REPORT
TWENTY SEVENTH MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC
ANKARA, 01-02 JUNE 2011

COMCEC Coordination Office
Ankara, June 2011

REPORT

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OF THE COMCEC

Ankara, 01-02 June 2011

COMCEC Coordination Office
Ankara, June 2011
ADDRESS:

COMCEC COORDINATION OFFICE
within
STATE PLANNING ORGANIZATION
Necatibey Cad. 108
Ankara-TURKEY
Phone : 90-312-294 57 10 – 294 57 30
         90-312-294 57 06
Fax : 90-312-294 57 77 – 294 57 79
Website : www.comcec.org
e-mail : comcec@dpt.gov.tr
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REPORT

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

(Ankara, 01-02 June 2011)
REPORT
TWENTY SEVENTH MEETING OF THE FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE ORGANIZATION OF THE ISLAMIC CONFERENCE
(Ankara, 01-02 June 2011)

1. The Twenty Seventh Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Ankara on 01-02 June 2011.

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

3. Representatives of the Republic of Iraq also attended the meeting as observers.

4. In addition, Representatives of the OIC General Secretariat, Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRIC), Islamic Center for the Development of Trade (ICDT), Islamic Development Bank (IDB) Group, Islamic Chamber of Commerce and Industry (ICCI), Islamic University of Technology (IUT), Organization of the Islamic Ship-owners Association (OISA), The Federation of Consultants from Islamic Countries (FCIC), the Standards and
Metrology Institute of Islamic Countries (SMIIC), and Research Center for Islamic History, Art and Culture (IRCICA) have attended the Meeting.

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

Opening Session (Agenda Item: 1)

5. Following the recitation from the Holy Qur'an, H.E. Kemal MADENOĞLU, Undersecretary of State Planning Organization of Turkey, inaugurated the Meeting.

6. Message of H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of COMCEC, was read out by Mr. M. Metin EKER, Director General of COMCEC Coordination Office. Emphasizing the importance of enhanced economic cooperation among the OIC Member States, H.E. Abdullah GÜL underlined that the study being undertaken by the COMCEC Coordination Office and the OIC General Secretariat bears great importance as it is expected to produce a Framework of Cooperation which would address the current needs and problems of the Member States.

7. H.E. Abdullah GÜL stressed the need to intensify cooperation in the prioritized sectors of tourism, transport and agriculture in COMCEC’s future actions. President GÜL also expressed his satisfaction with determining the 27th COMCEC’s theme for the Exchange of Views Session as "The Impact Transportation Networks on Trade and Tourism".

8. H.E. President GÜL expressed the indispensability of easier movement of goods, capital, persons and information across our borders for our economic, social, and cultural development. H.E. the President maintained that efforts towards liberalizing trade and facilitating capital flows among member countries should be finalized without delay. In this regard, President GÜL made particular reference to the operationalization of TPS-OIC, launching of SMIIC, enhancing private sector activities, and improving financial cooperation among Member States.


(A copy of the text of the Message of H.E. President Abdullah GÜL is attached as Annex II.)
10. Following the message of H.E President GÜL, H.E. Kemal MADENOĞLU read out the opening speech of H.E. Cevdet YILMAZ, Minister of State of the Republic of Turkey. Welcoming the delegates, H.E. YILMAZ stressed the importance of Follow-up Committee Meetings, as well as the active participation of the Member States for achieving a greater cooperation among Member States.

11. H.E. Cevdet YILMAZ took the Meeting’s attention to the latest developments in global economy, including the fragile economic recovery, volatility in main commodity prices and increased decoupling between advanced and emerging markets. The Minister stressed that while OIC Countries have also negatively affected by the recent crises, the current environment provides also an opportunity to intensify cooperation among Member States.

12. Emphasizing the role of trade as an engine for growth and development, H.E. YILMAZ underscored that due consideration should be given to enhancing intra-OIC trade through, among others, operationalizing TPS-OIC, effectuating the Executive Program, eliminating non-tariff barriers and enhancing the role of the private sector. Minister YILMAZ stated that the intra-OIC trade which reached the level of 16.7 percent as of 2009 may be sustained through diversification of products and markets in terms of exports.

13. Taking into account the prevalence of poverty in the OIC Region, H.E. the Minister emphasized that poverty alleviation projects and programs such as ISFD, SPDA, VET and Cotton Action Plan should deliver their results without delay. The Minister invited Member States, as well as relevant OIC Institutions to fulfill their responsibilities in this regard.

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

14. Message of H.E. Professor Ekmeleddin İHSANOĞLU, Secretary General of OIC, was read out by Mr. Cheikh Oumar T. SOW, Director General for Economic Affairs of the OIC General Secretariat. In his message to the Meeting, H.E. Prof. İHSANOĞLU, the Secretary General of the OIC, appealed to the member states to increase their ownership for various programmes and projects under the Ten-Year Programme of Action.

15. H.E. İHSANOĞLU commended the efforts being exerted by the relevant OIC institutions with a view to operationalizing the TPS-OIC. Prof. İHSANOĞLU also stressed the importance of resource mobilization for the realization of the objectives of
Islamic Solidarity Fund for Development and Special Programme for the Development of Africa.

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

16. The Meeting was then addressed by the Heads of Delegation of State of Kuwait, Islamic Republic of Iran, Republic of Senegal, Republic of Mali, and Islamic Republic of Pakistan. They expressed their thanks and appreciation to the President of the Republic of Turkey and the Government and people of Turkey for their continued support to economic and commercial cooperation among the Member States as well as for the warm welcome accorded and excellent arrangements made at the Meeting. The delegates expressed their views regarding the importance of enhancing economic and commercial cooperation carried out under the umbrella of the COMCEC.

17. The Committee took note of the informal consultative meeting held on 2 June 2011 in Ankara on the preparations of Cotton Investment/Donor Conference and the next Steering and Project Committee Meetings.

**Working Sessions**

18. The working sessions of the Meeting were chaired by H.E. Ahmet YAMAN, Deputy Undersecretary of the State Planning Organization of the Republic of Turkey.

19. The agenda of the Meeting was unanimously adopted by the Committee.

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

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

*i) OIC Background Report:*

20. The Committee took note of the Background Report and the recommendations submitted by the OIC General Secretariat on the implementation of the OIC Ten Year Program of Action.

21. The Committee urged Member States which did not do so to sign and ratify the agreements in the field of economic and commercial cooperation.
22. The Committee **requested** the OIC General Secretariat to include challenges faced in the implementation of the Plan and Programme in its review report.

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

**ii) Study on a New Cooperation Framework**

23. The Committee **welcomed** the study undertaken by the OIC General Secretariat and COMCEC Coordination Office towards producing an effective framework document for cooperation.

**iii) Report of the Sessional Committee:**

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

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

   (The report of the 18th Sessional Committee Meeting is attached as Annex VII.)

**Cooperation in the Area of Trade (Agenda Item: 3)**

**i) TPS-OIC**

26. The Committee **welcomed** the submission of the concession lists by the Gulf Cooperation Council on behalf of its Member States (Kingdom of Saudi Arabia, Kuwait, Bahrain, United Arab Emirates, Qatar, and Oman).

27. The Committee **urged** the Member States which have ratified PRETAS to notify the Trade Negotiating Committee Secretariat, their specific annual installments of reduction along with the list of products and the MFN applied rate applicable on October 1st, 2003.
28. The Committee also **urged** the Member States which have ratified the Rules of Origin to complete the necessary internal legislative and administrative measures, which include printing TPS-OIC Certificate of Origin and conveying specimen impressions of stamps to the Trade Negotiating Committee Secretariat.

29. The Committee **welcomed** the submission of the Certificate of Origin and specimen impressions of stamps by the Kingdom of Saudi Arabia and Turkey to the TNC Secretariat.

30. The Committee **urged** the General Secretariat to pursue its consultation with the Sub-regional African Integration Organizations in particular the UEMOA, the ECCAS and the COMESA in order to allow the relevant OIC Member States to finalize the signature and ratification process of the TPS-OIC Agreements.

31. The Committee **urged** the Member States which have not yet signed or ratified TPS-OIC Agreements, namely the Framework Agreement, PRETAS and Rules of Origin, to do so at their earliest convenience for making the TPS-OIC implemented.

**ii) Road Map for Enhancing Intra-OIC Trade**

32. The Committee **took note** of the ICDT’s 2011 Annual Report on “trade among the OIC Member States” and **welcomed** the progress achieved for the implementation of the Executive Program of the Road Map for Achieving Intra-OIC Trade Targets.

33. The Committee **requested** the OIC Institutions to streamline their activities with the Executive Program and to hold regular Consultative Meetings with a view to delivering better results, improving coordination and avoiding duplication.

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

35. The Committee **requested** the Member States to keep on providing the ICDT with data relating to trade and investment statistics and regulations.

  (The Follow-up Report of the Executive Program of the Road Map is attached as Annex VIII.)
iii) WTO Related Technical Assistance

36. The Committee underlined the importance of conclusion of the Doha Development Agenda (DDA) with the objective of delivering its developmental components.

37. The Committee called on IDB and ICDT to synergize their efforts to strengthen the human and institutional capacities of OIC Member States so as to contribute to their accession to the multilateral trading system on an equitable and fair basis.

38. The Committee further called on IDB and ICDT and other related institutions to continue providing technical assistance to the Member States on WTO-related issues.

iv) Trade Financing Activities

39. The Committee took note of the efforts of ITFC in increasing intra-OIC trade by financing trade activities of Member States and reaffirmed the importance of the support, coordination and cooperation of Member States with the ITFC and the IDB Group to achieve better results in this area.

40. The Committee requested the ITFC to consider revising the length of the maturity of its programmes in order to make them competitive with the other international or national finance resources.

41. The Committee took note of the decision of the ICIEC Board of Directors to increase the capital of ICIEC upon approval of the IDB Group Board of Governors in June 2011.

42. The Committee requested the ICIEC to expand its investment insurance programs to the investments of the Member States in non-Member States.

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

43. The Committee reiterated its call upon the IDB as previously stated in the Yaoundé Declaration of 2010 and the Economic Declaration of Sharjah of 2011, to significantly raise the awareness of the Member States, particularly the African States, regarding the various trade financing opportunities and the possibility of providing lines of finance to local banks in favour of the private sector of the Member States.
v) Islamic Trade Fairs

44. The Committee expressed its appreciation to the State of United Arab Emirates (Emirate of Sharjah) for hosting the 13th Trade Fair of OIC Member States (OIC EXPO 2011) in Sharjah from 24 to 29 April 2011.

45. The Committee welcomed the offer of the Republic of Tunisia to host “the First OIC Health Expo” in Tunis from 22 to 25 September 2011 and urged the OIC Member States and private sector representatives to actively participate in this Fair.

46. The Committee welcomed the offer of Burkina Faso to organize jointly with ICDT and in collaboration with the IDB Group the “First cotton and textiles Exhibition in the OIC Member States” in Ouagadougou from 21 to 25 September 2011 and urged the OIC Member States and private sector representatives to actively participate in this Fair.

47. The Committee welcomed the offer of the Arab Republic of Egypt to host the 2nd Tourism Fair of OIC Member States in Cairo in 2012 and urged the OIC Member States and private sector representatives to actively participate in this Fair.

48. The Committee also welcomed the offers of the Islamic Republic of Iran, the Republic of Guinea and the Republic of Iraq to host the 14th, the 15th and the 16th Trade Fairs of OIC Member States (OIC EXPO) in 2013 and 2015 and 2017 respectively and requested the ICDT to follow up on this matter.

49. The Committee requested ICDT to prepare progress reports regularly on the trade fairs as well as the tourism fairs of OIC Member States and the other specialized exhibitions and submit them to the COMCEC Sessions and related OIC fora.

50. The Committee urged ICDT to develop and expand the content of its trade fairs and exhibitions by collaborating with trade promoting organs in the OIC Member States.

vi) Establishment of SMIIC

51. The Committee welcomed the ratification of the Headquarters Agreement of SMIIC by The Republic of Turkey, as a milestone development in its institutionalization.
52. The Committee took note of the report of the first meeting of SMIIC Board of Directors held in Istanbul on 8 January 2011 and the report of the Technical Committee Meeting held in Yaoundé, Cameroon on 16-17 May 2011.

53. The Committee called upon to SMIIC Member States and non-Member States to actively participate in the 2nd SMIIC General Assembly Meeting to be held on 12-13 July 2011 in Istanbul.

54. The Committee requested the member states which have not signed and ratified the Statute of SMIIC to do so.

(The report by SMIIC on its activities is attached as Annex X.)

vii) Arbitration Mechanism

55. The Committee took note of the ongoing study of ICIEC on the relevance of establishing an Arbitration Mechanism, which is referred earlier as Intra-OIC Trade Dispute Resolution Mechanism, and called upon the corporation to report to the 27th Session of the COMCEC.

Cooperation in the Priority Sectors (Agenda Item 4)

i) Cooperation in the Area of Agriculture

56. The Committee called upon the Member States to actively participate in the 6th Ministerial Conference on Agriculture to be held in Istanbul on 3-6 October 2011.

57. The Committee took note of the work that has been carried out by the COMCEC Task Force on Agriculture, Rural Development and Food Security for the preparation of the “OIC Executive Framework for Agriculture, Rural Development and Food Security” and requested the Task Force to submit the draft Executive Framework to the 6th OIC Ministerial Conference on Agriculture and to the 27th Session of the COMCEC.

58. The Committee welcomed the hosting of the Forum on Development of Agro-food Industries and the workshop on food security on 11-12 October 2011 in OIC Member States by the Government of Uganda in collaboration with the OIC General Secretariat, IDB, ICDT and ICCI.
ii) Cooperation in the Area of Tourism

59. The Committee welcomed the offer of the Republic of Turkey to organize the 2nd Workshop on “Private Sector Cooperation for Development of Tourism within OIC”, in parallel with the Travel Turkey Tourism Fair to be organized in İzmir in 08-11 December 2011.

60. The Committee requested the Republic of Turkey, COMCEC Coordination Office and OIC General Secretariat to work on the modality and details of the OIC Tourism Platform planned to be established among private sector representatives.

61. The Committee took note of the activities of IRCICA in the area of tourism cooperation, namely the Prince Sultan bin Salman Islamic Architectural Heritage Database and series of architectural schools for study and promotion of sites and monuments in the Member States.

iii) Cooperation in the Area of Transportation

62. The Committee urged the Member States to actively participate in the OIC Transportation Expert Group Meeting to be hosted by the Ministry of Transport of Turkey and held on 9 June 2011 in İzmir.

63. The Committee also urged the Member States to actively participate in the Workshop on “Impact of Transport Networks on Trade and Tourism” which will be organized by SESRIC and IDB Group to be held on 7-8 June 2011 in İzmir, as well as the Ministerial Exchange of Views Session to be held during the 27th Session of the COMCEC on the same theme.

64. The Committee requested Member States to send their Sectoral Country Reports on Transport to the COMCEC Coordination Office by September 15th in one of three OIC Languages to be distributed during the 27th Session of the COMCEC.

Financial Cooperation among the OIC Member States (Agenda Item: 5)

i) Cooperation among the Stock Exchanges of the OIC Countries

65. The Committee took note of the progress achieved within the context of OIC Member States’ Stock Exchanges Forum activities on calculating and creating a
benchmark index and tradable indices and urged the Forum Members to finalize index studies and make Islamic finance instruments more visible in international arena.

66. The Committee also welcomed the offer of the Republic of Turkey to host the 5th Meeting of the OIC Stock Exchanges’ Forum on 16-18 September 2011 in İstanbul, and called upon the Member States to actively participate to this Meeting.

ii) Cooperation among the Central Banks

67. The Committee welcomed the cooperation activities and exchange of information among the Member States’ Central Banks and Monetary Authorities on operation, regulation and oversight of payment systems.

68. The Committee took note of the training and capacity building programs, organized by the Central Bank of Turkey and SESRIC, within the framework of the cooperation among the Member States’ Central Banks and Monetary Authorities.

69. The Committee welcomed the organization of the 11th OIC Central Banks and Monetary Authorities Meeting by Malaysia in collaboration with SESRIC to be held on 16-17 November 2011.

70. The Committee requested the Central Banks of the Member States to return the questionnaires sent by the SESRIC and Central Bank of Turkey regarding their needs and capacities in order to plan future capacity building and training programmes.

iii) Cooperation among Capital Markets’ Regulatory Bodies

71. The Committee welcomed the initiation of the cooperation among the member states’ Capital Markets Regulatory Authorities

72. The Committee also welcomed the offer of the Republic of Turkey to host the 1st Meeting of the Member States’ Capital Markets Regulatory Authorities on September 17th, 2011 in İstanbul, and urged Member States to actively participate in this Meeting.
Private Sector Cooperation (Agenda Item: 6)

73. The Committee took note of the report of the 14th Private Sector Meeting for the promotion of trade and joint venture investment among Islamic Countries, held in Sharjah, UAE, on April 24-26, 2011.

74. The Committee called upon the Member States to provide an enabling environment that promotes SMEs and requested to develop a Public Private Partnership for the overall economic development of the Member States.

75. The Committee took note of the 1st West Africa Islamic Investment Forum, organized by the ICCI from 28th February - 1st March, 2011, in Kano State, Nigeria in collaboration with Ghana Islamic Chamber, Tamale, Halal Chamber of Kano; and the Investment Conference for Islamic Countries, held on 21st May 2011 in Amman, Jordan, in collaboration with Jordan Chamber of Commerce.

76. The Committee called on the Member States to facilitate visa issuance for business people to promote economic and commercial cooperation amongst the OIC Member States.

77. The Committee requested the ICCI, ICDT and other OIC Institutions to ensure greater participation of the private sector in economic and commercial cooperation activities.

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

Poverty Alleviation (Agenda Item: 7)

78. The Committee took note of the outcome of the 4th UN LDCs Conference hosted by Turkey on 9-13 May 2011 in İstanbul.

i) ISFD and SPDA

79. The Committee urged the countries who have pledged to the ISFD to fulfill their commitments so as to enable it to finance more projects in Member States and Muslim Communities and Minorities.
80. The Committee **urged** the Islamic Development Bank (IDB) to seek mobilization of additional resources from different financing institutions to increase the funds for the Special Programme for the Development of Africa (SPDA).

81. The Committee **requested** the IDB to submit regular reports on the implementation status of the ISFD and SPDA to the COMCEC Sessions.

82. The Committee **called upon** IDB and other OIC institutions to devise projects for the economic development of Jerusalem and occupied Palestinian territories.

(Report of IDB on Implementation Status of ISFD and SPDA is attached as Annex XII.)

**ii) OIC Cotton Program**

83. The Committee **urged** the owner countries of the cotton-related project proposals, which have not done so, to officially submit their financial requests to the IDB Group through their competent authorities.

84. The Committee **welcomed** the IDB’s approval for the funding of the regional project which includes Turkey and Syria and the project of Mozambique.

85. The Committee **asked** the IDB Group to finalize its consideration of the projects which have already been submitted for financial support.

86. The Committee **called upon** the Member Countries to participate in the next Steering and Project Committee Meetings to be held in September 2011 in Casablanca.

87. The Committee **urged** the concerned Member States and OIC Institutions to provide the OIC General Secretariat with necessary information to be published on the cotton web portal (www.oic-cotton.org).

88. The Committee **welcomed** the invitation of the Republic of Turkey for all OIC Cotton Producer member states to apply to competent Turkish Authority regarding the technological transfer, especially the machines used in labor intensive cotton production.

89. The Committee **reiterated** its request to all OIC Cotton Producing member states to fill the questionnaire prepared for Turkey’s cotton needs and send it back to
the Ministry of Industry and Trade of the Republic of Turkey via e-mail to the contact person. (ismail.kalender@sanayi.gov.tr)

iv) OIC-VET Program

90. The Committee took note of the initiation of OIC-VET Sub-Programmes and requested the SESRIC and IDB to exert their efforts toward the implementation of the planned projects under the OIC-VET sub-programmes and to report their outcomes to the 27th Session of the COMCEC.

91. The Committee called upon the National Focal Points (NFPs) of the OIC-VET Programme and relevant authorities in the Member States as well as the relevant OIC institutions to actively participate and collaborate with SESRIC in the implementation of the various projects within the framework of the OIC-VET Programme.

92. The Committee welcomed the offer of Technical and Vocational Training Organization (TVTO) of Islamic Republic of Iran to host the 3rd Meeting of Monitoring and Advisory Committee (MAC) of the OIC-VET Programme, which will be organized jointly by SESRIC and TVTO and held on 16-20 July in Tehran, Islamic Republic of Iran.

Draft Agenda of the 27th Session of the COMCEC (Agenda Item: 8)

93. The Committee decided to submit the Draft Agenda to the 27th Session of COMCEC with some amendments.

(A copy of the Draft Agenda of the 27th Session of the COMCEC, as amended by the Committee, is attached as Annex XIII.)

Any Other Business

94. The Committee took note of the following possible themes for the Ministerial Exchange of Views Session of the 28th Session of the COMCEC:

Theme 1: Promoting Small and medium sized enterprises’ competitiveness in the Member States.

Theme 2: The role of private sector in the field of tourism.
Theme 3: The role of public private partnerships to enhance the cooperation in the field of tourism.

Theme 4: Foreign direct investment opportunities in the field of tourism in OIC region.

95. The Committee **requested** the SESRIC to circulate a questionnaire to the Member states to explore their views on the above themes and report them to the 27th Session of the COMCEC.

**Thanks and appreciation**

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

**Closing Session**

97. At its Closing Session chaired by H.E. Ahmet YAMAN, Deputy Undersecretary of the State Planning Organization of the Republic of Turkey, the Committee adopted its Report together with its Annexes. The Committee requested the COMCEC Coordination Office to circulate the Report among Member States, and to submit it to the Twenty Seventh Session of the COMCEC.

98. Ishaq ABDULKARIM, Head of Delegation of the State of Kuwait proposed to send a message of thanks to H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of the COMCEC for his most enlightening message sent to the Meeting. The proposal was unanimously approved by the Committee.

99. Cheikh Oumar SOW, Director General of the Economic Affairs of the OIC read out the message of H.E. Prof. Ekmeleddin İHSANOĞLU, Secretary General of the OIC. In his message, H.E. Prof. İHSANOĞLU expressed his thanks to the Government of Turkey and particularly to the COMCEC Coordination Office for the excellent arrangements made for the Meeting and for the warm welcome and generous hospitality extended to all participants. H.E. the Secretary General reiterated the support of the OIC to the activities of the COMCEC and his readiness to give full support to all activities which will contribute to the progress of the Islamic Ummah.
100. The Head of Delegation of the Republic of Mali, H.E. Mohamed Mahmoud Ben Labad made a statement on behalf of the delegates. He expressed his sincere thanks to the Government and people of Turkey for the warm welcome and excellent hospitality extended to the delegates during their stay in Ankara. He also thanked the Chairman of the Meeting, and all the supporting staff for the excellent arrangements made for the Meeting.

