dr Ahmed Mohamed ALI, President of IDB in order to present the business plans adopted by the Conference and seek financial and moral support. A similar mission will be organised to GENEVA in order to present the business plans to Dr. Kamal IDRIS, the Director General of WIPO.

The Committee welcomed the progress achieved in this project.

For the Project entitled "Incubator Management Training among OIC Member States", the Committee was informed by the representative of the Small and Medium Industry Development Organization of Turkey (KOSGEB) and the ICCI (the Coordinator of the Project), that they have been in contact regarding the progress of the project. The Committee welcomed the announcement of the KOSGEB to organize jointly with ICCI a workshop in April 2008 and an Incubators Management Forum in 2009.

For the Project entitled "Cooperation in the Area of Technical Development: Medium Range Regional Turbofan Airliner", proposed by TUSAŞ Aerospace Industries of Turkey (TAI), the Committee appreciated and welcomed the announcement made by the representative of the IDB to the effect that full financing of the feasibility study of the Project is under consideration.

For the Project entitled "Low Cost Imaging-Based Mapping System Applications for Monitoring of Natural and Anthropogenic Changes in OIC Member Countries' Coasts", the representative of the IUT informed

that the owner and the coordinator of the projects will come together to discuss the details of the project and will inform the COMCEC Coordination Office.

In line with the relevant recommendation of the 23rd Follow-up Committee of COMCEC, the Committee recommended that the project entitled "World Gold Markets and Cooperation Prospects among Islamic Countries" be deleted from the list. For the projects 6 and 7 entitled respectively "Setting Up of Regional Companies Specialized in the Organization of Trade Fairs and Exhibitions" and "Setting up of Permanent Exhibition Halls", the Committee decided to delete those projects from the list since the first one is well performed either by public sector or by private sector in many countries while the second project is already implemented by ICDT.

For the Projects entitled "Satellite Control and Monitoring Centre" (SATCMC) and "Low Earth Orbit Satellite" proposed by the Satellite Communication and Cable TV Operation of Turkey (TURKSAT), the representative of TURKSAT informed the Committee that these projects should be suspended but another project proposal of TURKSAT, namely "Continuous Education and Training Center on ICT", can be included in the project list for further consideration.

For the project entitled "Sustainable Development in a Network of Cross-Border Parks and Protected Areas in West Africa", the Committee was informed by ICDT that Benin, Gambia, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal and Sierra Leone were interested in this project. The terms of reference of the feasibility study of the project were submitted to IDB for financing. Further to these recommendations, the Minister of Tourism and Handicraft of the Republic of Guinea, in its capacity as the coordinator of this project, has paid a visit to the President of IDB in December 2006. This visit was successful and the IDB requested each country of the project to submit a separate financial application through its governor within IDB Board of Governors. Five countries have applied so far.

For the project entitled "Technical Cooperation in the Field of Heritage Preservation" proposed by the Hashemite Kingdom of Jordan, the OIC

General Secretariat will be in contact with Jordan and IRCICA (the Coordinator of the Project) and inform the Committee on the developments regarding this Project as soon as possible.

6. After the presentations made on all the projects, the Committee expressed its satisfaction on the progress achieved for projects number 1,2 and 7. For the remaining projects, the Committee **requested** the member states, through their senior officials, to adopt a more proactive approach and call upon their focal points to contact project owners and coordinators respectively, at earliest convenience, so as to get these projects implemented. The Committee also sought the approval of the senior officials to cancel, projects in which no country has shown interest.

Under Agenda Item 2:

8. The representatives of the COMCEC Coordination Office and the IDB briefed the Committee on the terms of reference of the Task Force established to study ways and means of increasing the Intra-OIC trade to 20% by 2015

9. The Committee **welcomed** the announcement by the IDB to host an EGM in order to tackle all the issues in Jeddah in 2008 before the 24th Follow up Committee of COMCEC with the participation of the member states with proper expertise and relevant OIC and international Institutions.

Under Agenda Item 3:

10. The representative of the ICCI briefed the Committee on the new project proposals on the setting up of two Funds, one for Research and Technology and the other for Investment. The Committee was also informed that the detailed study on the two Funds will be submitted as soon as they are ready. The Committee welcomed the idea of setting up the Funds and agreed to give their input, once they get more information.