101. In his closing statement, H.E. Ahmet YAMAN, Deputy Undersecretary of State Planning Organization of the Republic of Turkey, expressed his thanks to delegates for their valuable contributions and spirit of cooperation. H.E. YAMAN, also thanked the OIC General Secretariat, and the subsidiary and affiliated institutions of the OIC for their valuable assistance. Finally, H.E. YAMAN wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. Ahmet YAMAN is attached as Annex XIV.)
ANNEXES
ANNEX

I
LIST OF PARTICIPANTS
OF THE TWENTY SEVENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(Ankara, 01 – 02 June 2011)

A. MEMBER STATES OF THE OIC

REPUBLIC OF CAMEROON

- H.E. IYA TIDJANI
  Ambassador of Cameroon in Riyadh

- Mrs. MARTHE CHANTAL MBAJON NDJEPANG
  Technical Advisor, President’s Office

- Mr. BOUBA AOUSSINE
  Sub Director, Ministry of Trade

- Mr. EVARISTE EVANE
  Attache, Prime Minister’s Office

ISLAMIC REPUBLIC OF IRAN

- Mrs. ZOHREH BAHREHBAR
  Division Chief, Grants and Credit Facitiries, Office for Loans,
  International Organizations and Institutions, Organization for Investment (OIETAI),
  Ministry of Finance

- Mrs. MAHSA ZIAEDDINI
  Expert, Office for Loans, International Organizations and Institutions,
  Organization for Investment (OIETAI),
  Ministry of Finance

- Mr. FARHAD KARIMIAN
  Counsellor in Ankara

STATE OF KUWAIT

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

- Mrs. FATMA ALI  
  Economic Researcher,  
  Ministry of Finance

**REPUBLIC OF KAZAKHSTAN**

- Mrs. DARIGA KAMZEBAYEVA  
  Director of Strategic Planning Department of the Ministry of Tourism and Sports

- Mrs. ALIYA MURZALINOVA  
  Head of Division of the Strategic Planning and Development Department of the Ministry of Transport and Communications

- Mr. YERKEN IBRAYEV  
  Head of Division of the International Relation Department of the Ministry of Economic Development and Trade

- Mr. KANAT SARSENBEOV  
  Head of Division of the Strategic Planning and Innovation's Department of the Ministry of Agriculture

- Mr. MADET ZHOLDASBAYEV  
  First Secretary in Ankara

- Mr. ALMAZ AZHIBAYEV  
  Attache in Ankara

**REPUBLIC OF MALI**

- H.E. MOHAMED MAHMOUD BEN LABAT  
  Ambassador of Mali to Saudi Arabia and OIC

- Mr. MOUSSA ALIOU KONE  
  Counselor of Mali in Riyadh

- Mr. SALAHA MOHAMED KATRA  
  Adviser of the Ministry Foreign Affairs

- Mr. HÜSEYİN BAŞARAN  
  Honorary Consul General in Ankara
ISLAMIC REPUBLIC OF PAKISTAN

- Mrs. ROBINA ATHER
  Joint Secretary, Ministry of Commerce

- Mr. MOIN ULHAQUE
  Minister, Deputy Head of Mission Embassy of Pakistan, Ankara

- Mr. TIPU USMAN
  First Secretary, Embassy of Pakistan, Ankara

- Mr. GIYAN CHAND
  Third Secretary, Embassy of Pakistan, Ankara

STATE OF PALESTINE

- Mr. RAFAT RAYYAN
  Director of International Organization Dept., Arab & Islamic World Department
  Ministry of National Economy

STATE OF QATAR

- Mr. AHMED SALEH AL-MOHANNADI
  Economy Expert, Ministry of Business and Commerce

KINGDOM OF SAUDI ARABIA

- Mr. ABDULLAH BIN ABDULWAHAB AL-NAFISAH
  Director General, Ministry of Commerce and Industry

- Mr. NASSER MOHAMMED AL-MUTLAQ
  Chief Economist, Ministry of Finance

- Mr. HUSSAIN BIN EED AL-RASHEED
  Economic Expert, Ministry of Commerce and Industry

- Mr. RIYADH BIN NASSER ALABDULMUNEM
  International Economic Relations Department
  Ministry of Foreign Affairs
REPUBLIC OF SENEGAL
- HE. ISSAKHA MBACKE
  Ambassador of Senegal in Ankara
- Mr. ISMAILA DIOP
  Director of Cabinet, Ministry of Commerce
- Mr. NICOLAS A. NYOUKY
  First Counselor Senegal Embassy in Ankara

REPUBLIC OF TURKEY
- Dr. KEMAL MADENOĞLU
  Undersecretary of State Planning Organization
- Mr. AHMET YAMAN
  Deputy Undersecretary of State Planning Organization
- Mr. HULUSİ ŞENTÜRK
  President of Turkish Standards Institution
- Mr. İSMAIL KALENDER
  General Director of Organization, Ministry of Industry and Trade
- Mr. SALİH MUTLU ŞEN
  Consul General of Turkey in Jeddah
- Mr. ERKAN ÖZORAL
  Head of Department, Ministry of Foreign Affairs
- Mr. BÜNYAMİN KAYAK
  Third Secretary, Ministry of Foreign Affairs
- Mr. MUSTAFA SEPETÇİ
  Head of Department of Foreign Relations, Ministry of Industry and Trade
- Ms. NURDAN ÇAMLİBEL AYDIN
  Head of Department, Undersecretariat of Foreign Trade
- Mr. MUSTAFA İMİR
  Head of Department, Ministry of Agriculture and Rural Affairs
- Mr. CAFER KAPLAN
  Director of International Relations, Central Bank of the Republic of Turkey
- Dr. ERALP POLAT  
  International Relations Director, İstanbul Stock Exchange Chamber

- Mr. İHSAN ÖVÜT  
  Director of Foreign Relations, Turkish Standards Institution

- Ms. DENİZ BERBER  
  Acting Head of Section, Ministry of Agriculture and Rural Affairs

- Mr. OKAY ÖZTÜRK  
  Head of Section, Undersecretary of Foreign Trade

- Ms. SEÇİL SAYIN GÜNDÜZ  
  Chief Expert, Capital Markets Board of Turkey (SPK)

- Dr. ŞEREF TABAK  
  Expert, Foreign Relations Department, Ministry of Transportation

- Mr. BAHADIR KARA  
  Expert, Ministry of Tourism and Culture

- Ms. BENGÜ AYTEKİN  
  Expert, Directorate of Foreign Economic Relations, Undersecretariat of Treasury

- Ms. GÖKÇE DEMİRDERE  
  Expert, Directorate of Foreign Economic Relations, Undersecretariat of Treasury

- Ms. AYŞİN AYLAN ÖZGÜVEN  
  Expert, Custom

- Mr. MEHMET SERHAT AKGÜL  
  Assistant expert, Directorate of International Relations, Central Bank of the Republic of Turkey

- Mr. EMRE ÖZDANA  
  Assistant Expert, Export Credit Bank of Turkey

- Ms. MÜNEVVER ABBAS  
  Assistant Expert, Undersecretary of Foreign Trade

- Ms. DENİZ YALÇIN  
  Assistant Expert, Union of Chambers and Commodity Exchanges of Turkey (TOBB)

- Ms. ŞEHLA ALİ HASAN  
  Assistant Expert, Union of Chambers and Commodity Exchanges of Turkey (TOBB)
Sessional Committee

- Mr. YUSUF ŞENGÜR
  University of Anadolu

- Mr. BÜLENT SEZER
  International Agricultural Education Center Department, Ministry of Agriculture Rural Affairs

- Mr. YÜKSEL DEĞİRMENCİ
  International Agricultural Education Center Department, Ministry of Agriculture Rural Affairs

- Mr. MUSTAFA YAŞAR
  International Agriculture Education Center Department, Ministry of Agriculture Rural Affairs

- Mrs. FERHAN KUYUCAK
  University of Anadolu

B. OBSERVER

REPUBLIC OF IRAQ

- Mr. HUSSEIN AHMED DEKHEEL ALSARHAN
  Ministry of Trade

- Mr. WATHEQ TAHA MOHAMMED RASHEED HUWAISH
  Manager of International Organization, Ministry of Trade

C. THE OIC GENERAL SECRETARIAT

- Mr. CHEIKH OUMAR T. SOW
  Director General of the Economic Affairs Department

- Mr. HASAN OKER GÜRLER
  Adviser to the Secretary General on Economic Affairs

- Mr. GHOLAM HOSSEIN DARZI
  Director in the Economic Affairs Department

- Mr. ABDUNUR SEKINDI
  Professional Officer in the Cabinet

D. OIC SUBSIDIARY ORGS

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

- Dr. SAVAŞ ALPAY
  Director General
- Mr. NABIL DABOUR  
  Director of Research Department

- Mr. KENAN BAĞCI  
  Researcher

- Mr. N.SERHAN AYDIN  
  Researcher

- Mr. MAZHAR HUSSAIN  
  Researcher

RESEARCH CENTRE FOR ISLAMIC HISTORY, ART AND CULTURE (IRCICA)

- Mrs. ZEYNEP DURUKAL  
  Head, Intercultural Relations Research Program

ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

- Mr. EL HASSANE HZAINE  
  Director of Studies and Training Department

ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)

- Prof. Dr. IMTIAZ HOSSAIN  
  Vice Chancellor

E. SPECIALIZED ORGANS OF THE OIC

ISLAMIC DEVELOPMENT BANK (IDB)

- Mr. OSMAN MAHGOUB EL FIEL  
  Manager IRD, AGRD

- Mr. ABDULLATEEF MOHSIN AL-LAWATI  
  Cooperation Specialist, Cooperation Department

- Mr. ABDUL BASID RASHEED JAM  
  Cooperation Specialist, Cooperation Department

INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC)

- Mr. MOHAMED IQBAL AZAD  
  Adviser to CEO
THE ISLAMIC COOPERATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT (ICIEC)

- Mr. LOTFI ZAIRI
  Assistant to CEO

F. AFFILIATED ORGANS OF THE OIC

ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)

- Mrs. ATTIYA NAWAZISH ALI AYAZ
  Assistant Secretary General

ORGANIZATION OF ISLAMIC SHIPOWNERS ASSOCIATION (OISA)

- Mr. MOHAMMAD ZAFAR BHATTI
  Director Finance

E. OTHER INTERNATIONAL INSTITUTIONS

THE STANDARDS AND METROLOGY INSTITUTE FOR ISLAMIC COUNTRIES (SMIIC)

- Dr. LÜTFİ ÖKSÜZ
  Interim Secretary General of SMIIC

- Ms. CAHİDE EKİZ
  Expert

F. COMCEC COORDINATION OFFICE

- Mr. MEHMET METİN EKER
  Director General,
  Head of COMCEC Coordination Office

- Mr. EBUBEKİR MEMİŞ
  Head of Department

- Mr. SELÇUK KOÇ
  Expert, General Coordinator

- Mr. METİN GENÇKOL
  Expert, Drafting

- Mr. MURAT DELİÇAY
  Expert, Drafting
- Mr. MUSTAFA TEKİN
  Expert, Drafting

- Mr. GÖKTEN DAMAR
  Expert, Drafting

- Mr. KUTLUHAN TAŞKIN
  Expert, Drafting

- Mr. EMRAH HATUNOĞLU
  Expert, Drafting

- Mr. ALPEREN KÖSEOĞLU
  Expert, Drafting

- Mr. ALİ İŞLER
  Expert, Drafting and Press Relations

- Mr. ORHAN ÖZTAŞKIN
  Protocol Relations and Press Relations

- Dr. NAZIM GÜMÜŞ
  Protocol Relations

- Mr. KAĞAN AKDOĞAN
  Assistant Expert, Drafting

- Mrs. AYLİN ŞENOL GÜN
  Assistant Expert, Drafting

- Mr. MEHMET FİDAN
  Assistant Expert, Drafting

- Mr. MEHMET CELALETTİN AKTAŞ
  Assistant Expert

- Mr. AYKUT YILMAZ
  Assistant Expert

- Mrs. BİLGE GÜLLÜ
  Executive Secretary

- Mrs. MÜKERREM ÖZKILIÇ
  Coordinator of Registration Office

- Mrs. BİGE HAMURDAN
  Coordinator of Registration Office

- Mr. KEMAL ARSLAN
  Coordinator of Meeting Rooms
- Mr. ERCAN İBİK  
  Assistant Coordinator of Meeting Rooms

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  Coordinator of Documentation Center

- Mrs. GÜL SAYIN  
  Assistant Coordinator of Documentation Center

- Mrs. EMİNİNE DEMİREL  
  Assistant Coordinator of Documentation Center

- Mrs. Z. LEYLA AŞK  
  Social Program

- Mrs. NAZİFE GÜLGEN  
  Social Program

- Mr. SEYFİ UYANIK  
  Press Relations

- Mr. KAMİL ŞAN  
  Photographer

G. DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL AFFAIRS OF THE STATE PLANNING ORGANIZATION

- Mr. YAŞAR GÜLSOY  
  Head of Department

- Mr. MEVLÜT YAŞAR  
  Coordinator of Transport Relations

- Mr. NURETTİN AYDIN  
  Coordinator of Accomodation

- Mrs. TUĞÇE ÇAMURCU  
  Dietician

- Mr. CAFER ERDOĞAN  
  Stock Coordinator

- Mr. SEYİT AMBARKÜTÜK  
  Technician
ANNEX

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

Twenty Seventh Meeting of the
Follow-up Committee of the COMCEC
(Ankara, June 1, 2011, Wednesday)

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

I would like to welcome all the representatives attending the 27th Follow–up Meeting of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference. We are much pleased to host you in our country.

Esteemed Delegates,

Though the social events that are unfolding at the very heart of the Islamic World may involve certain risks in the short run, I believe that in the long run, they rather present historic opportunities in terms of democracy, peace and welfare. As Islamic Countries, we have to manage this historic stage in confidence, solidarity and cooperation.

On the other hand, our world is experiencing rapid transformation with ever growing competition in the international arena. The challenge of keeping up with such a competitive environment further highlights the need for cooperation.

The Islamic World holds massive potential with regard to economic and social development; but so far it has not been able to truly unleash this potential.

Despite the abundance of natural resources we posses, the average per capita income in our countries remain at lower levels, poverty prevails in the overwhelming majority of our territories and we are still much behind world standards in social fields such as education and healthcare. These are all structural issues that require our urgent attention.
Therefore, I would like to once more underline that we need consistent, transparent and accountable administrations in order to resolve these problems and ensure development for all Islamic nations.

Distinguished Delegates,

I would like to emphasize that COMCEC activities are key to development of a common understanding and language among member countries in respect of enhancing our cooperation in the future. Within this context, I attach importance to efforts made by OIC General Secretariat and COMCEC Coordination Office towards elaborating a COMCEC vision that meets the changing needs of member states in compliance with requirements of the age.

I believe that activities in the areas of tourism, transportation and agriculture which were designated by the COMCEC Economic Summit as priority sectors, will assuredly give momentum to our cooperation.

Tourism is a rapidly developing sector that chiefly impacts on national income and employment. I would like to draw attention to potential opportunities that cooperation-driven activities in the tourism sector accommodate in contributing to our national economies and bringing closer our peoples who share common history and culture. I welcome the OIC-led endeavors in the domain of tourism and hope to see these endeavors crowned with concrete projects.

Transportation sector is highly crucial for easier movement of goods and peoples among our countries, promotion of tourism, trade and exchange of information, and integration with the global economy.

In this respect, we need to strengthen the physical and legal infrastructure of transportation and logistics services in our countries, promote multilateral and bilateral agreements for further regional and global integration, redress problems related to travel across borders and step up joint investments.

In accordance with resolutions adopted at the COMCEC Economic Summit, a set of actions will be taken to enhance cooperation in the area of transportation. I expect these actions to produce significant inputs in perspective of cooperation. In this connection, designation of “the Impact of Transportation Networks on Tourism and
Trade” as the theme of this year’s "Exchange of Views Session" will substantially contribute to future cooperation efforts in this sector.

Despite development gaps between our countries, agriculture, a strategically-significant cross-cutting sector for all member states, is one of the fields that we prioritize. In this sector, we need to give prominence to modernizing manufacturing processes, boosting productivity, leveraging added value and marketing agricultural products. The agriculture sector, being one of the priority areas of cooperation as articulated by the COMCEC Economic Summit, has since last year, become the subject of substantive activities.

I call on all member countries to actively participate in food security programs initiated within the framework of COMCEC. Moreover, I believe that the Meeting of the Ministers of Agriculture which will be held in Turkey this year, will put in place concrete steps concerning these issues.

Esteemed Delegates,

Easier movement of goods, capital, information and persons across national borders is quite essential to our social and cultural development. In fact, movement of these items among our economies forms into the very foundation of our efforts as the Islamic World towards overall development.

Making the Trade Preferential System functional will be the greatest contribution to the movement of goods among Islamic countries. Also, setting the Trade Preferential System in motion, as soon as possible, will carry us much closer to the promotion of intra-OIC trade. To this effect, operationalization of the OIC Trade Preferential system at the earliest convenience is of paramount importance.

I am pleased that Gulf countries have submitted their lists of concession to the Secretariat of the Trade Negotiations Committee (TNC). However, the Rules of Origin Agreement needs to be ratified by one more member state for the finalization of the legal basis of the system. I call on all member countries to immediately finalize their ratifications and submit their lists of concession to the TNC Secretariat for the completion of necessary procedures.
Upon the implementation of the Trade Preferential System, we will have made a major and lasting contribution to the achievement of the goal of increasing intra-OIC trade volume up to 20% by 2015 under the Ten-Year Plan of Action adopted in 2005.

I welcome the establishment of Standards and Metrology Institute for Islamic Countries (SMIIC) intended to remedy the lack of standardization which constitutes one of the barriers to promotion of trade among member countries, to harmonize existing standards and develop new ones. I believe the foundation of SMIIC will contribute to the intra-OIC trade by removing technical barriers. Therefore it is important to launch activities aimed at institutionalizing SMIIC without delay.

Esteemed Delegates,

Given its significance with regard to the advancement of countries, we need to attach greater importance to the private sector, try to further strengthen its role in COMCEC activities, and create private-sector friendly environments. I believe that it would be beneficial to sustain and even foster private sector activities within COMCEC. In this context, I think it is really critical that companies in Member Countries participate more promptly in OIC fairs and private sector meetings with a view to find intra-OIC business partners and increase their trade volumes.

I believe that financial cooperation efforts, which pave the way for easier movement of capital, are very beneficial in terms of making better use of our savings to meet the needs of member countries and bringing together countries which have fund surplus with those who are in need of funds.

Within this framework, I encourage and support the OIC Stock Exchange Forum, the OIC Central Banks Meetings and cooperation activities planned to be launched by Capital Markets Regulatory Authorities this year to maximize benefits of financial cooperation activities among member countries.

I welcome the final stage of efforts to create tradable indices construed as part of the Stock Exchange Forum and facilitate debates on payment systems within the context of cooperation among central banks as steps solidifying the financial basis of our cooperation. I hope that cooperation activities among capital markets regulatory authorities will also gain momentum as soon as possible.
Distinguished Delegates,

The fact that a majority of the least developed countries around the world are OIC member countries, and that hundreds of millions of people from Islamic countries suffer from famine and under nutrition, all bring to light the centrality of our poverty-fighting program.

Actually, the Istanbul Program of Action, adopted by the 4th UN Conference on the Least Developed Countries (LDC) held on May 9-13, 2011 in Istanbul, hammered out LDCs’ development roadmaps for the next decade. The problems of these countries were discussed not only in intergovernmental platforms covering more than 200 meetings and events held on the sidelines of the Conference, but for the first time were also at stake at the level of inter-parliamentary platforms, NGOs and academic forums. Furthermore special mechanisms were established to follow up on issues included in the Istanbul Program of Action.

We have to make better use of the OIC Cotton Program, the Vocational Training Program and the IDB funds which overlap with objectives of the UN Conference and were devised to serve the cause of poverty alleviation in member countries. We should further exert efforts to render these projects more useful for countries in need. I am confident that that these programs will produce concrete outcomes.

Honorable Chairman,
Distinguished Delegates,

Before concluding my speech, I would like to express my hope that recent political transformations taking place in certain member countries will be in favor of the legitimate demands and leanings of our peoples and OIC countries will emerge from this process as more democratic, stable and prosperous.

Guided by these cherished hopes, I would like to sincerely greet all participants and wish them a successful meeting.

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

Twenty Seventh Meeting of the
Follow-up Committee of the COMCEC
(Ankara, 1 June 2011)

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

I would like to express the pleasure of meeting and having you the distinguished representatives of the OIC member countries as our guest, once again, on the occasion of the 27th Follow-up Committee Meeting of COMCEC and welcome you all to Ankara.

Distinguished Representatives,

As you may all know, in the COMCEC Follow-up Committee meetings, we monitor the implementation of the resolutions of the previous COMCEC meeting and evaluate the preparations made for the upcoming session. Therefore, a major task rests with the Follow-up Committee in developing cooperation between our countries. As the Committee, we need to work to resolve the problems that have been encountered in the process of implementing resolutions taken in previous meetings and to enrich and effectuate COMCEC agenda in light of the developments in the global economy. In this respect, as distinguished members of the Follow-up Committee, active participation and support on your part is quite crucial. On this occasion, I would like to welcome the representatives from Kazakhstan and Mali, who are joining us for the first time in this meeting, and I would like to thank you in advance for your contribution to the successful conduct of the Follow-Up Committee Meeting, and I wish you all success.

Distinguished Guests,

The developments in the global economy concern us all. Although a recovery has been observed recently in the global economy in the aftermath of the economic crisis, it is rather unbalanced and fragile. Stagnation and fragile recovery in developed countries remain to be a factor that could create further instability in the whole global economy and affect the growing performance of developing economies negatively. The delayed impact
of expansionist monetary and fiscal policies pursued by developed countries in order to overcome stagnation, on the global economic magnitudes is a source of uncertainty. Meanwhile, the world still lacks a global coordination mechanism that could remedy the negative effects of the crisis and re-establish growth, notwithstanding the G-20 led endeavors.

As developed countries struggle to overcome the effects of the crisis, developing countries, particularly China and India, constitute the actual driving force behind the global economic activity. With the global economy growing at 5% in 2010, the contribution of developed countries to this growth has been as high as 70%1. On the other hand, high growth rates in these countries increase the demand for commodities and push the commodity prices up. Potential risks associated with the fluctuation in commodity prices is another point of frailty for the global economy.

World trade, which has suffered a record contraction of 11% in 2009, has seen a 12% increase last year, also thanks to the contribution of the base effect. According to International Monetary Fund projections, the global trade is expected to grow at 7% in average in 2011 and 2012, depending on the demand in developed countries2.

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

The foreign trade of OIC countries also suffered a blow, in 2009, the year in which the effects of the crisis was felt most deeply.3 The total export of the OIC countries which had reached a volume of 1.9 trillion USD in 2008, plunged by 30% to 1.33 trillion USD in 2009. A less severe fall was observed in our total imports, which were down to 1.24 trillion USD, marking an approximately 16% decline. Though the recovery in global trade in 2010 promises a partial improvement in our foreign trade indicators, the uncertainties in global economy may keep this increase from becoming permanent.

Intra-OIC trade has declined 22% year-on-year in 2009 down to 213 billion USD. The share of intra-OIC trade in 2009 was around 17%. A favourable development in the composition of intra-OIC trade last year, was that the share of manufactured goods exceeded that of raw materials as their share in intra-OIC trade reached 55%. On the

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1 IMF, World Economic Outlook, April 2011, p. 2.
2 Ibid..
3 The data regarding the trade values of OIC countries have been taken from the publication of ICDT, titled “Annual Report on Trade among the OIC Member States 2010.”
other hand, only 10 countries accounted for three fourths of the intra-OIC exports. The way to increase trade between our countries up to 20% and above resides in ensuring a more balanced and sustainable trade structure through diversification of both goods and exporting countries.

Esteemed Guests,

As you all know, many COMCEC-led projects and activities aim at increasing intra-OIC trade, foremost among which is, beyond doubt, the OIC Trade Preferential System. Two out of three agreements making up the system, namely the Framework Agreement and the Preferential Tariff Protocol, have entered into force. In order for the Rules of Origin, which is the third pillar of the system, to take effect, the ratification of one more country is required. For the Trade Preferential System to become operational as the prestigious project of COMCEC without any further delay, it should be a shared priority for all of us. On this occasion, I invite the countries which have not signed and ratified the agreements to do so immediately. In this context, I also expect those countries that have already approved the Preferential Tariff Scheme to present their lists of concessions to the Secretariat of the Trade Negotiating Committee in the bid to operationalize the Trade Preferential System. It is pleasing in this regard that Gulf Cooperation Council member countries, have recently submitted their concession lists to the Secretariat. With the implementation of the TPS-OIC project, we will be making a critical and lasting contribution to the attainment of the target of 20% intra-OIC trade by 2015.

I would also like to draw your attention to the activities conducted within the framework of the Road Map and Executive Programme, which have been devised to increase trade between our countries. I believe that activities conducted under titles like trade facilitation, trade financing, trade promotion, capacity building and development of strategic commodities will contribute to the expansion of the trade capacity of our countries and the enhancement of trade among ourselves and I invite all countries to actively support these activities.

Distinguished Delegates,

The different standards adopted by our countries in their foreign trade regimes constitute non-tariff barriers and are among the chief problematic issues concerning the enhancement of intra-OIC trade. In this context, we are all aware of the significance of the actions undertaken by the Standardization and Metrology Institute of the Islamic
Countries (SMIIC), which began its operations last year, with regard to the harmonization of the standards of our countries. The Institute has completed its establishment phase, with the ratification of the HQs Agreement by our country, and is ready to become fully operational. I call on the countries which have not yet signed and ratified the SMIIC Statute, to complete the required procedure in order to take part in and benefit from the activities of the Institute. Moreover, I think that active participation of countries which have not signed the Statute, can be made possible through certain arrangements.

All the activities and endeavors carried out by us as public servants with a view to promote intra-OIC trade are in fact aimed to give leeway to the private sector, which is the real actor on the field. It is essential that genuine and solid dialogue channels between the COMCEC platform and the private sector are established so as to enhance private sector cooperation and solve the problems encountered by private sector representatives. In this respect, I believe that all intergovernmental platforms, particularly COMCEC, should be enriched with side-activities such as private sector meetings, business forums and sectoral business fairs. By so doing, participation in private sector activities should thus be encouraged.

Distinguished Members of the Follow-up Committee,

As you may all remember, in the COMCEC Economic Summit held in 2009, we have decided to revitalise our cooperation in the fields of Agriculture, Tourism and Transportation and prioritize these fields. Since then, we have been conducting actions designed to enhance our cooperation in all three domains.

The experiences we have gained in recent years have shown clearly how crucial the long-ignored agricultural sector is, not only for underdeveloped countries or countries with agro-based economies but for the entire world. The high trend in food prices in recent years added to the effects of the economic crisis, taking the number of people in the world who live below the hunger threshold, to over 1 billion with a 100 million rise. It is a fact that the OIC Region already suffering from starvation and under nutrition, has been negatively affected by the crises and millions more have been condemned to live below the hunger threshold. All these developments once again highlighted the vital importance of enhancing the cooperation in the field of agriculture and ensuring food security. I hope the national food security programs to be implemented within the framework of COMCEC Food Security Taskforce and OIC Food Security Initiative will mitigate the harm and damage caused by crises and make us more resilient to future outbreaks. I call on all member countries to actively participate in these efforts. On this
occasion, I invite all member countries to the 6th OIC Ministerial Conference on Food Security and Agricultural Development which will be held in İstanbul in October.

Facilitating and leveraging the efficiency of travel and trade between our countries and reducing costs in these areas, constitute one of the important pillars of deepening our economic cooperation. I believe OIC-led activities in the fields of tourism and transportation will serve this purpose. I believe that, actions directed at easing visa procedures for tourist visits, boosting tourism capacity of our countries and strengthening the infrastructure in this field through partnerships with the private sector, will help further develop tourism activities between our countries. The synergy to be created by these activities will have positive impacts on our countries.

The effective operation of tourism and trade activities certainly depends on the existence of advanced and widespread transportation networks. In addition to transportation infrastructure shortcomings, customs clearance problems, discord among our legislation and lack of institutional capacity are problems that need to be addressed within the framework of cooperation in this field. As you may know, we have designated the topic of exchange of views for this year’s Ministerial Session as “Impact of Transportation Networks on Tourism and Trade.” The Workshop and Expert Group Meeting which will be held next week in İzmir comes in preparation for the Exchange of Views and will serve as a step towards sustaining our cooperation in the field of transportation. I invite all our member countries to actively participate in these activities.

Esteemed Guests,

Poverty continues to be our most fundamental problem. Twenty-one of our member countries are among the least developed countries; hundreds of millions of our people who live below the hunger threshold are struggling to sustain their life. Wars, natural disasters, political and economic instability breed the vicious circle of poverty in our region. We have many cooperation projects aim to alleviate poverty on our agenda. The Islamic Solidarity Fund for Development, established under the roof of Islamic Development Bank, and the Special Program for the Development of Africa have not yet produced the desired results. We have a long way to go in the Cotton Action Plan and Vocational Education and Training Program, which are among other cooperation projects of significance. As a matter of fact, when the multi-dimensional nature of poverty is taken into account, the fight against poverty emerges as a phenomenon that should be addressed in all realms of our cooperation. We must continue fighting against poverty until all our people attain humanely living standards.
Distinguished Delegates,

The problems we face unequivocally reveal how crucial a task it is to establish a more robust and long-lasting cooperation between our countries. I believe that we can make significant progress in the attainment of our goals by developing a common understanding and language in respect to our common economic problems, harmonizing our policies and sharing our know-how and experience. In this manner, I welcome the actions taken by the OIC General Secretariat and COMCEC Coordination Office for the drafting of a new COMCEC Strategy. Making COMCEC a platform where our common problems are discussed and new information and policies for the resolution of these problems are produced and shared, would bring a new dynamism to COMCEC and contribute significantly to solving economic problems in member countries.

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

As I conclude my remarks, I would like to thank to all the representatives of the member countries and to the OIC Secretary General H. E. Professor Ekmeleddin IHSANOĞLU for their contribution to our cooperation. I also extend my thanks to the staff of the General Secretariat, COMCEC Coordination Office, Islamic Development Bank, the Ankara Center, ICDT and ICCI. I hope that your endeavors during the 27th COMCEC Follow-up Meeting will help strengthen our countries and contribute to the peace and welfare of our peoples.

I hope that you will have a grand time in our Capital Ankara and I would like to thank you all.
MESSAGE OF
H.E. PROF. EKMELEDDİN İHSANOĞLU
SECRETARY GENERAL OF THE
ORGANISATION OF THE ISLAMIC CONFERENCE

Twenty Seventh Meeting of the
Follow-up Committee of the COMCEC
(Ankara, 01 June 2011)

Bismillahi Arrahmani Arrahim

Mr. Chairman
Members of the COMCEC Follow-Up Committee
Representatives of the OIC Institutions

Assalamu Alaikum wa-Rahmatu Allahi wa-Barakatuhu

At the outset let me express my pleasure to address this 27th Meeting of the Follow-Up Committee of COMCEC. I would also wish to seize this opportunity to congratulate the newly elected members of the COMCEC Bureau for the confidence which the entire OIC Member States place on their respective abilities to contribute to our joint endeavours.

In my address to this forum last year, I dwelt on need for adopting a holistic approach to the implementation of the various activities under the OIC Ten Year Programme of Action. I am glad to note that the mid-term review has led to the suggestion of new areas and modalities for increased socio-economic cooperation among Member States of our Organisation. Issues, such as lack of institutional setup, lack of a financing modalities and lack of ownership by the Member States were identified in the report, which was duly considered by the last COMCEC Session.

Therefore, this meeting is yet another opportunity for our Member States to increase ownership of the various programmes and projects under the Ten Year Programme of Action, while at the same time addressing issues relating to mobilisation of funds and energizing the implementation mechanisms for our various programmes.
Equally significant is the need for creating synergies among the various tasks being performed by the OIC institutions working in the economic domain, while we also strengthen our relations with international organisations and development partners to improve on effectiveness of our actions and delivery.

Mr. Chairman
Distinguished Delegates

The objective of attaining the target of 20% of intra-OIC trade in 2015 continues to engage our attention. This is the reason behind our multiplying all efforts in the area of trade promotion, trade facilitation and trade financing. Fortunately, the activities of the IDB, ITFC, ICD and ICIEC on trade financing have resulted in targeted interventions in most of our countries, which have reached US$ 36 billion in 2010.

I am pleased for observing the collaborative efforts of all the OIC organs and institutions working in the field of economic and commercial cooperation, in particular the COMCEC Coordination office ICDT and ITFC as coordinator of the implementation of the Executive Program for Enhancing Intra-OIC Trade. In this regard, I call this meeting to guide the OIC organs and institutions to implement effectively the results of the Third Consultative Meeting, held in Casablanca on 3-4 February 2011, which adopted new initiatives aimed at accelerating the progress, such as increasing the involvement of Governments through Trade Promotion Organizations’ (TPOs) Forum, development of Aid for Trade initiatives, promoting Export Credit mechanism, and emphasis on involving regional economic groupings in TPS-OIC.

The successful organizations of the 13th Islamic Trade Fair by ICDT and the 14th Private Sector Meeting by ICCI concurrently in Sharjah, the United Arab Emirates on 23-26 April 2011 are also good examples of obtaining fruitful outcome as a result of working in harmony. I believe that increased participation of the national and multilateral private sector institutions in such activities will contribute substantially to the realization of our fundamental target of increasing intra-OIC trade to 20 % level and beyond.

On the facilitation of trade through removal of tariff and administrative barriers, our hope is to ensure early resumption of the work of the Trade Negotiation Committee (TNC), considering the imminent entry into force of the Rules of Origin. I have continued to impress on all our decision makers to conclude the processes, which
will lead to the entry into force of the OIC Rules of Origin, after the outstanding ratification by only one Member State.

In order to fast-track this process, I directed our officials in the General Secretariat and the ICDT to engage regional economic groups with a view to ensuring the rapid take-off of TPS-OIC scheme. Our recent discussions with WAEMU are already producing the desired result, as the 8-member Organisation is cooperating with ICDT and IDB for the necessary exchange of data for the eventual accession to the TPS-OIC.

In addition to these demarches, I am of the view that time has now come to invoke the mechanism already approved by COMCEC, whereby a high-level mission under the authority of His Excellency, President Abdullah GÜL, Chairman of COMCEC be dispatched to concerned OIC Member States to explain the need for urgent action on the implementation of the TPS-OIC.

Distinguished Delegates
Ladies and Gentlemen

The Heads of State and Government, gathered in Istanbul on 9th November 2009 for Economic Summit, emphasized the importance of the cooperation in three major areas: agriculture, tourism and transportation which they deemed it necessary to be addressed to increase intra-OIC trade. In line with this decision, the COMCEC devoted the theme of the forthcoming exchange of views session to discuss transport issue, which together with communications, also constitute one of the priority areas under the OIC Plan of Action. Transport, in particular the maritime transport, signifies the most indispensable prerequisite and the major infrastructure for commerce. Knowledge and experience accumulated by the OIC affiliate institution OISA will be guiding the discussions in this field. The impact of transport on trade and tourism will be studied next week in a meeting in Izmir, which is also an excellent product of collaboration between our two institutions, SESRIC and IDB. I believe that sound recommendations of this meeting will form a productive base for deliberations and decisions of the COMCEC Ministers.

Mr. Chairman
Distinguished Delegates

This brings me to the second crucial issue of the OIC poverty eradication programmes. It is evident that the Islamic Solidarity Fund for Development (ISFD)
has, since its commencement of operations in 2007, made critical interventions to support Small and Medium Enterprises (SME) in OIC countries, through its micro-finance and vocational education programmes. The constraint being experienced is, however, the inability to mobilize less than 20% of the Fund’s authorized capital to date. This meeting would need to deliberate on the ways and means to increase the effectiveness of the Fund, through mobilization of adequate resources.

Similarly, the Special Programme for the Development of Africa (SPDA), which aims at mobilizing US$12 billion partnership funding for projects dedicated to attaining the MDGs in Africa, is unable to attract external funding. There is therefore the need to complement the allocation of US$4 billion pledged by IDB through fund-raising from both national, regional and international sources. It is my sincere wish that this meeting will come up with practical measures to improve the funding for this Programme, while also fine-tuning issues relating to the over-all implementation of the entire Programme.

Mr. Chairman
Distinguished Delegates

Before conclude, I would like to invite your kind attention to the fact that the review and rationalization experiment of OIC agenda items and resolutions which was conducted on the basis of Resolution 13/31- POL adopted by the CFM held in Istanbul in June 2004, had proven to be very effective and useful. I believe a similar process covering the COMCEC Agenda and Resolutions will also contribute to improve performance and effectiveness of the COMCEC qualitatively and quantitatively.

Finally, as I wish you fruitful deliberations, let me also commend your efforts in reviewing the progress made on all our economic projects, including those relating to cotton rehabilitation, rail transportation, agriculture and food security and regional cooperation with Central Asia. I am sure that your approval of the new multi-stakeholder approach to the implementation of our projects would enable us overcome the various obstacles. This will, without doubt, facilitate our joint action towards sustainable development and socio-economic welfare for the peoples of OIC Member States.

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

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AGENDA
TWENTY SEVENTH MEETING OF THE FOLLOW-UP COMMITTEE OF THE COMCEC
(Ankara, 01-02 June 2011)

1. Opening of the Meeting and Adoption of the Agenda

2. Review of the Implementation of the OIC Ten-Year Program of Action and the Plan of Action to Strengthen Economic and Commercial Cooperation Among the OIC Member States

3. Cooperation in the Area of Trade

4. Cooperation in Priority Sectors
   - Agriculture
   - Tourism
   - Transportation

5. Financial Cooperation among the OIC Member States

6. Private Sector Cooperation

7. Poverty Alleviation

8. Draft Agenda of the 27th Session of the COMCEC

9. Any Other Business

10. Adoption of the Report

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ANNEX

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

I. INTRODUCTION

The Standing Committee for Cooperation on Economic and Commercial Cooperation (COMCEC) under the Chairmanship of H. E. Dr. Abdullah Gul, President of the Republic of Turkey has continued to coordinate and follow-up all economic activities of the OIC.

The implementation of decisions and resolutions adopted at the various COMCEC Sessions remained the thrust of the economic cooperation activities of the OIC. Consequently, the General Secretariat, in close liaison with the COMCEC Coordination Office and all relevant OIC Institutions, has continued to monitor the elaboration and coordination of the under-mentioned projects, including engaging in varied negotiations and representations with all stakeholders to this effect.

This Report reviews the implementation of the OIC Ten Year Programme of Action adopted by the Third Extraordinary Islamic Summit Conference in Makkah Al-Mukarramah, in December 2005 as well as the Plan of Action for Strengthening Economic Cooperation among OIC Member States adopted by the 7th Islamic Summit Conference, held in Casablanca, Kingdom of Morocco in 1994. The Report, in particular captures activities carried out since the 26th COMCEC Session, held in Istanbul, Turkey on 5-8 October 2011. The salient features of the Report include the various demarches undertaken towards the elaboration of the Executive Framework for Agriculture and Rural Development and Food Security, aimed at creating the required synergy and partnership among the diverse activities of the OIC institutions in this domain, while, at the same time, ensuring the mobilisation of wider intra-OIC support as well as regional and international actions to address poverty and food insecurity in OIC Member States. The Mid-term review of the TYPOA as it pertains to economic cooperation was carried out during the year.

Other issues dwelling on harmonisation of standards, cotton rehabilitation, infrastructure development, and trade financing have also received considerable boost in the realm of the activities of the Organisation during the year under review. This is in addition to the discussions held on the review of both the OIC Ten Year Programme of Action and the Plan of Action for Economic and Commercial Cooperation, aimed at ensuring that these policy instruments address the contemporary socio-economic challenges of the OIC Member States. In the same vein, the various activities undertaken towards elaborating a Special Programme for Cooperation with OIC
Member States from Central Asia, in line with the relevant OIC resolutions, are also addressed.

The Report also includes certain recommendations for the consideration of the COMCEC Executive Committee, with regard to certain issues requiring adjustment for the purpose of ensuring a speedy realisation of the extant decisions of the COMCEC General Assembly.

It is worth mentioning that the separate reports of OIC institutions working in the economic domain would be made available to the Meeting.

II. IMPLEMENTATION OF TYPOA AND OIC PLAN OF ACTION

During the year under review, mid-term review of TYPOA was held at the 26th Session of COMCEC. Prior to the mid-term review, a preparatory meeting was held in Istanbul, Republic of Turkey on 28-30 July 2010, with the participation of OIC General Secretariat, COMCEC Coordination Office and relevant OIC Institutions.

The 26th Session of the COMCEC took note of the recommendations of the preparatory meeting on the mid-term review of the TYPOA and requested the IDB to cooperate with OIC General Secretariat and the COMCEC Coordination Office in defining a mechanism for its financial support and technical assistance to COMCEC programmes and projects.

Regarding the implementation of the OIC Plan of Action, the COMCEC Economic Summit requested the Chairman of the COMCEC in cooperation with the OIC Secretary General to consider improving the institutional set-up of economic and commercial cooperation as well as the efficiency of the implementation of the resolutions adopted in this regard. The Summit also requested COMCEC to consider the relevance of the Strategy and Plan of Action in line with current needs and requirements of the OIC Member States and if necessary to produce a Vision Document for the COMCEC.

For this purpose, COMCEC Coordination Office, in cooperation with the OIC General Secretariat submitted an evaluation report on Strategy and Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States of the OIC. the 26th Session of COMCEC invited the COMCEC Coordination Office, in collaboration with the OIC General Secretariat to further study on the Plan of Action so as to make it a more comprehensive and up-to-date framework of cooperation with an effective implementation mechanism.

III. INTRA-OIC TRADE

The implementation of the OIC strategy on promotion of intra-OIC trade has continued to feature prominently in the Organization’s scheme of work. In this regard
various activities and initiatives envisaged under the OIC Executive Programme for Enhancing Intra-OIC Trade were carried out during the year under review.

In order to streamline different OIC initiatives and activities towards increasing intra-OIC trade under the Executive Programme for Enhancing Intra-OIC Trade, the Second and Third meetings of the Consultative Group of the OIC Institutions on Enhancing Intra-OIC Trade were held in Casablanca, Kingdom of Morocco, on 31 May-1 June 2010 and 3-4 February 2011 respectively. In the same context, the ITFC organized a meeting to improve the Executive Program for Enhancing intra-OIC Trade, in Baku, Republic of Azerbaijan, on 21-22 June 2010, on the occasion of 35th Annual Meeting of the IDB Group.

The outcome of these meetings led to the adoption of 199 activities for the period 2010-2015 under five themes: trade financing; trade facilitation; trade promotion; development of strategic commodities; and capacity building. Another achievement was agreement on the Guiding Principles and Foundation for Cooperation between the OIC Institutions active in the field of Economic and Commercial Cooperation.

In the same vein, the Third Meeting of the Consultative Group for Enhancing Intra-OIC Trade adopted new initiatives aimed at accelerating progress in the domain of trade such as: increasing the involvement of Governments through creation of a Trade Promotion Organizations’ (TPOs) Forum; development of Aid for Trade initiatives; promoting Export Credit mechanism; emphasizing on capacity building activities, especially through setting up of training centers in foreign trade in OIC Member States; and emphasis on involving regional groups in TPS-OIC and organization of the workshops planed for this purpose under the Executive Programme.

(a) Recent Trade Outlook

Notwithstanding the effects of the global financial, food and energy crises during the period 2008-2009, the total value of OIC trade reached the level of US$ 2.563 trillion, representing 10.2 % world trade, compared to 10.4 % in 2008. At the same time the share of Intra-OIC Trade of total OIC trade reached 16.65% in 2009 as against 16.60$ in 2008, with the value of trade amounting to US$ 426.75 billion, compared to US$ 551 billion in 2008.

In 2009, intra-OIC exports were valued at US$ 207.92 billion, as against US$ 265 billion in 2008. Nevertheless, it was noted that the share of intra-OIC exports in total foreign exports of OIC experienced a rise by 11.45%, up from 14.03% in 2008 to 15.64 % in 2009. Besides, the share of intra-OIC imports in the world imports of Member States followed the same trend reaching 17.65% (US$ 218.83 billion) in 2009, as against 19.18% (US $ 285 billion) in 2008.
In terms of value and percentage, Member States with highest levels of intra-OIC exports in 2009 were: Turkey (which exported US $ 28.6 billion to Member States, i.e.13.77% of intra-OIC exports), Saudi Arabia (US$ 27.7 billion-13.32%), the United Arab Emirates (US$ 27 billion-13%), Malaysia (US$ 17.6 billion- 8.46%), Indonesia (US$ 14.2 billion- 6.85%), Iran (US$ 11.50 billion- 5.52%), Syria (US$ 8.2 billion- 4%), Egypt (US$ 7.4 billion- 3.6%), Pakistan (US$ 7.4 billion- 3.5%) and Kuwait (US$ 5.4 billion- 2.62%). These ten countries accounted for 74.60% of intra-OIC exports in 2009.

(b) Trade Facilitation/Preferential System among the Member States of OIC (TPS-OIC)

Efforts aimed at securing Member States execution of the multilateral instruments for the Trade Preferential System of OIC (TPS-OIC) continued to feature prominently in the activities of the Organization. All available opportunities and forums were utilized by the Secretary General of the OIC to exhort Ministers and Senior Officials of Member States to sign and ratify all OIC Economic Agreements, particularly the three TPS-OIC instruments namely: Framework Agreement on Trade Preferential System; Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS); and TPS-OIC Rules of Origin.

Following to entry into force of PRETAS in February 2010, a total of 9 ratifications were secured for the TPS-OIC Rules of Origin and only a single ratification is required to enable entry into force of TPS-OIC Rules of Origin. During 2010, Kingdom of Saudi Arabia, Syrian Arab Republic and Republic of Somalia ratified the Rules of Origin and Islamic Republic of Iran ratified the PRETAS. The current position of signing and ratification of TPS-OIC instruments is annexed to this Report.

Notwithstanding the imminent entry into force of the TPS-OIC, there is a need for an urgent demarche to sensitize Member States towards actual implementation of the tariff reduction and concession process. Accordingly, all Member States, which had ratified PRETAS and Rule of Origin have been requested to submit their specific annual installments of reduction

### Global Trade of OIC/ Intra-OIC Trade 2004-2009

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<td><strong>Global Trade of OIC</strong></td>
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<td>Total World Merchandise</td>
<td>18.7</td>
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<td>Trade (In trillion US$)</td>
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<td>Total OIC Merchandise</td>
<td>1.5</td>
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<td>Trade (In trillion US$)</td>
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<td>Share of OIC in World</td>
<td>8.0%</td>
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<td>Trade (In %)</td>
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<td><strong>Intra OIC Trade</strong></td>
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<td>Value of Intra-OIC Trade</td>
<td>205.07</td>
<td>271.45</td>
<td>333.36</td>
<td>420.6</td>
<td>551.03</td>
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<td>(In billion US$)</td>
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<tr>
<td>Share of Intra-OIC</td>
<td>14.44%</td>
<td>15.50%</td>
<td>15.86%</td>
<td>16.64%</td>
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<td>Trade (In %)</td>
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Source: SESRIC, ICDT
along with the list of products (schedules of concessions), sample of certificates and specimen impression of stamps used in their customs and to complete internal and legislative and administrative measures in order to fast-track the effective implementation of the TPS-OIC. So far, Turkey, Malaysia and GCC Member States have submitted the required information. It should be pointed out that the various notifications to Member States for the execution for TPS-OIC have not received noticeable responses. The last request was made vide Note No.OIC/ECO-04/13/2011/000056 of 4 January 2011.

Meanwhile, consultations with regional economic groupings to which OIC member-states belong, such as West African Economic and Monetary Union (WAEMU), Economic Cooperation Organization (ECO), etc have continued, with a view to fast-tracking the process of ratification of OIC Trade Preferential Scheme. Sequel to the audience granted by OIC Secretary-General to the President of WAEMU Commission in Jeddah on 12 March 2011, a delegation comprising officials for General Secretariat and ICDT held a technical meeting with WAEMU officials at WAEMU HQs in Ouagadougou, Burkina Faso, on 28-29 March 2011 and agreed on a time-table for the implementation of TPS-OIC on the part of WAEMU Member States.

In order to involve regional groups in Africa and Asia in the OIC Free Trade System, the Executive Programme for Enhancing Intra-OIC Trade, has programmed six training seminars on PRETAS for various regional economic blocs for the period 2010-2015. In this regard a Seminar on Trade Facilitation among Arab Countries and their integration into the Multilateral Trading System was organized by ICDT in collaboration with IDB in Damascus, Syrian Arab Republic, on 6-8 July 2010.

Similarly, during the year under review, considerable attention was paid to promoting the role of governments with regard to trade facilitation, particularly through development of networking and capacity building initiatives. As a result, the ICDT launched the Networks of African French Speaking; and Arab OIC Member States Trade Promotion Organizations, respectively in Casablanca, Kingdom of Morocco on 23-24 December 2009 and Tunisia on 3-4 November 2010.

In line with promoting the role of TPOs to enhance intra-OIC trade, the General Secretariat circulated IRTI’s Islamic Solidarity Prize for the Promotion of Trade among OIC Member States, urging both public and private sectors of Member States to actively participate in the programme.

In view of foregoing and in line with the Declaration of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC) Economic Summit, held in Istanbul on 9 November 2009, the 38th Council of Foreign Ministers and the 12th Summit have been requested to consider the creation of a High Level Contact Group, comprising Chairman and Members of the COMCEC Bureau to engage OIC Leaders on the significance of early implementation of the TPS-OIC, including the involvement of regional economic groups in the entire process.

In addition to the trade facilitation through the secretarial role of ICDT and COMCEC in the Trade Negotiating Committee, technical assistance is also provided to OIC Member States in the form of training sessions to enhance trade negotiating capacities. Complementary to the advantage of TPS-OIC in removing obstacles to trade, the OIC may also encourage Member
States to enter into cross-border trade agreements with technical and financial support from OIC Member States in line with Turkey-Syria and Afghan-Pakistan models.

(c) Trade Promotion

Trade Promotion activities play a significant role in development of trade cooperation and trade exchanges among Member States. In 2010, several activities were undertaken by OIC Member States and Institutions in the area of trade promotion including exhibitions, trade fairs, buyer-sellers meetings and meetings of export promotion centers. In this context, the 15th Food/Hotel/PROPAC Arabia was held in Jeddah, Kingdom of Saudi Arabia from 16th to 19th May 2010 and the 1st Real Estate and Building Exhibition of the OIC Member States (OIC Building EXPO) was held in Dakar, Republic of Senegal on 24-27 June 2010. The Fifth Forum for Businesswomen in Islamic Countries was held in Cairo, Egypt in April 2010.

Moreover, a Virtual Fair was developed on the ICDT’s Website, through which the enterprises of Member States can promote their products with a presentation of catalogue, prices and patterns.

In addition, the ITFC, under its Trade Cooperation and Promotion Programme (TCPP), launched the regional initiative on Aid for Trade (AfT) Road Map for the United Nations Special Programme for Economies of Central Asia (SPECA- Afghanistan, Azerbaijan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan). This initiative is expected to identify the trade development needs of the relevant countries and prepare a Road Map for implementation of trade development programmes, which will strengthen their competitiveness in the global markets. In the same context, the ITFC launched the first phase of (AfT) for the member states in United Nations Economic and Social Commission for Western Asia (ESCWA- Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, United Arab Emirate and Yemen.) in Beirut, Lebanon, on 10-12 January 2010.