11. 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 Management Training Among OIC Member States | Turkey | | ICCI |
| 3. | Cooperation in the area of Technical Development: Medium Range Regional Turbofan Airliner. | Turkey | Kazakhstan | |
| 4. | Low Cost Imaging-Based Mapping System Applications for Monitoring of Natural and Anthropogenic Changes in OIC Member Countries' Coasts | Turkey | Bangladesh/ Turkey | IUT |
| 5. | Satellite Control and Monitoring Centre (SATCMC) | Turkey | Turkey | |
| 6. | Low Earth Orbit Satellite | Turkey | Turkey | |
| 7. | Creation of a Network of Cross-border Parks and Reserves in West Africa | Guinea | Gambia, Guinea Bissau, Mali, Mauritania, Senegal, Sierra Leone | ICDT/SESRT CIC |
| 8. | Technical Cooperation in the Field of Heritage Preservation | Jordan | | IRCICA |

ANNEX

13

Original: French

**CLOSING STATEMENT OF
H.E. PROF. EKMELEDDİN İHSANOĞLU
OIC SECRETARY GENERAL
AT
THE 23RD SESSION OF THE STANDING COMMITTEE FOR
ECONOMIC AND TRADE COOPERATION (COMCEC)**

(Istanbul, 17 November 2007)

Bismillahir Rahmanir Rahim

Your Excellency
Nazım Ekren
Deputy Prime Minister
And Minister of State
Excellencies Ministers
Honorable Delegates
Ladies and Gentlemen,

Assalamu Alaikum Warahmatullahi Wabarakatuhu,

Allow me, on behalf of the Secretary General, who is, unfortunately, not able to give his address today, to express our deep appreciation for the overall organization of the 23rd Session of the COMCEC. I would like to extend profuse thanks to HE Abdullah Gül, President of the Republic of Turkey, for his constant support of the OIC activities. Profuse thanks are also due to the government of Turkey for its massive efforts in overcoming all obstacles that faced the organizers of this meeting. On behalf of the OIC, its subsidiary bodies and specialized and affiliated organizations, I should like to extend sincere appreciation to all the ministers who were genuinely interested in taking part in this meeting. I would also like to laud all the efforts exerted to render this Session successful, which indeed materialize our aspirations as set out on the agenda.

The OIC extends sincere appreciation to all delegations and all the working staff: translators, interpreters, coordinators, and the secretarial staff. In fact, it gives us great pleasure to meet in this session to discuss and exchange views for the welfare of the Ummah. Like previous speakers, we wish also to express our thanks to Professor Muhammad Yunus, the Nobel Peace Prize Laureate for the statement he made on Micro-Credit Financing. His breath-taking smooth, revolutionary and practical ideas have entirely taken hold of the listeners' attention, especially on identifying loaning methodology leading to eradication of poverty. To have among us such celebrities is certain to help us further support our deliberations within the COMCEC.

We also appreciate the fact that, through this session, we could take long and significant strides towards approving the Rules of Origin Agreement, which was signed by some countries during the final session of the Second Round of the Trade Negotiating Committee (TNC). In this context, we call upon all countries which had not done so, to sign or ratify this agreement to sign and ratify at their earliest convenience so that it would enter into force as scheduled.

Excellencies

Distinguished Delegates

Ladies and Gentlemen

We are both pleased and honored over the success of this Session and the recommendations and results it came up with, which guide us in providing a niche for economic development of the Islamic World, and step up trade exchange among the member states.

We would also like to express sincere thanks to the Standing Committee for Economic and Trade Cooperation (COMCEC) for the assiduous efforts made over the last few years, and the efforts made to carefully organize this meeting. We should also like to welcome the spirit of cooperation among the subsidiary, specialized and affiliated organizations of the OIC which enabled us to achieve these satisfactory results.

In conclusion, allow me to extend sincere appreciation to the government of Turkey for the kindness and hospitality accorded to the participating delegates, stressing the OIC support of all efforts exerted.

Thank you very much,

Wassalamu Alaikum Warahmatullahi Wabarakatu,

ANNEX

14

Original: Turkish

**CLOSING STATEMENT
OF H.E. KÜRŞAD TÜZMEN
STATE MINISTER OF THE REPUBLIC OF TURKEY
(Istanbul, 17 November 2007)**

Honorable Ministers,
Distinguished Delegates,

We have successfully completed the 23rd COMCEC Meeting after an intense working program.

At this Meeting, we have worked on very important issues such as establishing a Trade Preferential System among Islamic countries, enhancing cooperation among stock-exchange markets, the poverty alleviation program, developing the micro-credit system and setting Halal standards which will significantly contribute to the mobilization of the economic potential of OIC member countries.

World trade has been increasing over the past few years. In the last decade, world trade has grown by 6% on average. This tendency is expected to rise expeditiously next year. Another important development is that there are new emerging regions and countries on the scene of world trade. As energy and raw material prices increase, the share, which the developing countries get, keeps on growing.

The share of OIC members of world trade is also on the rise, however at a lower pace. Fostering this trend could be possible through the implementation of the trade preferential system and the harmonization of rules of trade.

Otherwise, we should keep in mind that it is not possible to have more share of world trade or reach our common defined goals.

Soaring energy and raw material prices is the fundamental reason for the increase in intra-OIC trade put at 13.5% in 2003 and 15.5% in 2005. The growth of this trend and the increase of our common intra-OIC target to 20% is

only possible through putting the Trade Preferential System into effect by 2009.