(d) Trade Financing

Besides, trade facilitation and trade promotion activities, high priority was also accorded to promoting trade investment schemes. During the year, ITFC continues to provide financing for trade under its various programmes including Trade Cooperation and Promotion Programme (TCPP). The ITFC’s approval reached US$ 2.554 billion for the year 2010 (Asia and CIS-61%, Middle East and North Africa-33%, and Africa-6%). Therefore, the cumulative trade finance approvals since inception of trade finance in the IDB Groups exceeded US$ 36 billion. Although, the disbursement target for 2010 was set as US$ 1.2 billion by the end of the year 2010, the actual disbursement amounted to US$ 1.8 billion. In spite of the latter, 66% of ITFC trade finances were granted to member states, while trade finances with non-member countries stood at 34% in 2010.

Given the huge volume of imports by OIC Member States and its relatively low capital, the ITFC focused on high impact operations and the improvement of its ratios of funding to LDMCs and SMEs, and allocation to Strategic Commodities. Besides, a special emphasis is placed on increasing private sector financing. In this regard, ITFC sustained its focus on 2-step Murabaha mechanism for SME financing approvals, which amounted to USD 191 million and trade financing approvals for LDMCs in 2010 which reached USD1.141 million representing 45% of its total approvals.
Under the Investment Promotion Technical Assistance Programme (ITAP), which was established in 2005, primarily for the promotion of intra-investment among member countries, the ICIEC sponsored the inauguration of the International Smart Building Center of Bahrain in January 2010; conducted Familiarization Programme for the Officials of Iraqi Investment Promotion Agency in March 2010; and supported Syrian Investment Agency’s workshop on Arbitration.

**Export Credit Insurance**

Considering the instrumental role of Export Credit Insurance in development of trade, the ICIEC as the Multilateral Export Credit Agency (ECA) of the OIC, continued to provide Shariah-compatible export credit and investment insurance to encourage exports from member states and the flow of capital and investments from the world to member countries. It is worth mentioning that the new insurance commitments (approvals) of ICIEC for the year 2010 reached the level of US$ 3.214 million, bringing the cumulative approvals since its inception in 1995 to USD$ 11.275 billion.

In view of dire need to expand its activities, the minimum requirement by ICIEC at this moment is to mobilize its subscribed capital. As at February 2011, only USD 114.6 million (half) of the total USD 235.5 million subscribed capital of ICIEC was paid up. As a result of the continued exponential demand for its services on one hand and its limited capital resources on the other hand, ICIEC insurance funds are exhausted and its Board of Directors is requesting for capital increase. Consequently, the 38th CFM has been requested to call on the Member States represented in ICIEC to consider paying up the subscribed capital of ICIEC and to increase its authorized capital.

**Development of Halal Food Standards and Procedures**

The 26th COMCEC Session, which was held in Istanbul, Republic of Turkey, on 5-8 October 2010, took note of the three documents submitted by Standardization Expert Group (SEG), namely:

- i) **OIC Halal Food Standard- General Guidelines on Halal Food**;
- ii) **Guidelines for Bodies Providing Halal Certification**; and
- iii) **Guidelines for the Authorized Accreditation Body Accrediting Halal Certification Bodies**.

It also considered these documents as non-binding reference documents and decided that any further discussion on this topic would be based on these documents.

On its part, the Standards and Metrology Institute for Islamic Countries (SMIIC) during its First General Assembly Meeting requested the COMCEC for the transfer of all Halal issues to this inter-Governmental affiliated institution. In the same vein, the meeting of Board of Directors of SMIIC held on 8 January 2011 renewed this request.

In the meantime the General Secretariat is proceeding with the technical translation of the three documents in the three official languages for appropriate circulation to OIC Member States.
IV. AGRICULTURE, RURAL DEVELOPMENT AND FOOD SECURITY

The Exchange of Views Session of the 26th COMCEC meeting on the theme of “Agriculture and Rural Development in the OIC Member States” examined the outcome of the Workshop on Agriculture and Rural Development, which was organized by SESRIC and IDB in Antalya, Turkey, on 16-18 September 2010. After extensive deliberations by delegates as well as presentations by Mr. Hans P. BINSWANGER-MKHIZE, research fellow from the Tshwane University of Technology of South Africa, and Mr. David NABARRO, Coordinator of the UN System’s High Level Task Force on the Global Food Security Crisis/Special Representative of the UN Secretary General for Food Security and Nutrition, the Session called on Member States to benefit from the recommendations of the above Workshop and other similar OIC events in their efforts to promote agriculture and rural development.

(a) Fifth OIC Ministerial Conference on Food Security and Agricultural Development

In the aftermath of the Exchange Views Session of the 26th COMCEC Meeting, the Fifth OIC Ministerial Conference on Food Security and Agricultural Development was successfully convened in Khartoum, Sudan, on 26-28 October 2010. The Ministerial Conference reviewed the various recommendations of the following expert group/senior official meetings at OIC level in 2010, including the outcome of the Exchange Views Session of the 26th COMCEC Meeting:

\[ i \] Expert Group Meeting on Achieving Food Security in OIC Member Countries in Post-Crisis World, Jeddah, Kingdom of Saudi Arabia, 2-3 May 2010;
\[ ii \] IDB Symposium on Achieving Food Security in Member Countries in Post-Crisis World, Baku, Azerbaijan, 23 June 2010;
\[ iii \] Workshop on Agriculture and Rural Development, Antalya, Turkey, 15-18 September 2010;
\[ iv \] Meeting of High Level Officials/Experts of OIC Member States on Food Security, Izmir, Turkey, 28-29 September 2010.

The Conference equally approved the immediate elaboration of an Executive Framework for Agriculture, Rural Development and Food Security in OIC Member States. In this regard, it emphasized that the Framework must be actionable, result oriented, inclusive and comprehensive and should propose timelines and benchmarks for implementation. It also recommended that COMCEC should be seized with the task of preparation of the said OIC Executive Framework and its implementation mechanism, through its Task Force on Agriculture, Rural Development and Food Security.

Similarly, the Conference urged the OIC Member States to allocate a minimum of 6% of their national budgets to food security programmes and recommended the creation of favorable conditions for attracting and sustaining foreign investments into the agricultural sector, food security and rural development. In addition, the role of the Private Sector, non-governmental bodies and Community Based Organisations to promote food security and rural development in member states was also underscored.

Executive Framework for Agriculture, Rural Development and Food Security

As a follow-up to the decision of the Fifth OIC Ministerial Conference on Food Security and Agricultural Development, the COMCEC Task Force on Food Security, Rural Development
and Food Security convened its meeting in Istanbul on 2-3 December 2010 to discuss the modalities and content of the Executive Framework for Agriculture, Rural Development and Food Security in OIC Member States. The meeting discussed and approved the Terms of Reference for the Preparation of the said Executive Framework, including the engagement of consultants for this purpose.

It was also agreed that the recommendations made by various workshops, senior officials meetings, COMCEC Exchange Views session and 5th Ministerial Conference will guide the preparation of the Executive Framework, which will gather information about status of agriculture, rural development and food security related strategies, policies and programmes in Member States, including Regional Programmes on Agriculture and Food Security of African Union, ECCAS, ECOWAS, CEN-SAD, IGAD, AMU, League of Arab States, GCC, ECO, ASEAN and SAARC. It will also consider projects and issues relating to Commodity, Seed Supply Systems and Private-Public Partnership.

To this end, a team of consultants has been recruited by FAO and IDB respectively for the preparation of the said Executive Framework. On its part, the COMCEC Task Force on Food Security has elaborated and circulated among OIC member States in March 2011 the Questionnaire for OIC Member States on Strategies, Policies, Plans, Programmes and Projects for Agricultural and Rural Development and Food Security for the purpose of the said Executive Framework. The COMCEC Task Force on Food Security is also charged with monitoring the elaboration of the Executive Framework. It is expected that the preparation of the Executive Framework for Agriculture, Rural Development and Food Security in OIC Member States will be completed by the end of September 2011 and thereafter submitted to the Sixth OIC Ministerial Conference on Food Security and Agricultural Development scheduled for Istanbul, Turkey, on 3-6 October 2011 for consideration and subsequent approbation. Then the Framework would also be submitted to 27th Session of COMCEC for necessary approval.

(b) The Sixth OIC Ministerial Conference on Food Security and Agricultural Development

The Sixth OIC Ministerial Conference on Food Security and Agricultural Development with the theme: “Agricultural Development and Access to Food and Nutrition in OIC Countries” will be held in Istanbul, Turkey, on 3-6 October 2011. To this end, OIC General Secretariat has already informed all OIC Member States and its relevant institutions about the dates and venue of the Conference. In addition, the Ministry of Agriculture and Rural Affairs of Turkey in collaboration with the COMCEC Task Force on Food Security is presently working on Draft Agenda, Draft Work Programme and other documents of the Conference, which upon their finalization will be duly circulated among OIC Member States and its relevant institutions as well as other identified invitees.

(c) Forum on Development of Agro-Food Industries in OIC countries

The OIC General Secretariat, in collaboration with Islamic Development Bank, Islamic Chamber of Commerce and other stakeholders will organize the Forum/Workshop on Development of Agro-Food Industries in OIC countries in Kampala, Uganda, on 11-12 October 2011. The main objective of the Forum is to publicize the opportunities and possibilities of investment, which exist in OIC countries in the area of agriculture and agro-food processing industry, as well as foster mutually rewarding partnerships among OIC Member States and their private sector establishments in this sector. In addition, the Forum
will bring the representatives of Public and Private Sectors establishments. To this end, the General Secretariat has addressed customized invitation letters to the identified agro-food-processing companies in several OIC countries.

Presently, the General Secretariat in collaboration with Islamic Development Bank and other stakeholders is undertaking necessary steps towards successful organization of this Forum in Uganda. In this context, OIC Member States are invited to encourage the competent public and private sector agencies in their respective countries to actively participate at the above mentioned Forum.

V. THE OIC COTTON ACTION PLAN (2007-2011)

The Third Project Committee and the Fourth Steering Committee Meetings were held in Casablanca, Kingdom of Morocco, on 27-28 September 2010, respectively. The said Meetings considered 16 projects and thereafter approved 13 projects, which were submitted by the OIC Member States and concerned OIC institutions. The Third Project Committee Meeting also recommended organizing a Donors’ Conference to mobilize more funds in addition to IDB Group.

So far, a total of 27 cotton projects have been approved by the Project and Steering Committee Meetings under the OIC Cotton Action Plan. Specifically, these projects relate to capacity building, improvement of quality, marketing, irrigation techniques, spread of cotton varieties and cotton research.

With regard to securing necessary funding for these projects, the IDB Group has already commenced financing of 4 projects submitted by Cameroon, Mozambique, Syria and Uganda respectively. The 5th project is a regional integrated project involving: Turkey, Azerbaijan, Tajikistan, Turkmenistan and Syria. The project on the Workshop on “Trade and Investment in Cotton Sector among the OIC Member States, which was submitted by the ICDT, has also been implemented by the ICDT and ITFC.

In an attempt to secure additional sources of funding for OIC Cotton projects, the Arab Bank for Economic Development in Africa (BADEA) has agreed in principle to host a Donor’s Conference in Khartoum, Republic of Sudan, in due course. Similarly, the relevant development institutions in OIC Member States are invited to provide suitable funding for OIC Cotton projects, within the framework of OIC Development Coordination Forum (OIC-DCF).

The General Secretariat requested all cotton producing Member States to provide the OIC General Secretariat with the information on their cotton and textile sector on regular basis to post on the OIC Cotton Web-site. This is with a view to ensuring the maintenance of an up-to-date website on this vital sector and assisting in the current attempt to strengthen trade and investment in the cotton sector.

On Cotton trade promotion, the Government of Burkina Faso and ICDT will organize an Exhibition of Cotton and Textile of the OIC Member States in Ouagadougou, Burkina Faso, on 21-25 September 2011.
VI. COOPERATION IN THE TOURISM SECTOR

(a) Regional Project on Sustainable Development of Tourism in a Cross-Border Network of Parks and Reserves in West Africa

The Feasibility Study on this regional project has been completed with the financial support of the United Nations World Tourism Organization (UNWTO). The post-feasibility funding arrangement will feature the convening of a Donors’ Conference on the Project under the high patronage of the OIC Chairman, President Abdoulaye Wade of the Republic of Senegal. The Donors’ Conference will be held in Dakar, Senegal, on 27-28 May 2011, to mobilize resources for the successful implementation of this Regional Project.

The First and the Second Preparatory Meetings for this Donor’s Conference were held in Tehran, Iran, on 30 November 2010 and in ICDT’s headquarters in Casablanca on 27-28 January 2011. In the First preparatory Meeting the Government of Senegal, OIC General Secretariat, UNWTO and ICDT agreed to set-up a joint budget and financially contribute to this budget for the successful organization of the Conference. The Second Preparatory Meeting reviewed the list of invitees and invited OIC and UNWTO Secretaries General to send the invitation letters and Portfolio of funding opportunities to partners/donors and funders, international organizations, investment and public/private tourism companies and financial institutions to participate in the Conference. In this regard, the General Secretariat has addressed a Note to all Member States inviting them to encourage their concerned public/private companies to participate in this Conference. The Secretaries General of OIC and UNWTO have respectively addressed personal invitations to heads of International organizations, public/private tourism and investment companies and financial institutions to participate in, and contribute to, the Conference.

(b) 7th Session of the Islamic Conference of Tourism Ministers

The 7th Session of the ICTM was held in Tehran, Islamic Republic of Iran, on 28-30 November 2010 and was attended by 29 OIC Member States and 8 OIC concerned institutions. The Session approved, among others, simplification of visa, customs and foreign exchange procedures, establishment of an OIC electronic visa network, facilitation joint tourism ventures and other investments by the private sector and the expansion and upgrading of the existing tourist capacities and activities. Other recommendations featured the construction of new tourist facilities of appropriate quality and service standards, use of up-to-date technologies, organization of the tourism fairs, exhibitions, tourism investment Forum. The 8th Session of the Islamic Conference of Tourism Ministers will be held in the Republic of Sudan in 2012.

On the activities of the three focal points, the Session called for urgent action in tourism marketing, tourism facilitation and tourism research and training. In this regard, the Governments of the Republic of Indonesia and the Islamic Republic of Iran updated the Questionnaires on Tourism Facilitation; and Tourism Research and Training, respectively. These Questionnaires were circulated among the Member States, which are being to facilitate identification of areas of cooperation and intervention on the part of OIC Member States. Up to date, only 3 Member States submitted their completed Questionnaires on Tourism Research and Training. OIC Member States are invited to complete and return the Questionnaires on Tourism Facilitation and Tourism Research and Training.
In order to stimulate active participation in tourism activities in OIC Member States and to achieve the desired objectives of scaling up economic growth in the services sub-sector, the 7th Session of the ICTM also approved the creation of an “OIC City of Tourism” award to any OIC Member State to regenerate cities, foster tourism revenue generation, and to make these cities attractive for tourists from both OIC Member States and the world at large. Similarly, an OIC award of “Seal of Excellence for Handicrafts” is being instituted to preserve and develop traditional and contemporary crafts.

(c) **OIC Events on Health Tourism and Private Sector Cooperation**

One of the main objectives of the Framework is to develop the various aspects of tourism, such as health, cultural, heritage and eco-tourism as well as to promote private sector activities on tourism in the Member States. In this context, the Islamic Republic of Iran, in collaboration with ICCI, organized First International Conference and Exhibition on Health Tourism in Mashhad, on 2-4 November 2010. The Conference provided the occasion for employers, insurance companies, governments, hospitals, healthcare providers and medical tourism facilitators to learn, share knowledge, network and create new business relationships.

In line with the Resolution of 26th COMCEC, the Republic of Turkey organized the Workshop on “Private Sector Cooperation for Enhancing Intra-OIC Tourism” in Izmir on 10 December 2010. The Workshop recommended to establish an OIC Tourism Platform, which is intended to regularly bring private sector representatives together to discuss potential cooperation areas. This proposal has been circulated to OIC Member States for their respective reaction.

**VII. COOPERATION IN THE TRANSPORTATION SECTOR**

(a) **OIC Dakar-Port Sudan Railway Project**

Within its desire to engage all national, regional and international stakeholders for the successful take-off and implementation of the OIC Dakar-Port Sudan Railway Project, the General Secretariat convened the Meeting of the Stakeholders on the project in Jeddah, Saudi Arabia, on 26 May 2010, to explore modalities for the implementation of the Roadmap approved by Ministerial Conference, which was held in Khartoum, Republic of Sudan, on 8-10 December 2009. Some multilateral organizations and regional agencies attended the meeting, in addition to the 13 participating member states and concerned OIC institutions. The meeting agreed that IDB would finalize the Term of Reference for the Feasibility Study of this project, while the OIC General Secretariat would convene the Second Stakeholders Meeting to mobilize funding for its implementation.

In line with the outcome of the Stakeholders Meeting, the Terms of Reference (TOR) for the feasibility study of the Project is presently being finalized by the IDB. In addition and with a view to ensuring cost-effectiveness as well as enhancing effective and realistic implementation of the Dakar-Port Sudan Railway Project, OIC has embarked on building alliance and synergy with African Union (AU)/NEPAD, which is promoting a similar project along the same corridor. To this end, an OIC team comprising the representatives of General Secretariat and IDB met with senior officials of the AU and NEPAD in Addis Ababa on 23-24 March 2011 to discuss the modalities for an OIC/AU Joint Action. The main outcome of this meeting was the agreement by AU to partner with OIC on the Dakar-Port Sudan Railway in all areas, including its studies, financing and implementation.
(b) Establishment of the Federation of Islamic Road Transport Associations

In line with the decision of 17th Sessional Committee of the COMCEC, which was held in Istanbul, Turkey, on 4 October 2010, prior to 26th session of the COMCEC, the Union of Chambers and Commodity Exchanges of Turkey has prepared the project profile of the Federation of Islamic Road Transport Associations. On its part, the General Secretariat in March 2011 has circulated the project profile of the Federation among OIC Member States for their consideration. As of 15 April 2011, only the State of the United Arab Emirates has submitted its comments on the proposed project profile. While describing the FIRTA a welcome initiative that would strengthen ties between OIC Member States, the UAE proposes undertaking a review of the purpose of FIRTA and its feasibility study as well as establishing the Working group to review the FIRTA concept as next steps in this regard. On its part, Afghanistan has supported the proposed project profile. The feedbacks from other OIC Member States are still being awaited to kick-start necessary action in this regard.

VIII. FINANCIAL COOPERATION AMONG THE OIC MEMBER STATES

(a) Central Banks and Monetary Authorities of OIC Member States

The 10th Meeting of Central Banks and Monetary Authorities of the OIC Member States was jointly organized by the Central Bank of Turkey and SESRIC in Istanbul, Republic of Turkey, on 26-27 September 2010. Nineteen (19) Member States and three (3) Observer Member States attended this meeting. Discussions at the Meeting centered on improvement of the existing payment systems in Member States for easier, safer and faster transfer of financial resources and the building of the foundation for an effective operational system among the Member States to enhance intra-OIC trade and investment flows. The meeting also recommended harmonisation of the legal systems of OIC Member States concerning regulation and oversight of payment systems as well as according paramount importance to capacity-building initiatives and the need for further cooperation in this area, given the significance of knowledge and information sharing on monetary policy, Islamic finance, banking supervision and microfinance.

Efforts would need to be intensified to encourage more OIC Member States to attend the Meeting of Central Banks and Monetary Authorities of the OIC Member States, which is now to hold more regularly on annual basis. Certainly, there is the need for Central Bank Governors and Heads of Monetary Authorities in OIC Member States to harmonize their views and take concrete decisions on issues of common interest in the financial sector. The 11th edition of the Meeting will be held in Malaysia this year, while the 12th edition will be held in Saudi Arabia in 2012.

Global awareness in the capital markets in OIC Member States, particularly the Shariah-compliant instruments, has continued to grow in leaps and bounds. The Islamic Development Bank Group (IDB), International Islamic Financial Market (IIFM), Islamic Financial Services Board (IFSB) and other Islamic financial institutions are actively involved in the promotion of awareness on issues that are relevant or have direct impact on the regulation and supervision of the Islamic financial services industry. These institutions are also facilitating training and personnel development skills in areas relevant to the effective regulation of the Islamic financial industry and related markets.
(b) **Cooperation among Stock Exchanges of the OIC Member States**

The Fourth Meeting of the OIC Member States’ Stock Exchanges Forum was held in Istanbul, Turkey, on 2-3 October 2010. The Forum was attended by the representatives of Stock Exchanges, Clearing and Depository Institutions from fourteen (14) OIC Member States, as well as Federation of Euro-Asian Stock Exchanges, International Islamic Financial Market, Standard & Poor’s, Deutsche Boerse (Germany) and Thomson Reuters (USA). The main outcome of the Fourth Meeting was the selection of Standard and Poor’s to work on the creation of OIC Index and other Tradable Indices; as well as an agreement among the OIC Member States’ Stock Exchange to further develop Islamic capital instruments, in particular the development of the secondary sukuk market with market makers.

In addition to the efforts so far deployed on the part of OIC Stock Exchanges Forum on expanding its membership, OIC Member States are invited to encourage active participation by their respective Stock Exchanges in the activities of the Forum. The Fifth Stock Exchange Forum will take place in Istanbul, Turkey, in October 2011.

(c) **Cooperation among the Development and Cooperation Institutions of the OIC Member States**

The OIC General Secretariat, SESRIC, and Abu Dhabi Fund for Development (ADFD) successfully organized the 2nd Meeting of Development and Cooperation Institutions (DCIs) in Abu Dhabi, United Arab Emirates, on 3-4 May 2010. The outcome of the Abu Dhabi Meeting was the creation of the OIC Development Coordination Forum (OIC-DCF) which will meet on annual basis, with a view to enhancing the partnership among these institutions through sharing information, knowledge and experience, and promoting best practices for the improvement of the quality of development activities, as well as developing joint projects. Member States are invited to encourage their national development institutions to participate in this knowledge-sharing exercise so as to optimize development assistance to Member States, while promoting efficiency through removal of over-lapping and duplication in their respective national intervention processes.

**IX. PRIVATE SECTOR COOPERATION**

Recognizing the potential role of the Private Sector in economic development, the General Secretariat and its concerned institutions continued to undertake activities towards enhancing the role of the Private Sector, through the holding of Private Sector Meetings; businesswomen forums; capacity development workshops; tourism; privatization and investment conferences including exchange of trade delegations and co-organization of fairs and specialized exhibitions. In this regard, the following Business Forums and Private Sector Meetings took place in OIC Member States and Observer Countries:

*Business Owners Union (BOU)*

ICCI organized the First Meeting of the Business Owners Union in Jeddah, Kingdom of Saudi Arabia on 20 August 2010. More than 600 Businessmen from 22 Member Countries attended this event to explore investment opportunities and exchange experiences with other business
owners in Islamic Counties. The Business Owners Union aims at assisting its members to implement joint venture projects and promote intra-OIC trade.

Second Palestinian Business Forum

The Second Palestinian Business Forum was held in Istanbul on 5 October 2010 in collaboration with MUSIAD. About 800 local, Palestinian, Arab and International businessmen and organizations from 20 countries attended the Forum. A joint exhibition of Palestinian and Turkish products was organized at the Forum, while the message of the OIC Secretary General was prominent among the key note speeches at the event.

14th MUSIAD International Business Forum/Congress

The 14th International Business Forum Congress was held in Istanbul, Turkey, on 6-8 October 2010. The Forum was attended by a number of distinguished ministers of economies of the OIC Member States, chairmen of Non-Governmental Organisations (NGO), academicians and representatives of nearly 600 business companies from 65 countries. The theme of the Forum was “The Importance of Technology in Development of OIC Countries”. The Forum has accorded priority to the acquisition and transfer of technology as a credible method for leapfrogging the various stages of development and for fast-tracking growth and productivity in OIC Member States.

First Sharjah Business Forum 2011

The First Sharjah Business Forum 2011 was held in Sharjah, United Arab Emirates, on 27-28 February 2011. The Forum held five (5) thematic sessions, namely: a) Potentials of the Common Gulf Market; b) Gulf Investment in the GCC countries; c) Investment Environment in Sharjah; d) Small and Medium Enterprises; and e) Businesswomen in the Gulf. The Forum addressed crucial issues relating to investment and business promotion in the GCC Countries and provided the business people opportunities to discuss the problems and possibilities of cooperation with one another in common areas of interests, such as finding new markets for their products, financing new investment projects, businesswomen issues, capacity building and legal facilities for business people.

Second International Investment Conference/Sarajevo Business Forum

The OIC General Secretariat participated at the highest level at the Second International Investment Conference/Sarajevo Business Forum, which was held in Sarajevo, Bosnia and Herzegovina on 6-8 April, 2011. Highlights of the event included networking session between local, OIC and International investors in the area of agriculture, energy, tourism, wood industry, infrastructure, education and construction.

X. POVERTY ALLEVIATION

(a) Islamic Development Fund for Development (ISFD)

The Third Extraordinary OIC Summit decided to establish a special Fund within the IDB in order to address poverty alleviation and provide job opportunities. Since its inception in May 2007, the ISFD has extended financing to the tune of USD 605 million for different poverty
alleviation projects in 28 Member States. Most of the interventions of the Fund focused on human development, agriculture and rural development, basic infrastructure and micro enterprises. In addition under the two thematic programmes of the ISFD, namely Vocational Literacy Programme (VOLIP) and Microfinance Support Programme (MFSP), a number of projects amounting to US$ 85.78 million (US$ 35.18 million for VOLIP and US$ 50.6 million for Microfinance) were also disbursed.

The bulk of VOLIP is for the Africa Region and the LDCs, especially Sierra Leon, Gabon, Burkina Faso, Guinea, Niger and Mali, where the demand is greatest and youth and adult literacy rates are the lowest. The MFSP is covering countries in various regions, namely Azerbaijan, Albania, Benin, Kyrgyzstan, Mauritania, Nigeria, Sierra Leon, Tajikistan, Uganda and Yemen. In order to scale up projects and programmes and leveraging resources, the ISFD has developed partnership and networking with similar international and national programmes such as, Grameen Bank in Bangladesh, International Islamic Charitable Organization, and Price Salman Centre for Disability Research (PSCDR).

Notwithstanding the gap between the US$ 10 billion authorized capital of the Fund and the subscribed contributions remains a major constraint to the effectiveness of the ISFD. As of March 2011, the level of announced capital contributions to the ISFD reached US$2.63 billion as announced by 43 Member States (US$ 1.63 billion) and the IDB (US$ 1 billion). During 2010, Algeria, Malaysia, Morocco, Nigeria, Qatar, Saudi Arabia, Syria, Togo, Uzbekistan and Yemen contributed US$743 million to ISFD, while IDB paid up US$ 150 million to the Fund. The total amount received so far is US$ 1.582 billion, including US$350 million paid by the IDB. Twenty nine Member States and the IDB have already started paying their contributions.

In order to address the challenges of ISFD and future prospects of the Fund, an Expert Group Meeting was held at IDB Headquarters on 28-29 December 2010. The meeting adopted a set of concrete recommendations both at policy and implementation levels aimed at upgrading the performance of the Fund and mobilization of required resources. The major recommendations include: i) Establishing a Group of Eminent Personalities comprising Chairman and Bureau of the Summit as well as OIC Secretary General and IDB President to act as a high level advocacy and resource mobilization vehicle for the ISFD; ii) Adopting selective criteria, similar to the common practice and standards of concessional funds of multilateral development institutions to guide member countries in deciding their financial contribution to the Fund; iii) Developing a comprehensive strategy for resource mobilization and investment to explore diverse and innovative investment and funding options including investments in capital markets of Member States, offering attractive returns on investments, and mobilizing additional voluntary contributions through in-kind and technical cooperation; iv) Promoting and realizing partnership with other international organizations, NGO’s, private sectors; and v) Undertaking a concerted media and advocacy drive to document and showcase achievements under ISFD.

(b) **Special Programme for Development of Africa (SPDA)**

Pursuant to the resolution of the third OIC Extraordinary Summit, the Special Fund for the Development of Africa (SPDA) was established by the 11th Islamic Summit Conference held in Dakar, Senegal in March 2008. As of April 2011, the IDB Group, under Special Programme for Development of Africa (SPDA), has financed 267 operations with a total value of US$ 2.829 billion in OIC Sub-Saharan African countries in the area of promoting
agricultural development and food security, access to water and sanitation, power generation, development of transport infrastructure, human resource development and combating communicable diseases. Additionally, an amount of US$3.99 billion has also been mobilized through co-financing and public-private partnerships for these projects.

With a view to popularizing the SPDA in OIC African countries and mobilizing adequate resources for this initiative, the Second Edition of the Ministerial Forum on the Implementation of SPDA was organized for countries in the East, Central and Southern African region in Yaoundé, Cameroon, on 8-9 June 2010.

The Forum succeeded in bringing together in Yaoundé the various stakeholders in the Central, Eastern and Southern Africa sub-region, including policy-makers, the representatives of Private Sector and Civil Society, as well as development partners, such as the Saudi Development Fund, UN Economic Commission for Africa, African Development Bank (AfDB), Bank of Central African States. The participation of the various stakeholders at the Forum was significant within the framework of the desire to bridge the funding gap of US$8 billion between IDB’s resources and the entire outlay of the Programme US$12 billion. Accordingly, the Forum adopted Final Communiqué with a set of far-reaching recommendations, among of which was mobilization of co-financing and of concessional resources for the SPDA.

In the aftermath of the Yaoundé Forum, the IDB Group and the AfDB Group signed in Jeddah, Saudi Arabia, in December 2010 US$ 1 billion worth Memorandum of Understanding (MOU). Under this agreement, the IDB and AfDB each will allocate US$500 Million over a period of three years, starting from 2011, for co-financing of projects in their common member countries. The sectors of interventions will focus on priority areas, namely: infrastructure, water and sanitation, regional integration, education, social infrastructure as well as agriculture and food security, institutional capacity building, training and statistics.

(c) Special Programme for Central Asia (SPCA)

In line with the mandate given by the 37th Session of the Council of Foreign Ministers on preparation of a detailed Plan of Action for cooperation and integration of Central Asia, a coordination meeting of the relevant OIC Institutions took place at the IRCICA Headquarters in Istanbul, Republic of Turkey, on 28 June 2010. The meeting identified several areas of cooperation in the political, economic, science and technology, and socio-cultural fields. These include among others, peace and security, trade and investment promotion and financing, human capital development, infrastructure, role of SMEs and private sectors, environment and rehabilitation of Islamic Cultural Heritage. The Meeting also agreed to establish a Working Group comprising the relevant OIC Institutions to identify existing and new programmes within their respective institutions and to develop a programme for comprehensive cooperation with Central Asia.

Draft Plan of Action for Cooperation with Central Asia

The 26th Session of the COMCEC supported the on-going efforts by OIC and its relevant institutions to elaborate the proposed Plan of Action and called on Member States from Central Asia to be actively involved in this process. Consequently, the Second Coordination Meeting of the OIC institutions, which was held in Jeddah on 2 February 2011, examined various proposals and inputs received from OIC institutions and Member States in Central
Asia and agreed on a Draft OIC Plan of Action for Cooperation with Central Asia. This Draft Plan of Action includes areas of cooperation in such domains as: peace and security; agro-industrial development, transport sector development, trade promotion, poverty alleviation, vocational training and capacity building, research, education, science and technology; cultural tourism; and health sector cooperation. The Draft Plan of Action provides for the creation of an Executive Committee; a three year timeframe for its implementation; exploring partnership models; and organizing an OIC Economic Forum to publicize, create awareness and mobilize resources for the various activities in the Plan.

The Draft Plan of Action was submitted to the Senior Officials Meeting of High Level Regional Conference on Central Asia, which was held during the 34th Session of the Islamic Commission for Economic, Cultural and Social Affairs (ICECS) in Jeddah, Saudi Arabia, on 24-26 April 2011. The meeting reviewed the said Draft Plan of Action and decided to submit it to the Ministerial segment of the High Level Conference to be held on the sideline of the 38th CFM in Astana, Kazakhstan, for its consideration and subsequent approval.

XI. INTER INSTITUTIONAL COOPERATION

a. Mid Term Review of OIC Ten Year Programme of Action

The implementation of Ten Year Programme of Action (TYPOA) was obstructed by the triple food, energy and financial crises of which effects are still being felt. Consequently, the Mid-Term Review Meeting of the Programme held in Istanbul, Turkey on 28-29 July 2010, recommended the expansion of the areas of economic cooperation among the OIC countries in the financial, energy and food security sectors. The review also considered the need to harmonize the implementation of the Plan of Action for Strengthening Economic and Commercial Cooperation among the OIC Member Countries and the TYPOA, through establishing cooperation in such critical sectors as environment, industry, telecommunication, investment and joint venture. on the poverty alleviation projects, the Meeting recommended a multi-stakeholder’s partnership for funding of these projects, including utilization of national, sub-regional, regional and international agencies.

b. Coordination Meetings among OIC Economic Institutions

The OIC General Secretariat continued to coordinate its activities with the relevant OIC institutions working in the economic domain. During the year under review, the 6th Coordination Meeting of OIC Institutions on Economic Issues was held at OIC Headquarters on 1st February 2011. In addition, a special coordination meeting was held in Istanbul, Turkey on 28-30 July, 2010 on the Mid-term Review of the OIC TYPOA. Similarly, two coordination meetings were held in Istanbul, Turkey on 28 June 2010 and in Jeddah on 2 February 2011 on the Special Programme for Cooperation with Central Asia.

Furthermore Sessional Committee Meetings hold regularly prior to COMCEC Sessions and COMCEC Follow-up Committee Meetings. During the Sessional Committee Meetings, OIC General Secretariat, COMCEC Coordination Office and relevant OIC Institutions review the implementation of the projects in the agenda of the COMCEC.
c. Establishment of Standards and Metrology Institute of Islamic Countries (SMIIC)

In 2010, the OIC witnessed the inauguration of the Standards and Metrology Institute of Islamic Countries (SMIIC) as its new affiliated institution. The Statute was adopted as per Resolution No.1 of the 14th Session of the COMCEC held in Istanbul, Turkey, in November 1998 and entered into force on 27/05/2010 following the 10th ratification by the Republic of Somalia. According to the Provisions of this Statute, the Headquarters of the Institute shall be located in Istanbul, Republic of Turkey, and that the Turkish Standards Institution (TSE) will cover the expenses of the Institute for the first three years of its establishment.

Accordingly, the First General Assembly meeting of Institute was held in Ankara, Republic of Turkey on 2-3 August 2010. The Turkish Standards Institute (TSE) hosted the meeting and delegations representing 10 OIC Member States: Algeria, Cameroon, Guinea, Jordan, Libya, Morocco, Somalia, Sudan, Tunisia and Turkey attended the meeting. Thereafter, the Board of Directors of the SMIIC held its first meeting in Istanbul, Republic of Turkey, on 8 January 2011.

Furthermore, a Headquarters Agreement was signed between the Minister of Industry and Trade of Turkey, Interim Secretary General of SMIIC and the Secretary General of the OIC on 7 October 2010, during the 26th Session of the COMCEC in Istanbul, Republic of Turkey.

As at the time of preparing this Report, 23 Member States have signed SMIIC’s Statute, while 12 have ratified it, the latest two countries being Pakistan and Mali.

d. Cooperation with other Regional and International Institutions

In line with the current strategy of seeking greater partnership for the implementation of the various priority projects and programmes under the OIC Ten-Year Programme of Action, particularly in the crucial sectors of intra-OIC trade, capacity-building, private sector-led development, and poverty alleviation, the General Secretariat of OIC has expanded its cooperation with international and regional institutions particularly those having common membership with the OIC.

Third General Meeting on Cooperation between the United Nations and OIC

The Third edition of Biannual General Meeting on Cooperation between the United Nations and OIC was held at IRCICA Headquarters in Istanbul, Republic of Turkey on 29 Jun-1st July 2010. In addition to OIC Institutions the following UN Agencies in the field of economy attended the Meeting: United Nations Human Settlement Programme (UN-HABITAT), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP) - Special Unit for South-South Cooperation, International Labour Organization (ILO), International Fund for Agricultural Development (IFAD), United Nations Economic and Social Commission for Western Asia (ESCWA), Food and Agricultural Organization (FAO).

The Meeting agreed to further on-going partnership between OIC and relevant UN agencies in particular, UNCTAD, WTO, ITFC, ITC, WIPO and UNIDO in the area of trade facilitation and promotion. FAO, IFAD and ESCWA are to participate in the development and facilitation of trade in general and, in particular, food trade and agro-food industries as well as
the micro-finance and the development of SMEs and community-based groups. It also agreed to encourage specific actions to scale up the development of strategic commodities.

Similarly, the meeting identified the crucial role of UNCTAD, WTO and ITC in sensitizing OIC Member States to fast track accession procedures and eventual implementation of the multilateral trade integration scheme. On tourism, the meeting recognized the need for further technical and logistical support on the part of relevant UN agencies and other multilateral partners to facilitate early take-off of the Project on Sustainable Tourism Development in the Network of Cross Border Parks and Protected Areas in West Africa project.

Economic Cooperation Organization (ECO)

Pursuance to the extant Memorandum of Understanding between OIC and ECO, the two organizations agreed, during the audience between OIC Secretary General and ECO Secretary General at ECO Headquarters in Tehran on 29 November, 2010, to establish a technical team to elaborate implementation modalities for the priority areas of corporation already identified between the two organizations. Furthermore, the OIC participation at the 11th ECO Summit held in Istanbul on 23 December 2010 provided the opportunity of deepening bilateral discussions on the following programmes: Special Programme for the Central Asia; Poverty Alleviation Strategies; ECO Regional Programme for Food Security; and Infrastructure Development.

Institutionalizing Cooperation with D8

In order to facilitate joint cooperation and bilateral exchanges between the two organizations, the Secretary General of OIC, and the Secretary General of D8 signed a Memorandum of Understanding (MoU) during the 26th Session of COMCEC in Istanbul, Republic of Turkey, on 7 October 2010.

The two organizations share common economic objectives and are desirous of collaborating in such areas as agriculture and food security, trade, energy and micro-finance. It is envisaged that collaboration between the two organizations would promote synergies and optimization of resources, while avoiding duplication and over-lapping. In this context, the MoU seeks to encourage the development of joint programmes and projects in all sectors through utilization of the human and material resources of both organizations. They are also poised to exchange experiences and expertise to ensure the speedy implementation of their various economic development programmes.

The OIC General Secretariat has communicated to the D-8 ideas on some priority areas that would require attention of both sides, including Development of Strategic Agricultural Commodities such as Cotton, Wheat, and Maize, in the form of joint studies and partnership funding; Infrastructure development and appropriate technology transfer; Joint staging of Trade Fairs/ B2B Forums; Trade and Tariff Preferential; Trade Financing Schemes/Aid for Trade programmes; Capacity Building on Multilateral Trade Negotiation; Export Credit and Insurance; Joint Organisation of Tourism Investment Forum; Joint implementation of cross boarder projects on rehabilitation and conservation of parks, museums, monuments, historical sites, etc.
Cooperation with West Africa Economic and Monetary Union (WAEMU)

Similarly, the General Secretariat has taken fresh initiatives and renewed discussions with West Africa Economic and Monetary Union (WAEMU) to expand cooperation on socio economic matters particularly intra-OIC trade. Participation of the OIC General Secretariat at the WAEMU Summit has kick-started the required engagement of the African sub-regional group for a group ratification of TPS-OIC by the WAEMU member countries, which are also members of OIC.

To explore closer cooperation between the OIC and WAEMU, the President of the Commission of WAEMU met the Secretary General of the OIC at the OIC Headquarters in Jeddah, on 12 March 2011. The two sides agreed to work expeditiously on the accession of WAEMU member states to the TPS-OIC, including the effective participation of these countries in the various OIC economic programmes in the domain of poverty eradication, cotton rehabilitation, agriculture and rural development among others. The two sides also directed their joint technical team to commence elaboration of a Time Table for the examination and implementation of the agreed priorities. In this vein, the OIC General Secretariat has prepared and submitted a draft Memorandum of Understanding (MoU) to WAEMU.

XII. RECOMMENDATIONS:

Intra-OIC Trade

- In order to speeding up the ratification of the TPS-OIC agreements and operationalization of the TPS-OIC, support the efforts of the Chairman of COMCEC to set up a High Level mission which will contact the Member States;
- Identification with ICIEC Export Credit Insurance facilities, while calling for mobilization of ICIEC paid-up capital as well as increase its authorized capital;

Agriculture, Rural Development and Food Security

- Member States are requested to ensure that all required inputs are provided for the purpose of the OIC Executive Framework for Agriculture, Rural Development and Food Security in order to enhance its ownership and implementation;
- Additional support of Member States must be provided with a view to ensuring maximum participation of all invitees in both the Sixth OIC Ministerial Conference on Food Security and Agricultural Development and Forum on Development of Agro-Food Industries in OIC countries;
- Member States are requested to extend support for the implementation of the resolution of the Fifth OIC Ministerial Conference on Food Security and Agricultural Development by their competent national authorities, especially allocation of a minimum of 6% of their national budgets to food security and agricultural development programmes and inclusion of all necessary measures in their national development programmes;
Cotton Action Plan

- Forthcoming Exhibition of Cotton and Textile of the OIC Member States will provide opportunities for trade and investment, and in this regard, Member States are invited to encourage their competent authorities and private sector establishments to actively participate in this Exhibition, to be held in Ouagadougou, Burkina Faso, on 21-25 September 2011.

- Diversification of funding sources for OIC Cotton Programme now under implementation and Member States are invited to participate in the Donors’ Conference to be held in Khartoum, Sudan, and also to support OIC efforts at the various multilateral and international Organizations.

Tourism

- Funding institutions, bilateral and multilateral development assistance bodies, enterprises and institutions of the private sector in the OIC Member States are urged to render financial and technical support towards implementation of the Regional Project on “Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa”.

- OIC Tourism Platform has a good potential to promote Tourism services and wealth creation in the Member States and in this regard, Member States are invited to activate this initiative.

- Member States and private sector entities in OIC Member States are invited to promote intra-OIC tourism by actively participating in the Second Tourism Fair, to be held in Cairo, Arab Republic of Egypt, on 9-12 October 2011.

Transportation

- COMCEC is requested to approve the establishment of the alliance between OIC and AU/NEPAD for joint implementation of the OIC Dakar Port-Sudan Railway Project;

- Member States are invited to give due consideration to the establishment of Working Group among the Road Transport Associations in OIC countries under auspices of any volunteering OIC country;

Financial sector

- Member States are called to actively participate in the meetings of the Central Banks and Monetary Authorities and the Stock Exchanges Forum of the OIC Member States, respectively.

- Member States are invited to unify Shariah-compliant instruments and parameters to promote awareness on issues that are relevant or have direct impact on the regulation and supervision of the Islamic financial services industry,
- Member States are requested to encourage their national development institutions and agencies to participate in the OIC Development Coordination Forums (OIC-DCF).

*Private Sector*

- Sensitize OIC Member States, SESRIC, IDB Group and similar research-based institutions of OIC to the problems of data and statistics on business opportunities.

- Member States are invited to develop a suitable mechanism for extending easy credit facilities to businesswomen at the local levels.

- Need for reactivation of activities for promotion of joint ventures in OIC Member States, including implementation of mechanism approved by the 9th Session of the COMCEC, held in Istanbul, Republic of Turkey, on 1-4 September 1993.

*Poverty Alleviation*

- Need for a review of the modalities for SPDA with a view to proposing additional funding mechanism, priority projects and engaging international partners.
ANNEX

VII
REPORT OF THE 18TH SESSIONAL COMMITTEE MEETING

(Ankara, 31 May 2011)

1. The 18th Sessional Committee of the COMCEC was held on 31 May 2011, prior to the 27th Session of the Follow-up Committee Meeting.

2. The Meeting was chaired by Mr. M. Metin EKER, Director General of the COMCEC Coordination Office.

3. In addition to the OIC General Secretariat and the COMCEC Coordination Office (CCO), the following OIC Institutions attended the Meeting:

   • Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRIC)
   • Islamic Center for the Development of Trade (ICDT)
   • Islamic Development Bank (IDB)
   • Islamic Chamber of Commerce and Industry (ICCI)

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

   The Meeting agreed on the following agenda items for consideration:
   1- Review of the Proposed Cooperation Projects of the COMCEC
   2- Consideration of the New Project Proposals
   3- Any other business

Under Agenda Item 1:

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

   Concerning the Project entitled “Technical Cooperation among Patent Offices in OIC Member States”, the Committee welcomed the offer of the Turkish Patent Institute to organize a workshop on “Industrial Property Policies” in December 2011.
Regarding the web-portal on intellectual property information, the Committee requested ICDT to re-apply to the IDB for funding. The Committee also requested the IDB to consider working on a proper mechanism to finance similar technical cooperation projects.

As for the Project entitled “Study on Air Transportation Infrastructure and Industry in OIC Member States”, the representatives of Anadolu University and SESRIC informed the Committee of recent developments in this regard. The Committee took note of progress achieved and requested Anadolu University and SESRIC to start the implementation process.

With respect to the Project entitled “Sustainable Development in a Network of Cross-Border Parks and Protected Areas in West Africa”, the representative of the ICDT briefed the Committee on the outcomes of the Donors’ Conference held on 27-28 May 2011, in Dakar, Senegal. The Committee invited interested member countries and relevant stakeholders to enhance their ownership and to commit themselves to sharing the cost of the project.

Concerning the Project entitled “Dakar-Port Sudan Railway Line Project”, the representatives of the OIC General Secretariat and IDB informed the Committee that OIC and African Union (AU)/NEPAD, which promote a similar Project along the same corridor, have established a partnership on this Project. The Committee welcomed this development and reiterated its request from the Project owners and coordinator to submit the Project Profile Form to the next Sessional Committee Meeting.

With respect to the Project entitled “The Establishment of the Federation of Islamic Air Transport Associations,” the Committee reiterated its request to the General Secretariat to submit the project profile form to the 18th Meeting of the Sessional Committee.

Concerning the Project entitled “The Establishment of the Federation of Islamic Road Transport Associations,” the Committee took note of progress achieved and requested the Union of Chambers and Commodity Exchanges of Turkey (TOBB) to proceed with taking comments and views of the member countries.

As for the Project entitled “Establishment of a Dynamic B2B E-Marketplace Web Portal” the representative of the MUSIAD informed the Committee that they have already applied to the IDB for funding. The Committee requested the IDB to expedite decision on the financing of this Project.
Under Agenda Item 2:

5. Under this agenda item, the Committee discussed the project already proposed by the ICDT and Turkish Competition Authority on “Technical Cooperation in the Area of Competition Law and Policy” and the new project proposed by the International Agricultural Training Centre of the Republic of Turkey on agricultural training.

Regarding the former project, the representatives of the Turkish Competition Authority briefed the Committee on details of the Project and the event planned to be held in Turkey in October 2011. The Committee welcomed the progress made and requested the Project owner to finalize the Project Profile Form and submit it for circulation to all member countries.

As for the latter, the Committee welcomed the offer of the International Agricultural Training Centre of the Republic of Turkey to develop a project on exchange of agricultural information and requested it to submit the Project Profile Form until the next Sessional Committee Meeting.

Under Agenda Item 3:

6. The Committee discussed ways and means to ensure effective review and evaluation of the projects and came up with some criteria. In this regard, the Committee decided the following:

- Only the Project proposals submitted with their respective Project Profile Forms will be added to the Project List of the Sessional Committee.

- For the existing list of the projects, the owners or coordinators of the project proposals will submit their Project Profile Forms until the 19th Sessional Committee Meeting. If they failed to do so, their project proposals may be dropped.

- The projects in which there is no progress in substantial issues within a 6 month-period may be dropped.

- All project owners and coordinators should submit their work programs and time tables.

The Committee then concluded its work with a word of thanks.
## LIST OF THE PROJECT PROPOSALS

<table>
<thead>
<tr>
<th>Serial No</th>
<th>Project Proposals/Ideas</th>
<th>Proposing State/Institution</th>
<th>Interested Country</th>
<th>Coordinator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Technical Cooperation Among Patent Offices in the OIC Member States</td>
<td>Turkey</td>
<td>Kazakhstan, Syria, Morocco, Bangladesh, Pakistan and Yemen</td>
<td>ICDT</td>
</tr>
<tr>
<td>2.</td>
<td>Study on Air Transportation Infrastructure and Industry in OIC Member Countries</td>
<td>Turkey</td>
<td>Benin, Gambia, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal, Sierra Leone, Burkina Faso (Observer)</td>
<td>SESRIC</td>
</tr>
<tr>
<td>3.</td>
<td>Creation of a Network of Cross-border Parks and Reserves in West Africa</td>
<td>Guinea</td>
<td>Burkina Faso, Cameroon, Chad, Djibuti, Gambia, Guinea, Libya, Mali, Niger, Nigeria, Senegal, Sudan, Uganda and Guinea Bissau</td>
<td>ICDT/SESRIC</td>
</tr>
<tr>
<td>4.</td>
<td>Dakar-Port Sudan Railway Line Project</td>
<td>Sudan</td>
<td>Burkina Faso, Cameroon, Chad, Djibuti, Gambia, Guinea, Libya, Mali, Niger, Nigeria, Senegal, Sudan, Uganda and Guinea Bissau</td>
<td>OIC General Secretariat</td>
</tr>
<tr>
<td>5.</td>
<td>The Establishment of the Federation of the Islamic Air Transport Associations</td>
<td>OIC General Secretariat</td>
<td>Turkey, Senegal, Egypt, Iraq, Afghanistan</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>The Establishment of the Federation of Islamic Road Transport Associations</td>
<td>OIC General Secretariat</td>
<td>United Arab Emirates, Afghanistan, Jordan</td>
<td>TOBB</td>
</tr>
</tbody>
</table>
FOLLOW UP REPORT BY ICDT ON
THE IMPLEMENTATION OF THE
“EXECUTIVE PROGRAMME OF THE ROAD-MAP FOR ACHIEVING INTRA-OIC TRADE TARGETS ON INTRA-OIC TRADE”

In the context of the implementation of the resolutions relating to Economic Cooperation of the 3rd Extraordinary Summit of the OIC, particularly, the Declaration of Makkah Al Mukarramah, the Final Communiqué and the Ten-Year Programme of Action to meet the challenges facing the Islamic Ummah in the 21st century;

And in compliance with the outcomes of the First and Second Consultative Group for Enhancing intra-OIC trade, held respectively in Casablanca on 11th and 12th February 2009 and 31st May and 1st June 2010, in particular the “Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets”;

And In compliance with resolutions n° 3- ii/ of the 26th session of the COMCEC, which requested the OIC Institutions to carry out their activities according to the Executive Program and the IDB to provide necessary financial contribution for the achievement of the activities and projects included in the Executive Program and urged the Member States to give the required support to the OIC Institutions for the implementation of the Executive Program and to actively participate in those activities.