To this end, we have come a long way in the recent work of the Trade Negotiating Committee. We have finalized PRETAS and the Rules of Origin regulation. We are even closer to the implementation of the System with the subscriptions made today. In this respect, I would like to congratulate Malaysia, Guinea, and Cameroon for signing the above mentioned Agreements. We also expect all the member countries to sign and ratify the TPS-OIC Agreements.

On putting the TPS-OIC Agreements into effect by 2009, a new era will be heralded for intra-OIC trade. We regard this as a historical turning point in intra-OIC trade. Within this framework, establishing a Trade Preferential System forms the basis for the realization of our goal of creating a free trade zone which covers all Islamic countries. As a result, we will be able to harmonize rules of trade and put in place a common tariff-sensitive trade system, and we will all come to realize that matters will be easier from then onwards.

Another crucial issue which we deliberated on was to establish a common Halal Food Standard among OIC members. Rapid developments have been witnessed recently with regard to trading of products within this perspective. There is an increasing demand for products, subject to Islamic rules, by consumers living in the non-Muslim countries. An issue that attracts our attention is the emergence of multi-national companies intensifying ventures to increase their share in the market.

We have a responsibility to control trade within this context through setting a Halal Food Standard under the auspices of the OIC. In brief, a common standard, logo, accreditation as well as expedited development of intra-OIC trade through a monitoring system, should be our common goal. We expect the work of the Experts Group formed for this purpose to be completed in one year.

Honorable Ministers,
Distinguished Delegates,

We appreciate and thank the Islamic Development Bank for its work to realize our trade-related goal. The IDB has made a contribution of US\$ 27 billion to the financing of trade over the past 30 years. This contribution was put at US\$ 2.8 billion in 2006.

There is no doubt that the IDB has established the International Islamic Trade Finance Corporation (ITFC), through which its contributions to the financing intra-OIC trade will increase even more. We expect that the ITFC will play a very important role through creating synergy with active export credit corporations and providing a specially medium and long term programs in financing intra-OIC trade.

In this regard, I would like to share information on trade between Turkey and brotherly OIC members for the last five years. We are supporting the development of trade between Turkey and OIC members with strategies being implemented through certain measures and programs since 2002. At the first stage, we started with our neighboring and nearby OIC countries. During this period, we are planning to apply the same with other OIC members.

Thanks to our efforts, our foreign trade volume of US \$ 11 billion with OIC member countries in 2002 has exceeded US \$ 34 billion in 2006. We estimate that this amount will be close to US \$ 44 billion this year. In the sector of contracting services, Turkish contractors have undertaken business abroad that amounted to US \$ 19.5 billion. There are still 22 Turkish companies among the world's biggest 225 contracting companies. Approximately 75 % of the business undertaken by the Turkish companies was carried out with OIC member countries. In 2007, the volume of business that the Turkish companies materialized with OIC member countries to date has reached US \$ 14.5 billion.

As we all know, one way of getting a share of the increasing global welfare is the improvement of the financial milieu. We note that countries which strengthen their legal and economic infrastructure especially for foreign investments, add value to their development efforts. Our main task is to promote investment opportunities in our multi-lateral affairs, ensure

sustainability of private sector investment, and give priority to quality and branding.

Enhancement of capacity building at present forges as the most consequential subject that we address in this area. Apart from current legal and administrative barriers, it is imperative that our people be freed of the vicious cycle of poverty in terms of education, health and income. In this context, I believe that we should attach paramount importance to the implementation of Action Plans on such areas as tourism and cotton. These sector-specific Action Plans , tabled on the COMCEC agenda, are designed to fight against poverty.

Besides, I consider the establishment of the Poverty Alleviation Fund within the framework of the IDB, as a significant development, and I would like to congratulate the IDB and Member Countries for their contributions to this fund.

I believe that 'The Implementation of Micro-Credit in Poverty Alleviation Fund' as an item addressed during this year's COMCEC meetings, is an important opening for approximately 400 million brothers in the OIC Member Countries who live within abject poverty threshold. All our efforts are dwelt on the philosophy citing 'The welfare of the people ensures the survival of the state'. It is necessary for a powerful country to have a society made up of strong individuals. An OIC community that is composed of productive and self-reliant individuals is of prime importance in restructuring the world based on brotherhood and peace.

Honorable Ministers,
Distinguished Delegates,

Concluding my speech, I would like to thank all the delegates, representatives, members of the press, OIC General Secretariat, Ankara Center, Islamic Development Bank, Casablanca and Karachi Center, and other OIC institutions for their invaluable contribution to the success of the meeting.

I also would like to thank the staff of the COMCEC Coordination Office, the personnel who took part in this organization, the translators and

interpreters who made this meeting a success thanks to their dedication and meticulous effort. I hope you had a pleasant stay in Istanbul, and wish that you would enjoy your journey back home with the belief that we have further strengthened our cooperation.

Thank you.