The ICDT and the ITFC organized the “Third Meeting of Consultative Group for Enhancing Intra-OIC trade” in Casablanca on 3rd and 4th February 2011.

The following Institutions attended this meeting:

✓ The OIC General Secretariat ;
✓ The COMCEC Coordination Office;
✓ The Islamic Development Bank GROUP :
   The International Islamic Trade Finance Corporation (ITFC);
   The Islamic Corporation for Insurance of Investments and Export Credit (ICIEC);
   The Cooperation Office of IDB Group.
✓ The Organisation of the Islamic Shipowners Association (OISA);
✓ The Islamic Centre for Development of Trade (ICDT).

This meeting was also attended by:

✓ The Ministry of Foreign Trade of the Kingdom of Morocco;
✓ The Ministry of Finance of the State of Kuwait;
✓ The Senegalese Agency for Exports Promotion (ASEPEX);
✓ The Export Promotion Center of Tunisia (CEPEX-Tunisia Exports);
✓ The Export Promotion Center of Turkey (IGEME);
✓ The Malaysian External Trade Development Corporation (MATRADE).
This report was prepared by the Members of the Consultative Group composed of: The COMCEC Coordination Office, the International Islamic Trade Finance Corporation (ITFC), The Islamic Centre for Development of Trade; the Islamic Chamber of Commerce and Industry (ICCI) and The Organization of Islamic Shipowners Association (OISA), the Islamic Corporation for Insurance of Investments and Export Credit (ICIEC) and the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC).

Following the opening session, participants examined in plenary sessions the following agenda items:

- Review of the implementation of the “Executive Programme of the Road-Map for Achieving intra-OIC Trade Targets”.
- Role of Governments on promoting Intra-OIC Trade
- Consideration of the Pilot Integrated Sector based programme.
- IDB Prize: “The Islamic Solidarity prize for the Promotion of Trade among OIC Member Countries”

The sessions were chaired respectively by:

Working Session 1: H.E. Dr. Abdel-Rahman Taha, CEO of ICIEC
Working Session 2: H.E. ALLAL RACHDI, Director General of ICDT
Working Session 3: H.E. Dr. Waleed Abdelmohsin ALWOHAIB, CEO of ITFC
Closing Session: H.E. Eng. Hani Salem SONBOL, Deputy CEO of ITFC

During the working sessions, the OIC Institutions presented their respective reports individually, these reports tackled on the one hand the achievements of the “Executive Programme of the Road-Map for Achieving intra-OIC Trade Targets” and their planned activities scheduled to be implemented for the remaining years of the Ten Years Plan of Action of the OIC, lasting from 2011 till 2015, on the other.

**ASSESSMENT OF THE IMPLEMENTATION OF THE PROGRAMME**

**(FEBRUARY 2009-February 2011)**

The “Executive Programme of the Road-Map for Achieving intra-OIC Trade Targets on Intra-OIC trade” is composed of about 199 activities and projects dispatched as follows:

**Distribution of Planned Activities per Institution (%)**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of projects and activities</th>
<th>Share of each institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITFC</td>
<td>82</td>
<td>41%</td>
</tr>
<tr>
<td>ICDT</td>
<td>64</td>
<td>32%</td>
</tr>
<tr>
<td>ICCI</td>
<td>25</td>
<td>13%</td>
</tr>
<tr>
<td>ICIEC</td>
<td>14</td>
<td>7%</td>
</tr>
<tr>
<td>COMCEC Cooperation Office *</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td>OISA</td>
<td>5</td>
<td>2%</td>
</tr>
<tr>
<td>SESRIC</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>199</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
*The COMCEC is not an OIC Institution, nevertheless we have included it in this table since it proposed and managed few but very important projects*

<table>
<thead>
<tr>
<th>Distribution of Activities by Domain (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity building</td>
</tr>
<tr>
<td>Trade facilitation</td>
</tr>
<tr>
<td>Trade promotion</td>
</tr>
<tr>
<td>Trade financing</td>
</tr>
<tr>
<td>Development of strategic commodities</td>
</tr>
</tbody>
</table>

We can observe that ITFC and ICDT are the initiators of about 73% of the proposed activities and projects, and that the capacity building activities are in the first position with 33%, followed by trade facilitation activities with 28%, trade promotion activities with 23%, trade financing and development of strategic commodities activities are lagging behind with respectively 9% and 7%.

<table>
<thead>
<tr>
<th>Distribution of Planned Activities by Domain (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Building</td>
</tr>
<tr>
<td>Trade Promotion</td>
</tr>
<tr>
<td>Trade Facilitation</td>
</tr>
<tr>
<td>Development of Strategic Commodities</td>
</tr>
</tbody>
</table>

The implementation of the “Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets”, which is composed of about 199 activities, shows the following:

- About 49% of the projects were fully implemented up to December 2010;
- 30% of the projects are in the process of implementation;
- 21% of the projects are on stand-by position and waiting for their implementation.

<table>
<thead>
<tr>
<th>State of play</th>
<th>Share Feb 2010</th>
<th>Share Feb 2011</th>
<th>Evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully implemented</td>
<td>25%</td>
<td>49%</td>
<td>96%</td>
</tr>
<tr>
<td>Partially implemented</td>
<td>36%</td>
<td>30%</td>
<td>-17%</td>
</tr>
<tr>
<td>To be implemented</td>
<td>39%</td>
<td>21%</td>
<td>-46%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
It was noticed that some implemented projects are of high importance and impact on intra-OIC trade like those relating to trade financing, trade promotion and trade facilitation; even if their number is quite limited, their impact and their budget are more important and the logistics they require is bigger than the capacity building activities, we can quote, inter alia, the following:

- The implementation of OIC Halal Food standards under the auspices of the COMCEC and SMIIC;
- The organization by ICDT of the trade fair of OIC Member States on regular basis once every two years, the specialized exhibitions notably on agro food industries (Jeddah, yearly) and the Forums and the workshop and buyers/sellers meetings and sensitizing seminar on the Trade Preferential System among OIC Member States;
- The launching by ITFC in cooperation the international organizations Regional Aid for Trade Initiatives, which help MCs have their trade development needs identified and projects meeting these needs developed, “Aid for Trade (AfT) Roadmap” for United Nations Special Program for the Economies of Central Asia (SPECA): Afghanistan + CIS Member Countries (26 projects) and the “Aid for Trade Road Map for the Arab States” (5 Million US$);
- The development of Trade Training Centers by ITFC in Malaysia, Turkey and Tunisia;
- The approval of ITFC Trade Finance for LDMCs in 1431H about 1,141 million US$;
- The progress made by ICCI in establishing a Business Owners Union, the setting up of the Islamic World Trade Directory Project (IWTD) and the steps taken in order to exempt businessmen from visa entry into some countries and training programs for private sector;
- The launching by OISA of Bakkah Shipping Company and Islamic P&I Club for ships insurance;
- The opening of a branch of ICIEC in Dubaï.

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

We can also recommend to OIC Institutions to put more emphasis on trade and projects financing, trade facilitation and trade promotion which are the backbone of any progress of economic integration among OIC Countries.
## EXECUTIVE PROGRAMME OF
### THE ROAD-MAP FOR ACHIEVING INTRA-OIC TRADE TARGETS
February 2011

<table>
<thead>
<tr>
<th>Area</th>
<th>Recommended Action</th>
<th>Projects/ Programs/Activities</th>
<th>Date/Location</th>
<th>Initiator</th>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Trade Financing Coordinator: ITFC</td>
<td>1.1 Develop and introduce new mechanisms/ tools aimed at increasing financing for SMEs and LDMCs</td>
<td>Introduce new lines of financing in addition to the existing ones in 1430H (2009)</td>
<td>Done in 2009</td>
<td>ITFC</td>
<td>ICIEC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mobilize resources and arrange co-financing</td>
<td>2010-2011</td>
<td>ITFC</td>
<td>ICIEC</td>
</tr>
<tr>
<td></td>
<td>1.2 Enhance ITFC field presence</td>
<td>a. Partnership with Financial and non-financial entities in MC’s to enhance ITFC accessibility</td>
<td>2011</td>
<td>ITFC</td>
<td>ICIEC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. “ITFC Customer Days” organized in some MC’s</td>
<td>2009-2010</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td>1.3 Introduce new trade finance products</td>
<td>c. Meeting of Financial Institutions on Resources Mobilization</td>
<td>2010-2011</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>a. Meeting/Brainstorming to discuss creation of Specialized Funds</td>
<td>Done in 2009</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. Workshop on ITFC’s Lines of Finance: Challenges and Opportunities</td>
<td>Done in 2009</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. Meeting for Trade Finance and Insurance of Credit Institutions.</td>
<td>Done in 2009</td>
<td>ITFC</td>
<td>ICIEC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d. Structured Trade Finance</td>
<td>2009-2011</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e. Pre-Export Financing</td>
<td>2009-2011</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>f. Workshop on LC Confirmations and Possible Role of IDB Group in this regard for enhancing intra-OIC Trade</td>
<td>Done in 2009</td>
<td>ICIEC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>g. Training Programme for Central Banks and Financial Institutions to enhance the awareness of export credit insurance and its benefit in</td>
<td>Done in 2009</td>
<td>ICIEC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>h. Promotion of DCIP (Documentary Credit Insurance Policy) among the OIC Financial Institutions to enable them to increase their exposure in relatively high risk countries</td>
<td>Done in 2009</td>
<td>ICIEC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>i. Possibility to consider ICIEC’s insurance policies as collaterals to extend financing for Intra-Trade</td>
<td>Done in 2009</td>
<td>ICIEC</td>
<td>OIC Financial Institutions and Central Banks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>j Exploring the ways and means to develop new structures and products which will help in meeting the market demand and accessing new</td>
<td>Done in 2009</td>
<td>ICIEC</td>
<td>ITFC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>k. ITAP support Syrian investment Agency’s Workshop on Arbitration</td>
<td>2010</td>
<td>ICIEC</td>
<td>Syrian Investment Agency</td>
</tr>
<tr>
<td></td>
<td>l. ITAP sponsors the inauguration of the International Smart Building Centre of Bahrain</td>
<td>Done in January 2010</td>
<td>ICIEC</td>
<td>ITPO and UNIDO</td>
<td></td>
</tr>
</tbody>
</table>
### Annex VIII to OIC/COMCEC-FC/27-11/REP

#### 2. Trade Promotion Coordinator: ICDT

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
<th>Date</th>
<th>Organization(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>m. ITAP and Jordan Investment Board Familiarization Program for the Officials of Iraqi Investment Promotion Agency</td>
<td>Done in March 2010</td>
<td>ICIEC</td>
<td>JFZC and JIEC</td>
</tr>
<tr>
<td>a. Showroom of OIC products and Services</td>
<td>Ongoing, Casablanca</td>
<td>ICDT</td>
<td>ITC</td>
</tr>
<tr>
<td>b. Establishment of an e-marketplace</td>
<td>2010-2011</td>
<td>COMCEC Coordination Office</td>
<td>MUSIAD, IDB Group, ICCI and MC’s</td>
</tr>
<tr>
<td>a. Enhancement of virtual exhibition</td>
<td>2010</td>
<td>ICDT</td>
<td>MC’s</td>
</tr>
<tr>
<td>b. OIC Tijari Exchange (with a view to complement TINIC)</td>
<td>2010</td>
<td>ICDT</td>
<td>ITC</td>
</tr>
<tr>
<td>b. Trade Information System-FTTC</td>
<td>2010-2011</td>
<td>ITFC</td>
<td></td>
</tr>
</tbody>
</table>

#### Specialized exhibition and supply/demand workshop on agribusiness products

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Organization(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Agri-business</td>
<td>Done in February, 2009, Bamako</td>
<td>ICDT</td>
</tr>
<tr>
<td>b. Cotton</td>
<td>Done in 12-13 October 2009, Egypt</td>
<td>ICDT</td>
</tr>
<tr>
<td>c. Agro-industry</td>
<td>Done in May 2009/2010, Saudi Arabia</td>
<td>ICDT</td>
</tr>
<tr>
<td>d. Building and construction services</td>
<td>Done in 24-27 June 2010, Senegal</td>
<td>ICDT</td>
</tr>
<tr>
<td>e. Pharmaceuticals, medical equipment and services</td>
<td>24-27 February 2011, Tunisia</td>
<td>ICDT</td>
</tr>
<tr>
<td>f. 1st International Cotton and Textiles Exhibition in the OIC Member States (OIC COTEXPO)</td>
<td>21-25 September 2011, Ouagadougou</td>
<td>ICDT</td>
</tr>
<tr>
<td>g. Furniture</td>
<td>2012, Turkey</td>
<td>ICDT</td>
</tr>
<tr>
<td>h. Logistics and transportation</td>
<td>2013, Tangiers or Dubai</td>
<td>ICDT</td>
</tr>
<tr>
<td>i. Turkey, Africa, Foreign Trade Bridge</td>
<td>Done in 2009, Istanbul</td>
<td>TOBB/ITFC</td>
</tr>
<tr>
<td>j. Intra-Trade Malaysia</td>
<td>Done in 2009, Kuala Lumpur</td>
<td>MATRADE</td>
</tr>
<tr>
<td>k. 1st International Exhibition and Forum on Halal Food</td>
<td>Done in 2-6 March 2010, Iran</td>
<td>ICCIM</td>
</tr>
<tr>
<td>l. 7th Malaysia International Halal Showcase</td>
<td>Done in 23-27 June 2010, Malaysia</td>
<td>MATRADE</td>
</tr>
<tr>
<td>m. 14th Private Sector Meeting</td>
<td>24-29 April 2011, Sharjah</td>
<td>ICCI</td>
</tr>
<tr>
<td>n. 13th International MUSIAD Trade Fair</td>
<td>6-10 October 2010, Istanbul</td>
<td>MUSIAD</td>
</tr>
<tr>
<td>o. Fifth Forum for Businesswomen in Islamic Countries</td>
<td>Done in April 2010, Egypt</td>
<td>ICCI</td>
</tr>
</tbody>
</table>
### Annex VIII to OIC/COMCEC-FC/27-11/REP

<table>
<thead>
<tr>
<th>p. 6th Businesswomen Forum</th>
<th>Sudan, 2011</th>
<th>ICCI</th>
<th>MC’s, UNDP, IDB Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>q. Forum on Promotion of trade and investment between the Central Asia OIC Members and the other OIC Member States</td>
<td>2012</td>
<td>ICDT</td>
<td>IDB Group, ICCI, MC’s</td>
</tr>
<tr>
<td>r. IDB Day in Morocco</td>
<td>6-10 October 2010</td>
<td>ITFC</td>
<td>Moroccan Institutions</td>
</tr>
<tr>
<td>s. 4th Trans-Saharan Exhibition</td>
<td>September 2011, Niamey-Niger</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
</tbody>
</table>

| **Study to identify Potential services to traded among OIC Countries** | 2010 | ICDT | ITFC, SESRIC |

#### Specialized Exhibitions and Partnership forum on High trading potential services on:

| a. Architecture /Construction/Engineering | Done in 24-27 June 2010, Senegal | ICDT | MC’s |
| b. E-commerce, IT and related services | 2011, Morocco | ICDT | ITFC, MC’s |
| c. Distribution services: franchising | 2011, UAE | ICDT | MC’s |
| d. Health related services | 24-27 February 2011, Tunisia | ICDT | ITFC, MC’s |
| e. Education and training | 2012, UAE | ICDT | MC’s |
| f. Forum and specialized Exhibition on the Services of High Education in the OIC Member States | 13-16 April 2011, Lefkosa, Cyprus | ICDT | OIC Institutions, MC’s |
| g. Regional Trade Fair of Central Asia OIC Member States | 7-9 June 2011, Astana, Kazakhstan | ICDT |

| a. 12th Islamic Trade Fair | Done in 11-16 October 2009, Egypt | ICDT | ITFC, MC’s |
| b. Trade Fairs of OIC Countries (OIC EXPO) | 24-29 April 2011, UAE | ICDT | ITFC, MC’s |
| | 2013, Iran | ICDT | MC’s |
| | 2015, Guinea | ICDT | MC’s |
| | 2017, Arab World | ICDT | MC’s |
| c. Tourism Fair of Islamic Countries (OIC TOURISM) | 9-12 October 2011, Egypt | ICDT | MC’s |
| | 2012, Syria | ICDT | MC’s |
| | 2014, Iran | ICDT | MC’s |
| | 2016, Africa/Asia | ICDT | MC’s |

| 3.1 Expedite the ratification of PRETAS by the MCs | | | |
| a. Implementation of PRETAS | 5 February 2010 | COMCEC | OIC General Secretariat, MC’s |
| b. Training Seminar on PRETAS for North Africa (CENCAD, AMU and Middle East) | 2011 | ICDT | COMCEC Coordination Office |

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<table>
<thead>
<tr>
<th>Annex VIII to OIC/COMCEC-FC/27-11/REP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.2 Conduct meetings on specific infrastructure issues which will have a direct impact on trade facilitation</strong></td>
</tr>
<tr>
<td><strong>c. Training Seminar on PRETAS for Central Asia and ECO Countries</strong></td>
</tr>
<tr>
<td><strong>d. Training Seminar on PRETAS for WAEMU Countries</strong></td>
</tr>
<tr>
<td><strong>e. Training Seminar on PRETAS for ECOWAS Countries</strong></td>
</tr>
<tr>
<td><strong>f. Training Seminar on PRETAS for South East and South Asia Countries</strong></td>
</tr>
<tr>
<td><strong>g. Training Seminar on PRETAS for COMESA Countries</strong></td>
</tr>
<tr>
<td><strong>3.3 Enhance partnership with TPOs in MCs</strong></td>
</tr>
<tr>
<td><strong>a. Forum on “Trade Efficiency and the Role of the Customs in the Context of International Trade”</strong></td>
</tr>
<tr>
<td><strong>b. Seminar on “Transport Facilitation and Intra-OIC Trade”</strong></td>
</tr>
<tr>
<td><strong>c. Opening new branch of Islamic Protection and Indemnity Club “IPIC” (OISA Project) in Jakarta, Dubai and Tehran</strong></td>
</tr>
<tr>
<td><strong>d. Signing the Statute of OISA by the member states which have not done so</strong></td>
</tr>
<tr>
<td><strong>e. Registration of member states maritime companies’ suitable tonnage with Islamic P&amp;I Club Branches in Tehran, Dubai and Jakarta</strong></td>
</tr>
<tr>
<td><strong>f. Cooperation in the area of Transportation</strong></td>
</tr>
<tr>
<td><strong>3.4 Enhance cooperation in the area of trade statistics</strong></td>
</tr>
<tr>
<td><strong>a. Establishment of Trade Information Facilitation System</strong></td>
</tr>
<tr>
<td><strong>b. Meeting on Aid-for-Trade for ESCWA Region-Phase I</strong></td>
</tr>
<tr>
<td><strong>c. Expert Meeting on Aid-for-Trade Road Map for SPECA Region</strong></td>
</tr>
<tr>
<td><strong>d. Ministerial Meeting on Aid-for-Trade Road Map for SPECA Region</strong></td>
</tr>
<tr>
<td><strong>e. Development of a database in order to facilitate commercial exchanges as well as cooperation and coordination (ICRIC)</strong></td>
</tr>
<tr>
<td><strong>f. Preparation of a framework for statistical activities coordination among OIC Institutions</strong></td>
</tr>
<tr>
<td><strong>h. Setting up of an observatory on procedures of Intra-OIC trade</strong></td>
</tr>
<tr>
<td><strong>i. Meeting to develop the Roadmap for enhancing intra-OIC Trade</strong></td>
</tr>
<tr>
<td><strong>j. 2nd Consultative Meeting of the OIC Institutions on enhancing intra-OIC Trade</strong></td>
</tr>
<tr>
<td><strong>k. Feasibility study on the project of setting up a free trade area among OIC MC’s</strong></td>
</tr>
<tr>
<td><strong>l. Seminar on Aid for Trade</strong></td>
</tr>
<tr>
<td><strong>m. Meeting to improve Executive Program for Enhancing Intra-OIC Trade</strong></td>
</tr>
</tbody>
</table>
3.3 Enhance partnership with TPOs in MCs

<table>
<thead>
<tr>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>n. 3rd Consultative Group for Enhancing intra-OIC Trade</td>
</tr>
<tr>
<td>o. 4th Meeting of the OIC Statistical Working Group</td>
</tr>
<tr>
<td>p. Development of database in order to facilitate commercial exchanges as well as cooperation and coordination (tourism)</td>
</tr>
<tr>
<td>q. Islamic Tourism Council Meeting</td>
</tr>
<tr>
<td>r. Halal Food System for the Private Sector in OIC Countries</td>
</tr>
<tr>
<td>s. International Conference on Economic and Trade Integration among OIC Member Countries</td>
</tr>
<tr>
<td>t. International Conference on Economic and Trade Integration among OIC Member Countries, 21-22 November 2010, Teheran</td>
</tr>
<tr>
<td>u. Forum on trade and investment expansion among the CIS MC’s and the other OIC MC’s</td>
</tr>
<tr>
<td>v. Meeting on Evaluation of TCPP Activities</td>
</tr>
<tr>
<td>w. Arab-Turkish Industrial Cooperation Conference</td>
</tr>
<tr>
<td>x. Seminar on the simplification and modernization of Customs procedures</td>
</tr>
<tr>
<td>y. Cooperation with THIQA-ICD</td>
</tr>
<tr>
<td>z. Workshop/EGM on the Impact of Transportation Network on Trade and Tourism</td>
</tr>
<tr>
<td>aa. Conference on Trade Development (Side event of Annual IDB BOG Meeting)</td>
</tr>
</tbody>
</table>

3.4 Continue to conduct annual meetings for TPOs in MCs

<table>
<thead>
<tr>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. 1st Meeting of the Export Promotion Centers of French Speaking OIC Member Countries</td>
</tr>
<tr>
<td>b. OIC TPO’s Meeting</td>
</tr>
<tr>
<td>c. 1st Meeting of the OIC Arabic Speaking Member States’ Trade Promotion Organs</td>
</tr>
<tr>
<td>d. 1st Meeting of the OIC English Speaking Member States’ Trade Promotion Organs and 1st Global Meeting of the OIC Trade promotion Organs</td>
</tr>
</tbody>
</table>
### 3. Trade Facilitation Coordinator: ICDT

<table>
<thead>
<tr>
<th>3.5 MCs to ease visa processes for member country businessmen</th>
<th>a. Establishment of Business Owners Union</th>
<th>Done in 2009</th>
<th>ICCI</th>
<th>IDB Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a. Development of OIC Halal Food Standards</td>
<td>2009-2011</td>
<td>COMCEC, TSE</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td>b. 10th OIC Standardization Expert Group Meeting</td>
<td>Done in 2009, Ankara</td>
<td>ICCI, SMIIIC</td>
<td>MC’s, COMCEC Coordination Office</td>
</tr>
<tr>
<td></td>
<td>c. Operationalization of SMIIIC (Islamic Countries Metrology and Standards Institute)</td>
<td>Done in August 2010</td>
<td>COMCEC Coordination Office, General Secretariat</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td>d. Establishment of Islamic Rating and Certification Agency (Needs Further Details)</td>
<td>Done in 2009</td>
<td>ICCI</td>
<td>ICRIC, ICIEC</td>
</tr>
<tr>
<td></td>
<td>e. Implementation of Halal Food Standards</td>
<td>2011</td>
<td>COMCEC</td>
<td>National offices of standardization</td>
</tr>
</tbody>
</table>

#### 3.6 Mutual Recognition Agreements (MRAs) for certification and testing bodies

|                                                               | a. Gulf Cooperation Council Food Security Initiative (Promoting Intra Investment by private sector and the role of IDB Group) | Done in 2009 | ITFC | ICDT, ITAP |
|                                                               | b. Summit on International Food Crisis | Done in 2009 | ITFC | ICDT, ITAP |
|                                                               | a. Trade and Investment Cooperation Opportunities among the OIC Member Countries in Cotton industry | Done in 2009 | ITFC | ITC, FAO, CFC, ICDT, ITAP, MC’s |
|                                                               | b. Forum on development of investment and trade in the field of basic food commodities | Done in 2009 | ITFC | ITC, FAO, CFC, ICDT, ITAP, MC’s |
|                                                               | c. Revitalization of the groundnut sector in selected sub-Saharan countries (Senegal, Gambia, Guinea-Bissau): phase I and II | 2009-2010 | ITFC | ITC, FAO, CFC, ICDT, ITAP, MC’s |
|                                                               | d. Forum on ways and means to enhance Trade and investment in food in Africa | Done in 2009 | ITFC | ITC, FAO, CFC, ICDT, ITAP, MC’s |
|                                                               | f. Fourth Steering Committee and third Project Committee Meetings on Cotton | Casablanca, 27-28 September 2010 | ICDF | IDB Group and OIC |
|                                                               | g. Fifth Steering Committee and Fourth Project Committee Meetings on Cotton | September 2011, Casablanca | ICDF | IDB Group and OIC |
|                                                               | h. Forum on Development Agro-Food Industries in OIC Countries | Kampala, 5-4 April 2011 | ICDF | OIC, other OIC Institutions |
|                                                               | i. OIC Cotton Training Programme (OIC-CTP) | 2011 | ICDF/ITFC | SESRIC |
|                                                               | j. Validation Symposium of the revitalisation project of groundnut sector in Senegal, Gambia and Guinea-Bissau | 9-10 November 2010 | ITFC | MC’s |
|                                                               | k. 2nd Phase of Groundnut Project | 2011, Gambia | ITFC | MC’s |
|                                                               | l. Program on the Development of Cotton Industry in selected African Countries | 2011 | ITFC | MC’s |

#### 4. Development of Strategic Commodities Coordinator: ITFC

<table>
<thead>
<tr>
<th>4.1 Create funds for investment in agriculture and other strategic commodities</th>
<th>a. Gulf Cooperation Council Food Security Initiative (Promoting Intra Investment by private sector and the role of IDB Group)</th>
<th>Done in 2009</th>
<th>ITFC</th>
<th>ICDT, ITAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b. Summit on International Food Crisis</td>
<td>Done in 2009</td>
<td>ITFC</td>
<td>ICDT, ITAP</td>
</tr>
<tr>
<td></td>
<td>a. Trade and Investment Cooperation Opportunities among the OIC Member Countries in Cotton industry</td>
<td>Done in 2009</td>
<td>ITFC</td>
<td>ITC, FAO, CFC, ICDT, ITAP, MC’s</td>
</tr>
<tr>
<td></td>
<td>b. Forum on development of investment and trade in the field of basic food commodities</td>
<td>Done in 2009</td>
<td>ITFC</td>
<td>ITC, FAO, CFC, ICDT, ITAP, MC’s</td>
</tr>
<tr>
<td></td>
<td>c. Revitalization of the groundnut sector in selected sub-Saharan countries (Senegal, Gambia, Guinea-Bissau): phase I and II</td>
<td>2009-2010</td>
<td>ITFC</td>
<td>ITC, FAO, CFC, ICDT, ITAP, MC’s</td>
</tr>
<tr>
<td></td>
<td>d. Forum on ways and means to enhance Trade and investment in food in Africa</td>
<td>Done in 2009</td>
<td>ITFC</td>
<td>ITC, FAO, CFC, ICDT, ITAP, MC’s</td>
</tr>
<tr>
<td></td>
<td>f. Fourth Steering Committee and third Project Committee Meetings on Cotton</td>
<td>Casablanca, 27-28 September 2010</td>
<td>ICDF</td>
<td>IDB Group and OIC</td>
</tr>
<tr>
<td></td>
<td>g. Fifth Steering Committee and Fourth Project Committee Meetings on Cotton</td>
<td>September 2011, Casablanca</td>
<td>ICDF</td>
<td>IDB Group and OIC</td>
</tr>
<tr>
<td></td>
<td>h. Forum on Development Agro-Food Industries in OIC Countries</td>
<td>Kampala, 5-4 April 2011</td>
<td>ICDF</td>
<td>OIC, other OIC Institutions</td>
</tr>
<tr>
<td></td>
<td>i. OIC Cotton Training Programme (OIC-CTP)</td>
<td>2011</td>
<td>ICDF/ITFC</td>
<td>SESRIC</td>
</tr>
<tr>
<td></td>
<td>j. Validation Symposium of the revitalisation project of groundnut sector in Senegal, Gambia and Guinea-Bissau</td>
<td>9-10 November 2010</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td>k. 2nd Phase of Groundnut Project</td>
<td>2011, Gambia</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
<tr>
<td></td>
<td>l. Program on the Development of Cotton Industry in selected African Countries</td>
<td>2011</td>
<td>ITFC</td>
<td>MC’s</td>
</tr>
</tbody>
</table>

### 5. Capacity Building Coordinator: SESRIC with a collaboration of

| 5.1 Organize more training programs for MCs/enterprises in trade related areas | a. Training Course on Export Strategies and International Marketing | 2010, Egypt | ITFC |
|                                                                         | b. Training Workshop on SME Cluster Development for OIC Member Countries | Done in 2009, Nigeria | ICCI |
|                                                                         | c. Workshop on “Promotion of Export Processing of Value Added Fishery Products” | Done in 2009, Benin | ICCI |
|                                                                         | d. Training Program on Micro Finance Sector Development | Done in 2009, Sudan | ICCI |

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**Annex VIII to OIC/COMCEC-FC/27-11/REP**
<table>
<thead>
<tr>
<th>IC</th>
<th>Description</th>
<th>Date/Location</th>
<th>Organizers</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.</td>
<td>13th Private Sector Meeting for Promotion of trade and joint venture investment among the OIC</td>
<td>Done in June 2010, Tajikistan</td>
<td>ICCI</td>
</tr>
<tr>
<td>f.</td>
<td>Workshop on Coffee Processing</td>
<td>Done in 2009, Uganda</td>
<td>ICCI</td>
</tr>
<tr>
<td>g.</td>
<td>Regional training program for the staff of the chambers of Arab Member Countries</td>
<td>Done in 2009 19-22 September 2010, Kazakhstan</td>
<td>ICCI, ITFC</td>
</tr>
<tr>
<td>h.</td>
<td>Regional training program for the staff of the chambers of African Member Countries</td>
<td>Done in 2009, Uganda</td>
<td>ICCI</td>
</tr>
<tr>
<td>m.</td>
<td>Workshop on Food Security for OIC Countries</td>
<td>Kampala, 4-6 April 2011</td>
<td>ICCI, IDB</td>
</tr>
<tr>
<td>j.</td>
<td>Workshop on Food security for OIC Countries</td>
<td>2010</td>
<td>ICCI</td>
</tr>
<tr>
<td>k.</td>
<td>2nd Training Program on Microfinance Sector Development for OIC MC’s</td>
<td>2010</td>
<td>ICCI</td>
</tr>
<tr>
<td>l.</td>
<td>3rd International Islamic, Economic and Cultural Conference</td>
<td>2011</td>
<td>ICCI</td>
</tr>
<tr>
<td>m.</td>
<td>Training of incubator Managers of the OIC Countries</td>
<td>30 Sept to 1 October 2011, Ankara</td>
<td>ICCI, KOSGEB</td>
</tr>
<tr>
<td>n.</td>
<td>2nd Training Programme on Microfinance Sector Development for OIC Member Countries</td>
<td>2011</td>
<td>ICCI</td>
</tr>
<tr>
<td>o.</td>
<td>Capacity building program with the Ministry of Investment of Sudan</td>
<td>2010</td>
<td>ICIEC, Ministry of Investment of Sudan, UNIDO</td>
</tr>
<tr>
<td>p.</td>
<td>Capacity Building project with Ugandan Investment Agency</td>
<td>2010</td>
<td>ICIEC, UNIDO and BADEA</td>
</tr>
<tr>
<td>q.</td>
<td>Familiarization Program for the Officials of Investment Promotion in IDB Countries</td>
<td>2010</td>
<td>ICIEC, MIDA</td>
</tr>
<tr>
<td>r.</td>
<td>Training Program for the Officials of Investment Promotion Agencies in IDB Countries</td>
<td>2010</td>
<td>ICIEC, TOBB and TEPAV</td>
</tr>
<tr>
<td>s.</td>
<td>Capacity Building Program for the Officials of Investment Promotion Agencies in IDB Countries</td>
<td>2010</td>
<td>ICIEC, UNCTAD</td>
</tr>
<tr>
<td>t.</td>
<td>Capacity Building Program for the Assessment Analysis for Sierra Leone Investment and Export Promotion Authority and Mauritian Investment Promotion Agency</td>
<td>2010</td>
<td>ICIEC, BADEA</td>
</tr>
<tr>
<td>u.</td>
<td>Logistics and its role in developing intra-OIC trade</td>
<td>2011, Tunisia</td>
<td>ICDT, IDB</td>
</tr>
<tr>
<td>v.</td>
<td>Agreement of the Doha Round and intra-OIC trade negotiations</td>
<td>2011</td>
<td>ICDT, IDB</td>
</tr>
<tr>
<td>w.</td>
<td>Competition Policy and regulations in Islamic Countries</td>
<td>Done in 22-24/02/2010, Tunisia</td>
<td>ICIDT, IDB, ITC</td>
</tr>
<tr>
<td>x.</td>
<td>Competition Policy and regulations in Islamic Countries</td>
<td>2011, Istanbul</td>
<td>ICDT, IDB, TCA, UN Agencies</td>
</tr>
<tr>
<td>y.</td>
<td>Competition trade intelligence and export decision making</td>
<td>2012</td>
<td>ICDT, IDB, ITC</td>
</tr>
<tr>
<td>z.</td>
<td>Training course on enterprises strategy and international marketing</td>
<td>2013</td>
<td>ICDT, IDB, ITC</td>
</tr>
<tr>
<td>aa.</td>
<td>Export Auditing and capacity building of the SMEs for Arab States.</td>
<td>2014</td>
<td>ICDT, IDB, ITC</td>
</tr>
<tr>
<td>ab.</td>
<td>Seminar on “The Project on the Intra-OIC Free Trade Area”</td>
<td>2011</td>
<td>ICDT, IDB Cooperation Office, MC’s</td>
</tr>
<tr>
<td>ac.</td>
<td>Seminar on Regional economic grouping within the OIC: Current status and prospects</td>
<td>Done in 15-17/02/2010 Casablanca Done in 17-19/05/2010 Abu Dhabi</td>
<td>IDB Cooperation Department/ICDT, IDB Cooperation Dept/ICDT</td>
</tr>
<tr>
<td>ad.</td>
<td>Training courses on e-commerce and technical assistance to TPOs</td>
<td>2011, Casablanca</td>
<td>ICDT, ITFC</td>
</tr>
<tr>
<td>ae.</td>
<td>Follow up of the Multilateral Trade Negotiation in this sector and coordination of Member States’ positions with a view to setting up of a common negotiations platform</td>
<td>Ongoing</td>
<td>ICDT</td>
</tr>
<tr>
<td>5.2 Organize seminars on 'best practices' for MCs</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>---</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Af. Training Workshop on International and intra-OIC Trade for the Executives of the Ministry of Commerce of Iraq</td>
<td>2011 Casablanca</td>
<td>ICDT</td>
<td>ITFC</td>
</tr>
<tr>
<td>ae. OIC-VET Sub-Program on Trade, Economy and Finance</td>
<td>2011</td>
<td>SESRIC</td>
<td>OIC Institutions, MC’s</td>
</tr>
<tr>
<td>a. On Job Training (OJT) for staff of TPOs of MC’s on Foreign Trade Bridges</td>
<td>2010, Turkey</td>
<td>ITFC</td>
<td>ITFC, ICDT, ICCI, FTTC, MCs, TUSKON, Chambers of Commerce</td>
</tr>
<tr>
<td>b. OJT for Officials and staff of Chamber of Commerce of the AMCs</td>
<td>2010, Saudi Arabia</td>
<td>ITFC</td>
<td>ITFC, ICDT, ICCI, FTTC, MCs, TUSKON, Chambers of Commerce</td>
</tr>
<tr>
<td>c. OJT for Trade Mapping</td>
<td>2010, Egypt</td>
<td>ITFC</td>
<td>ITFC, ICDT, ICCI, FTTC, MCs, TUSKON, Chambers of Commerce</td>
</tr>
<tr>
<td>d. Training courses on Trade information</td>
<td>Done in February 2010, Dubai</td>
<td>ITFC</td>
<td>EDC, MC’s</td>
</tr>
<tr>
<td>e. Training Courses on export strategies and international marketing</td>
<td>Done in February 2010, 3-6 October 2010, Kuwait</td>
<td>ITFC</td>
<td>Chambers of Commerce of Kuwait, FTTC</td>
</tr>
<tr>
<td>f. Familiarization and knowledge Sharing program for the government and chambers of commerce from ECO Countries</td>
<td>5-9 April 2010, Istanbul</td>
<td>ITFC</td>
<td>TOBB, MC’s</td>
</tr>
<tr>
<td>g. Training Courses on export strategies and international marketing for Palestine</td>
<td>Done in July 2010, Amman</td>
<td>ITFC</td>
<td>Arab League, FTTC</td>
</tr>
<tr>
<td>h. Networking and Knowledge Sharing Program for Senior Staff of Chambers of Commerce from Arab MC’s</td>
<td>22-25 June 2010, Ankara</td>
<td>ITFC</td>
<td>TOBB, MC’s</td>
</tr>
<tr>
<td>i. Capacity Building Program for Iranian Chambers of Commerce on WTO related subjects</td>
<td>27 June, 1July, 2010, Ankara</td>
<td>ITFC</td>
<td>TOBB, MC’s</td>
</tr>
<tr>
<td>j. Training Courses on export strategies and international marketing</td>
<td>25-29 December 2010, Dubai</td>
<td>ITFC</td>
<td>Chambers of Commerce of KSA,</td>
</tr>
<tr>
<td>k. Training Courses on export strategies and international marketing</td>
<td>13-17 November 2010, Dubai</td>
<td>ITFC</td>
<td>EDC and FTTC</td>
</tr>
<tr>
<td>l. Familiarization and Knowledge sharing program on commodity Exchange</td>
<td>October 2010, Karachi</td>
<td>ITFC</td>
<td>TOBB</td>
</tr>
<tr>
<td>m. Training programs on Chamber Management for ASMCs</td>
<td>2010, Karachi</td>
<td>ITFC</td>
<td>ICCI</td>
</tr>
<tr>
<td>n. Familiarization and Knowledge Sharing Program on Commodity Exchange for Staff of Chambers of Commerce from African MC’s</td>
<td>October, 2010, Turkey</td>
<td>ITFC</td>
<td>TOBB, MC’s</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>5.3 Cost sharing schemes for marketing and enhancing of exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Develop High Trade School of Tunisia: phase I and II</td>
</tr>
<tr>
<td>b. Training Seminar on Doha Development Round</td>
</tr>
<tr>
<td>c. Help to develop the training Department of IGEME: phase I and II</td>
</tr>
<tr>
<td>d. Help to develop the training department of MATRADE: phase I and II</td>
</tr>
<tr>
<td>e. Implementation of Phase-II of Project for strengthening training dept of TPOs</td>
</tr>
<tr>
<td>f. Support for establishment of TPOs in Kyrgyzstan</td>
</tr>
<tr>
<td>g. Knowledge Sharing Programs on Commodity Exchange Markets</td>
</tr>
<tr>
<td>h. Training Course on Export Strategies and International Marketing</td>
</tr>
<tr>
<td>i. Training Course on Export Strategies and International Marketing</td>
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<tr>
<td>j. Training Course on Export Strategies and International Marketing for Palestinian Businessmen</td>
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<td></td>
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<tr>
<td>l.</td>
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<td>m.</td>
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ANNEX IX
REPORT BY ITFC  
ON TRADE PROMOTION ACTIVITIES

A. BACKGROUND INFORMATION ABOUT INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC)

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

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

3. The ITFC with Authorized Capital of US$3 billion and Subscribed Capital of US$750 million became operational in January 2008 and took over all the trade finance business and trade cooperation programs of the IDB Group under a single umbrella.

4. The principal objective of the ITFC is to promote and enhance trade of member countries and to supplement the efforts of the IDB by providing trade finance and engaging in activities that facilitate intra-OIC trade and international trade of MCs. ITFC delivers these objectives through two parallel lines of approach:

1) Trade Finance Operations and 2) Trade Cooperation and Promotion Program.

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

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

B. TRADE COOPERATION AND PROMOTION PROGRAM (TCPP)

6. Trade Cooperation and Promotion Program is designed as the trade promotion arm of ITFC, delivering trade related technical assistances to the concerned trade support institutions of MCs through four business lines: Trade Promotion, Trade Facilitation, Capacity Building and Development of Strategic Products with the objective of promoting and enhancing intra-trade and trade and cooperation among OIC MCs to support their economic and social development.

Following is the brief information about the main activities/programs implemented in 1431H and to be implemented in 1432H by ITFC within the framework of Executive Program. The details are provided in the attached tables.

I. Supporting trade promotion activities of TPOs and OIC Organs

7. ITFC continued to support trade promotion activities of TPOs in 1431H by organizing and sponsoring their collective participations in international trade fairs buyers-sellers meetings and business forum. ITFC supported and/or organized collective participation of 11 TPOs in 4 trade promotion activities held in three biggest importer OIC countries, namely, Turkey, Malaysia and Iran.

8. In 1432H, ITFC organized collective participation of 10 TPOs and Chambers of Commerce and Industry in 13th OIC Expo organized in Sharjah, UAE, during 24-29 April 2011. These countries are Azerbaijan, Bangladesh, Kazakhstan, Uganda, Niger, Kyrgyzia, Sudan, Yemen, Palestine. ITFC also facilitated organization of 14th Private Sector Meeting for the Promotion of Trade and Joint Venture Investment among Islamic Countries by extending financial support to the organizer ICCI, which facilitated participation of businessmen mainly from African Countries.

9. Similarly; ITFC is also organizing collective participation of TPOs in 4th Trans-Saharan Exhibition in Niamey, Niger to be organized in September 2011, where 6-8 TPOs will receive financial support from ITFC to participate in this exhibition.

10. In addition to these activities, ITFC will facilitate organization of two important business forum and conference by providing its financial support to organizers, which will enable participations of SMEs in these activities and give them a chance to establish new business partnership and expand their businesses.

11. These activities are 1) Forum on trade and investments expansion among the CIS MCs and the other OIC MCs to be organized by ICDT in Kazakhstan with the objective of Enhance trade and investment relations among CIS countries and the rest of OIC MCs. 2) Arab-Turkish Industrial Cooperation Conference to be organized by
AIDMO and TOBB in 26-27 April 2011 to promote trade and investment relations among Turkish and Arab businessmen.

II. Identification of Trade Facilitation and Trade Development Needs of MCs:

12. Under the business line of trade facilitation, ITFC’s previous role was limited to facilitate the organization of seminars, meetings and conferences in trade related areas by providing financial support with the objective of helping the concerned institutions prepare OIC-wise policies and programmes. Now, ITFC extended its role in this area by supporting and involving Regional Aid for Trade Initiatives, which help MCs have their trade development needs identified and projects meeting these needs developed.

13. United Nations Special Programme for Central Asia (SPECA) comprising five countries of Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, and Azerbaijan) plus Afghanistan was one of the concentration areas of TCPP interventions in 1431H. Starting with the consultative meeting on SPECA Aid for Trade Initiative in 2009, which was followed by the organization of Experts Meeting in March 2010, both were carried out by ITFC’s financial, technical and organization support, has given momentum and taken this initiative to its final stage, which is the organization of Ministerial Meeting in December 2010 in Baku, Azerbaijan, where Regional AfT Review with its action matrix were presented to international donor communities.

14. International organizations including UNDP, WTO, UNCTAD, ITC, and UNIDO together with concerned local and national trade authorities prepared a stock of project proposals, which aims developing national supply side capacity, enhancing cross-border cooperation and improving human and institutional capacity in these countries and facilitating integration of SPECA countries into multilateral trading system. ITFC is decisive to continue to provide its support through TCPP for the implementation of identified projects, as done in the first stage of the Initiative. In this regard, ITFC allocated fund to support the establishment of TPO in Kirgizia.

15. Similarly, ITFC is studying the possibility of officially launch The AfT road map for the Arab States Initiative in collaboration with the United Nations Development Programme (UNDP) and the International Trade Centre (ITC). The purpose of the “Aid for Trade Road Map for the Arab States” project is to design and realize a successful engagement by Arab States with the Aid for Trade (AfT) initiative. The road map aims to:

- Review and aggregate national, sub-regional and regional needs in relation to trade and productive capacity;
- Assist beneficiary countries to establish national and regional priorities in relation to trade and productive capacity;
- Support member countries to mainstream these priorities in their development strategies;
• Support the mobilization of resources from within and outside the region to address priority needs.

16. In the context of the implementation of COMCEC resolutions, ICDT and ITFC jointly organized Third Meeting of Consultative Group for Enhancing Intra-OIC trade” in Casablanca on 3rd and 4th February 2011. The meeting was attended by OIC organs and government officials and representatives of TPOs from Morocco, Kuwait, Senegal, Malaysia, Turkey and Egypt. The meeting reviewed the implementation and accordingly revised the Executive Program based on the information provided by OIC Organs. Among other recommendations main recommendations of the meeting are following: (i) to increase efforts by the concerned entities to implement the Framework Agreement on Trade Preferential System among OIC Member States and establish the desired OIC Free Trade Area, (ii) to call Member States, through COMCEC recommendation or resolution, to consider establishment of foreign trade training centers to meet local capacity development needs of their respective countries due to the importance of capacity building on trade development, (iii) to call and urge Member States, through OIC Organs (such as COMCEC), to intensify their efforts in promotion of foreign trade and provide the Trade Promotion Organizations/Export Development Agencies of their respective countries the necessary support and funds to promote intra-OIC trade. ICDT will brief the 27th Session of COMCEC Follow-up Meeting in detail about the outcomes of the third coordination meeting of Coordination Group.

17. Involvement and active participation of concerned authorities from MCs in the planning and implementation of actions is a key for the success of Road Map and Executive Program. In this regard, ITFC plans to organize a meeting in June 2011 on the occasion of 36th IDB Annual Meeting to discuss ways and means for ensuring effective participation of entities and private sector from MCs in planning and implementation stages of Executive Programme. The outcomes of this meeting will be submitted to COMCEC Ministerial Meeting for their consideration.

18. As per resolutions of 26th COMCEC Meeting, the workshop/EGM on the impacts of transportation network on trade and tourism will be organized by IDB Group, SESRIC and Ministry of Transportation of Turkey in Izmir, Turkey, during 7-9 June 2011. The outcomes and recommendations of these events will be submitted to 27th Session of COMCEC Ministerial Meeting for its endorsement. Coordination efforts among IDB Group entities and departments are undertaken by Group Trade Related Issues Committee (GTRC), which was established by the instruction of IDB Group President with the mandate of coordinated trade related matters in IDB Group to create group synergy. Currently, Committee consists of trade-transport, trade and agriculture, Aid for Trade, Competitiveness and Integrated Projects sub-teams.

19. The Workshop aims at mapping the picture of transport networks in OIC member countries by identifying the development needs for transport corridors; raising the awareness in OIC member countries on the importance of Trade and Transport Facilitation (TTF) for national development, regional integration and
enhancing competitiveness in the increasingly globalized world economy; providing a better understanding of the concept and measures of TTF at both the individual country and OIC regional levels; exploring means and ways of increasing intra-OIC trade and tourism through identifying strategies for enhancing transportation facilities in OIC member countries; and discussing the formulation of an OIC Framework for Trade and Transport Facilitation Program (OIC TTFP).

20. Moreover, following the said workshop, ITFC in cooperation with TOBB and Under Secretariat for Custom of Turkey will organize a training seminar on trade facilitation with an emphasis on custom modernization and custom harmonization. The long term goal of this program is to strengthen technical and administrative capacities in OIC MCs, which will be the main source for the preparation and implementation of national and international trade facilitation program. The program will reflect different aspects of trade facilitation on regional, international and national level. Besides the local experiences, during the program, concrete examples on how to implement global standards & recommendations on trade facilitation with particular emphasis on harmonization and modernization of customs rules and procedures will be presented to participants from 15 OIC MCs. International organizations including UNCTAD, WCO, UNECE, UNESCAP will be invited to the program to share their experience in the area of trade facilitation and custom modernization.

21. ITFC in cooperation with TOBB and concerned government entities from Turkey will organize a familiarization visit and knowledge sharing program for the senior staff from Trade Ministries of OIC Countries. The program aims at sharing Turkey’s experience in industrial development and export promotion with other OIC MCs. This program will be followed by a conference on trade and economic integration of OIC Countries.

III. Enhancing Trade Support Capacities of MCs

22. Human and institutional development is the key for sustainable trade development. Thus, ITFC continued to place great emphasis on supporting human development in MCs in trade related areas and provided trade capacity building support under two domains; capacity building programs for SMEs and familiarization and knowledge sharing programs for TSIs.

23. In 1431H, capacity building programs targeting SMEs were organized jointly with FTTC. Almost 60 SMEs participated in 3 training courses of Export Strategies and International Marketing sponsored by ITFC. Participants had a chance to improve their managerial skills and capacities on various subjects including conducting marketing research, international marketing, product and quality development as well as supply chain management in order to improve their competitiveness in the global market.

24. In addition, 4 capacity building programs were organized jointly with TOBB and ICCI in 1431H, where almost 30 different Chambers of Commerce and Industry
participated and benefited from these programs. The aim was to improve chamber management and familiarize participants with best practices of countries like Turkey. Participants upgraded their knowledge on chamber specific IT solutions and daily functions of chambers as well as being introduced to trade & export promotion services of the host chambers.

25. This fruitful partnership between ITFC and its partners, TOBB and ICCI paved the way towards standardizing and institutionalizing these programs by designing OIC Chamber Development Program. First OIC Chamber Development Program will be organized collectively by TOBB, ITFC and ICCI in Ankara, Turkey, during 20-24 June 2011, which is expected to be attended by 25 Chambers of Commerce and Industry from MCs. The program is exclusively designed for the senior and top level management to equip them with required technical resources to implement and make the necessary changes in their chambers to provide better services to their members in today’s global world. Co-organizers has future plan to implement similar programs at national and regional level in coming years.

26. In 1432H, ITFC plans to organize 4 training courses for SMEs in three countries, which will be attended by around 100 SMEs. ITFC also plans to organize an Advanced Training for Trainers on Market Research, Trade Analysis and Mapping, which will be attended by the staff of TPOs of MCs.

IV. Development of Strategic Products

27. Under the focus area of road map titled development of strategic products, ITFC provided financial support to the organizers of meetings on strategic commodities such as cotton, groundnut, rice to identify basic problems and obstacles faced in production and trade of these commodities that limit their international competitiveness. In addition, ITFC undertake commodity studies to prepare commodity development programs for commodities, where MCs have comparative advantage in production and trade.

28. “Project of Revitalization of the Groundnut Sector in Senegal, Gambia and Guinea-Bissau” is an example of ITFC intervention under this focus area, which aims at assessing the current situation of the sectors in each of the three countries and providing solutions to overcome the constraints. First phase of the project was completed and findings and policy recommendation of the study was shared with relevant local authorities and other international donors in validation symposium organized in 2010.

29. In 2011, ITFC will organize a training seminar and knowledge sharing program on Roles of Agricultural Commodity Exchange in Agricultural Marketing. International organizations including FAO, UNCTAD, CFC and national commodity exchanges will participate in the event to present their experiences in establishing and developing agricultural commodity exchanges in LDCs.
30. This program aims to increase knowledge of the participants and enhance their capacity on the following issues: (i) Roles and functions of commodity markets (ii) governance, core actors and rules and regulations of commodity markets (iii) characteristics of successful commodity exchanges and how they can be replicated in developing countries (iv) prerequisites for and challenges against successful functioning of commodity marketing (v) Warehouse Receipt System (WRS) & Quality and electronic trade infrastructure of CMs (vi) Derivate Markets and their roles in agricultural commodity trading. Furthermore, in the program, follow-up activities are expected to be identified on the requests and consultations with participants, which may include among others, the organization of country-level capacity building activity on commodity exchanges and technical support to country level initiatives to establish commodity exchanges. Outcomes and findings of this event will be submitted to COMCEC for their consideration.

C. TRADE FINANCE OPERATIONS AND APPROVALS

I. Trade Finance Overview

31. In 1431H, ITFC attained substantial achievements in number of areas while adjusting itself to the aftermath of the financial crisis. Trade approvals reached USD 2,555 million, of which USD1,140 million in favor of LDMCs, for the year. Furthermore, ITFC was able to attract 24 new clients with a total amount of USD 515 million. New countries and new non-oil sectors were penetrated which is in line with the ITFC’s diversification strategy in pursuit of reaching more customers and expanding its coverage to include more member countries. Approvals achievement is commendable and represents a remarkable increase of 17.9% compared to 1430H approvals as shown in the table below.

<table>
<thead>
<tr>
<th>Region</th>
<th>1431H Actual</th>
<th>%</th>
<th>1430H Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIA/CIS</td>
<td>1,544</td>
<td>61</td>
<td>1,477</td>
</tr>
<tr>
<td>MENA</td>
<td>849</td>
<td>33</td>
<td>530</td>
</tr>
<tr>
<td>SSA*</td>
<td>161</td>
<td>6</td>
<td>160</td>
</tr>
<tr>
<td>Total Approvals</td>
<td>2,555</td>
<td>100</td>
<td>2,166</td>
</tr>
<tr>
<td>Total Disbursement</td>
<td>1,800</td>
<td></td>
<td>1,547</td>
</tr>
</tbody>
</table>

32. In 1431H, there has been substantial increase in financing of commodities considered strategic in nature for the concerned countries. As part of ITFC strategy for enhancing resilience in the midst of global financial crisis, ITFC supported strategic sectors such as oil, cotton, wheat, etc. in a number of countries and has shown to be vital for the sustainability of these economies. Crude Oil and refined products with US$ 1,612 has been major item in the portfolio. In 1431H, two more
strategic operations have been approved, one for the Cotton Sector in Sudan for Euro 20 million, and another for the Wheat Sector in Kazakhstan US$40 million.

II. Breaking New Grounds

33. A lot of efforts have been exerted to break into new markets and new sectors. In 1431H, 24 new clients were attracted with a total amount of USD 515.5 million, representing 20% of total approvals as well as new sectors were penetrated particularly in the non-oil sectors (such as coal, steel, grain, petrochemicals, soybean meal, corn, palm oil, etc.). ITFC has demonstrated a lot of resourcefulness to face the challenges in the face of global crisis.

III. Providing Trade Solutions

34. Continued effect of the global financial crisis necessitates more stringent corporate credit analysis which goes beyond relying upon balance sheet and stretches to ensure relevant use of funds and linking credit assessment to primary source of repayment by the beneficiary. Relying barely on salient features of Islamic finance as such existence of genuine transaction would not suffice during ongoing turmoil. In this regard, ITFC is pursuing its efforts to increase the size of Structured Trade Finance (STF) deals in its total portfolio not only to improve resilience but also to bring a customized dimension to the deal so as to accommodate client needs, a parameter which is now further recognized in ITFC.

35. In 1430H, total 4 structured trade finance operations amounting to $ 95 million were approved. In 1431H, STF operations have been expanded both in number and in amount as 10 operations were approved with an aggregate amount of US$ 376 million. Pre-Export structured trade finance facility in favor of a company in Kazakhstan was the first wheat financing operation which assumes collateral in the form of commodity financed for ITFC while repayment is tied to receivables from sales as briefly explained here below:
1. The Company, ITFC client, negotiates and concludes the Purchase Contract(s) with the Supplier and be responsible for checking their quality, quantity, specifications and all other matters relating thereto.

2. The Company, ITFC client, pledges to ITFC the warehouse receipt certifying quantity and quality of an additional 25% of grain of the same quality of the financed grain by the ITFC as a security margin, resulting in 125% coverage.

3. After having obtained 125% coverage and upon the presentation of the invoice issued by the supplier, ITFC pays 100% of the Purchase Price to supplier.

4. Upon readiness to exports, beneficiary sends a release request to ITFC who in turns prepares an invoice to be sent to the company.

5. After prepayment by the Company of the required amount confirmed by the appointed agent bank, ITFC will endorse the warehouse receipt of the required portion to the company (ExWorks basis).

6. The Company presents the endorsed warehouse receipt to warehouse operator that releases the indicated amount of grain.

7. The Goods to be used by the Company for export sale activities.
8. The company irrevocably undertakes to purchase (on behalf of ITFC) the first consignment from local suppliers no later than one month after the Agreement effectiveness.

IV. Creating Synergy

36. The Management of IDB Group had established a group-wide Task Force to study the Group Synergy concept and recommend ways, means, mechanisms, responsibilities and time-line for implementing such a group-wide synergy program. The task force has submitted a report to the IDB Group Management, with its recommendations which fall within the following four categories:
   (a) Shared Corporate Services; (b) Business Synergy; (c) Group Governance; and (d) Group-related Departments

37. Accordingly, ITFC accords high importance to the need for maintaining synergy within the IDB Group, and fully supports the efforts made in important initiatives, however, at the same time; ITFC will maintain its independent status in various aspects of its functions.

1- MCPS: In 1431H, IDB Group has embarked on an important collaborative initiative called the Member Country Partnership Strategy (MCPS) where the IDB engages with a member country and discusses at the very highest level what the IDB strategy would be to help that country rather than on a piecemeal on a project by project basis as previously done. This ensures synergy and a more holistic approach to support member countries. In 1341H, ITFC has joined with the IDB to conduct MCPS exercises in the following five (5) countries: Turkey, Indonesia, Mali, Uganda and Mauritania in pursuit of creating group synergy and enhance the effect of ITFC intervention in MCs. These have been completed successfully and the recommendations are currently evaluated for implementation at various stages for different countries.

2- In February 20, 2010, ITFC and ICIEC have signed Islamic Financing Insurance Policy in pursuit of providing insurance for ITFC operations in member countries. This new cooperation expected to enhance ITFC intervention in several countries such as Syria.

3- ITFC also signed an MoU with Bank Muscat, Oman. The purpose of the MoU is to provide for ways and means of ensuring close cooperation and coordination of efforts between ITFC and Bank Muscat and its branches in providing trade financing and other related services in Oman as well as in other OIC Member Countries in an efficient and cost effective manner. ITFC and Bank Muscat have agreed to exchange market intelligence information and invite each other to participate in syndicated financing operations in all OIC Member Countries. The MOU also allows for ITFC's clients in Oman to approach Bank Muscat for services related to trade financing such as issuing Letter of Credit, applying for documentary
collection, etc. Similarly, another MoU was signed with Commercial Bank of Dubai (CBD) in pursuit of allowing ITFC clients in the UAE to benefit from CBD services in opening Letters of Credits under ITFC financing.

38. Besides, ITFC leveraged synergy with directly IDB Group entities in other areas where possible such as ICIEC, ICD etc. Accordingly, an MoU with ICIEC has been signed in 1431H while another MoU with ICD is in process. The partnership with IDB Group entities contributed to several ITFC operations. In 1431H, ICIEC provided guarantee insurance services for two ITFC operations. Besides, ITFC referred some of its clients, such as in Oman, to ICD for medium term finance.

V. Creating Values for Impact

39. ITFC has placed substantial effort to accelerate input financing for agriculture through giving value to products as early as possible at the upstream stages within the production cycle. This approach acknowledges the result of farmers’ efforts by effecting payment immediately upon delivery instead of waiting for proceeds of final sales. It is imperative for ITFC to provide financing in the markets where intervention will make difference in the lives of people by creating value for them in early stage of their production endeavor. In this regard, Euro 13 million input financing to provide fertilizer and agricultural inputs to farmers has been availed to the government of Cameroon. In the same fashion, similar input financing was availed in Sudan for Euro 20 million and in Burkina Faso for US$56 million.

VI. Access to SMES

40. Lack of trade finance is identified as one of the impediments for enhancing OIC countries’ trade as evidenced from the The Framework Agreement on Trade Preferential System among the Member States of the Organization of the Islamic Conference (TPS-OIC). The Article-2 of the agreement proposes the use of trade finance for promoting trade of OIC countries. The lack of trade finance seems to be much more severe problem for least developed member countries (LDMCs) and Greater effort is under way to enhance implementation of lines in LDMCs. There needs to be a trigger for least developed countries to ignite production cycle by trade.

41. Due to the significantly large number of small disbursements involved as well as difficulties in assessing credit worthiness, ITFC does not extend direct facilities to SMEs. Line of Financing and 2-Step Murabaha Financing (2SMF) to local banks, which have better access to information on SMEs, and can handle small amount, has been devised to overcome these shortcomings. Under this mechanism, ITFC avails funds to a local bank which then provides it to the SMEs. In 1431H, ITFC sustained its focus on 2-Step Murabaha mechanism for SME financing which amounted to USD 190 million.
VII. Awards and Accolades

42. In 1431H (2010G), ITFC gained a number of international awards and recognitions for its outstanding achievements and commitment to excellence at both the institutional and operational levels.

43. At the institutional level, ITFC received two prestigious awards from prominent magazines specialized in international trade: the “Best Islamic Trade Finance Bank/Institution” –for the second consecutive year – from Global Trade Review (GTR) Magazine, and the “Best Development Financial Institution (DFI)” by Trade Finance Magazine. This further acknowledges ITFC’s commitment in fulfilling its mandate and to become the preferred financier of choice for trade solutions.

44. At the operational level, two of ITFC’s trade finance operations won the “Best Deal of the Year” awards. The Islamic Finance News (IFN) nominated the $40 million Wheat Exports Deal in Kazakhstan as the Best Structured Finance Deal of the Year, whilst the $50 million Sugar deal in Sudan was chosen as the Best Murabaha Deal of the Year. The Sugar Deal in Sudan was also selected as the “Deal of the Year” by GTR and Euromoney. The success in both deals truly reflects the role of ITFC in contributing to the development of markets and trade capacities of OIC member countries by introducing customized trade solutions that are suitable for the particular markets and clients. The sugar deal was the first Co-Financed Operation provided by the IDB Group to the private sector in Sudan. ITFC has supported the largest integrated sugar producer in Sudan and this has helped the country in its endeavor to become recognized as one of the biggest sugar exporters in the region.

45. Similarly, in the structured wheat Deal for Kazakhstan, ITFC managed to integrate the first of its kind Islamic Structured deal in Central Asia, that serves as a model for future agricultural and supply chain transactions. The success of the case was based on the ITFC’s capability to deliver the tailor made financing structure and the genuine spirit of cooperation between the financier and the beneficiary. ITFC was also able to contribute to the development of the rural areas through this trade operation. Awards and Accolades awarded to ITFC since inception are as follows:
D. ANNEX: Table of ITFC Activities

Trade Cooperation & Promotion Program (TCPP)

1431H

A – Trade Promotion

<table>
<thead>
<tr>
<th>#</th>
<th>Event</th>
<th>Objective</th>
<th>Date and Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>1st Exhibitions Of Halal Food</td>
<td>Promotion of Halal industry in MCs, enhancing trade of Halal products among MCs</td>
<td>02-06 March, Tehran</td>
</tr>
<tr>
<td>02</td>
<td>7th Malaysia International Halal Showcase MIHAS (2010) -MATRADE</td>
<td></td>
<td>Feb 2.2010</td>
</tr>
<tr>
<td>03</td>
<td>13th MUSIAD Int. Trade Fair &amp; 14th IBF.</td>
<td>Collective participation of TPOs, product exhibition</td>
<td>23-27 June, KL</td>
</tr>
<tr>
<td>04</td>
<td>Trade Promotion Organs Meeting TPOs (Arab Member Countries ) ICDT</td>
<td>Establish an OIC TPO network for better cooperation</td>
<td>6-10 Oct Istanbul</td>
</tr>
<tr>
<td>05</td>
<td>IDB Day in Morocco</td>
<td>Raise awareness on IDB Group products and services and establish business links between IDB and Moroccan industry</td>
<td>3-5 Nov 2010, Tunis</td>
</tr>
</tbody>
</table>
### 1432H

#### A – Trade Promotion

<table>
<thead>
<tr>
<th>#</th>
<th>Event</th>
<th>Objective</th>
<th>Date and Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>The 13th OIC Expo</td>
<td>Support trade promotion activities of MCs, Enable TPOs-SMEs exhibit their products, Establish new business link &amp; enhance trade cooperation among SMEs-TPOs, Enhance regional economic integration</td>
<td>25-29 April 2011 Sharjah, UAE</td>
</tr>
<tr>
<td>02</td>
<td>4th Trans-Saharan Exhibition</td>
<td></td>
<td>September, 2011 Niamey (Niger)</td>
</tr>
</tbody>
</table>

#### B – Trade Facilitation

<table>
<thead>
<tr>
<th>#</th>
<th>Event</th>
<th>Objective</th>
<th>Date and Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Preparatory Meeting on Aid for Trade Road Map for ESCWA Region</td>
<td>Discuss ways and means of launching AFT Initiative, exchange views on cooperation modalities among key partners</td>
<td>10-12 January 2010 Beirut, Lebanon</td>
</tr>
<tr>
<td>02</td>
<td>Expert Group Meeting on: Aid-For-Trade Road Map For SPECA Region</td>
<td>Review of draft country trade development need analysis, preparation of work plan for the Ministerial meeting</td>
<td>10-12 March, 2011 Bishkek, Kirgizia</td>
</tr>
<tr>
<td>03</td>
<td>Ministerial Meeting On : Aid-For-Trade Road Map For SPECA Region</td>
<td>Adaptation of Ministerial Declaration, establishment of steering committee, presentation of project proposals, country need analysis</td>
<td>1-2 December, 2010 Baku, Azerbaijan</td>
</tr>
<tr>
<td>04</td>
<td>Meeting to develop the Road Map for enhancing Intra-OIC Trade</td>
<td>Review of the implementation of the Executive program, enhance content of the program in light of international experience</td>
<td>21-22 June, 2010 Baku, Azerbaijan</td>
</tr>
<tr>
<td></td>
<td>2nd Consultative Meeting of OIC Organ</td>
<td>Review of the implementation and update the executive</td>
<td>31May-1st June, 2010</td>
</tr>
</tbody>
</table>
### 1432H

#### B – Trade Facilitation

<table>
<thead>
<tr>
<th>Event</th>
<th>Objective</th>
<th>Date and Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Forum on trade and investments expansion among the CIS MCs and the other OIC MCs</td>
<td>Enhance trade and investment relations among CIS countries and with the rest of OIC MCs.</td>
</tr>
<tr>
<td>02</td>
<td>Meeting of OIC Network of TPOs</td>
<td>Establish an OICTPO network for better cooperation</td>
</tr>
<tr>
<td>03</td>
<td>Arab-Turkish Industrial Cooperation Conference</td>
<td>Enhance Industrial, Trade and Investment relations among the two sides and encourage private sector to create partnership</td>
</tr>
<tr>
<td>04</td>
<td>Training Seminar on Trade facilitation with an emphasis on custom modernization and harmonization</td>
<td>Enhance knowledge of concerned staff of custom authorities develop cooperation and coordination among them</td>
</tr>
</tbody>
</table>
### 3rd Meeting of the Consultative Group on Enhancing the Intra-OIC Trade.

Update Exec. Program, Present new concepts for further adoption at COMCEC

3-4 February, 2011
Casablanca, Morocco

### Workshop/Experts Meeting on The Impact of Transportation Network on Trade & Tourism

Preparation of OIC trade and transport facilitation program and action plan, Joint activities developed, as well as duplication avoided

7-9 June 2011, Izmir, Turkey

### Conference on Trade Development (Side event of Annual IDB BOG Meeting).

Informative, awareness raising event on the subject to attract attention of policy makers to the subject

June 2011, Jeddah, KSA

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#### C – Capacity Building

<table>
<thead>
<tr>
<th>Event</th>
<th>Objective</th>
<th>Date and Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Familiarization And Knowledge Sharing Program for the government &amp; Chambers of Commerce from ECO Countries</td>
<td>Improve staff knowledge and skill on chamber specific issues such as financial management &amp; budgeting for chambers, income generations, marketing and PR development for Chambers, trade support services and export promotion functions of chambers, etc.</td>
<td>5-9 April 2010 Istanbul, Turkey</td>
</tr>
<tr>
<td>02 Networking &amp; Knowledge Sharing Program for Senior Staff of Chambers of Commerce from Arab MCs</td>
<td></td>
<td>22-25 June 2010 Ankara, Turkey</td>
</tr>
<tr>
<td>03 Chambers Management : Training Course Program for Staff from Chambers of Commerce of Arab MC</td>
<td></td>
<td>19-22 Sept 2010 Kuwait</td>
</tr>
<tr>
<td>04 Capacity Building Program For Iranian Chambers</td>
<td>Improve knowledge of staff of Iranian Chambers on WTO accession process</td>
<td>27 June-1st July 2010 Ankara, Turkey</td>
</tr>
<tr>
<td>05 Training Course for Staff from Ministry of Commerce in Iraq</td>
<td>Improve knowledge and skills of staff on policies and programs of export promotion</td>
<td>20-23 September 2010</td>
</tr>
</tbody>
</table>
### Training course on Export Strategies and International Marketing

**Event:** Implementation of Phase-II of Project for strengthening training dept of TPOs  
**Objective:** Train trainers on market access, trade mapping, export promotion, market research, etc.  
**Date and Venue:** 5-6 April 2011, Kuala Lumpur, Malaysia

### Knowledge Sharing Programs on Commodity Exchange Markets

**Event:** Knowledge Sharing Programs on Commodity Exchange Markets  
**Objective:** Improve capacities in commodity markets  
**Date and Venue:** 10-14 July 2011, Turkey

### Training Course on Export Strategies and International Marketing

**Event:** Training Course on Export Strategies and International Marketing  
**Objective:** Build the capacity of export related employees in selected SME in the areas of international marketing and trade, business management, product development  
**Date and Venue:** 2011, Jeddah, KSA

### Training Course on Export Strategies and International Marketing

**Event:** Training Course on Export Strategies and International Marketing  
**Objective:** Build the capacity of export related employees in selected SME in the areas of international marketing and trade, business management, product development  
**Date and Venue:** 2011, Dubai, UAE

### Training Course on Export Strategies and International Marketing For Palestinian Businessmen

**Event:** Training Course on Export Strategies and International Marketing. *For Palestinian Businessmen*  
**Objective:** Build the capacity of export related employees in selected SME in the areas of international marketing and trade, business management, product development  
**Date and Venue:** 2011, Amman, Jordan

### Training Course on Export Strategies and International Marketing For Palestinian Businessmen

**Event:** Training Course on Export Strategies and International Marketing. *For Palestinian Businessmen*  
**Objective:** Build the capacity of export related employees in selected SME in the areas of international marketing and trade, business management, product development  
**Date and Venue:** 2011, Amman, Jordan

### OIC Chamber Development Programs Enhance management capacities in chambers to provide better services

**Event:** OIC Chamber Development Programs  
**Objective:** Enhance management capacities in chambers to provide better services  
**Date and Venue:** 20-24 June 2011, Ankara, Turkey
### 1431H

#### D – Development of Strategic Products

<table>
<thead>
<tr>
<th>Event</th>
<th>Objective</th>
<th>Date and Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Validation Symposium of the revitalization project of groundnut sector in Senegal, Gambia, Guinea Bissau</td>
<td>Present outcomes and finding of the first phases to the local authorities and donor communities</td>
<td>9-10 November, 2010 Banjul, Gambia</td>
</tr>
</tbody>
</table>
ANNEX

X
REPORT BY SMIIC ON ITS ACTIVITIES

The idea to establish a sound mechanism for the harmonization of standards among Islamic countries can be traced back to the 1st Meeting of the Economic and Commercial Cooperation Permanent Committee (COMCEC) of the Organization for Islamic Conference in 1984. The Standardization Experts Group for Islamic Countries (SEG) which was established in 1985 for this purpose and its work led to the approval of the SMIIC Statute at the 14th COMCEC Meeting.

The statute of SMIIC was first submitted to the member countries for its signature during the 15th COMCEC Meeting held on November 4 – 7, 1999 in Istanbul.

The Statute entered into force on 27/05/2010 with the deposit of ratification instrument by Somalia. So far 13 OIC member countries (Algeria, Cameroon, Guinea, Jordan, Libya, Mali, Morocco, Pakistan, Somalia, Sudan, Tunisia and Turkey, the United Arab Emirates) signed and ratified the Statute of SMIIC.

SMIIC is an affiliated organ of the OIC and according to the Provisions of its Statute; the Headquarters of the Institute shall be located in Istanbul, Republic of Turkey, where the Turkish Standards Institution will cover the expenses of the Institute for the first three years of its establishment.

The Agreement on the Establishment of SMIIC in Turkey was signed between the Republic of Turkey and SMIIC on 7 October 2010, during the 26th Session of the COMCEC in Istanbul, Republic of Turkey. Furthermore the procedure for the ratification of the Agreement by Republic of Turkey has recently been completed.

THE FIRST GENERAL ASSEMBLY OF SMIIC

The inaugural General Assembly Meeting of SMIIC was held in Ankara, Turkey on 2-3 August 2010. The Meeting was attended by ten ratifying Member States (Algeria, Cameroon, Guinea, Jordan, Libya, Morocco, Somalia, Sudan, Tunisia and Turkey).

The recently elected Board of Directors of SMIIC are People’s Democratic Republic of Algeria, Republic of Cameroon, Republic of Guinea, Hashemite Kingdom of Jordan, Great Socialist People’s Libyan Arab Jamahiriya, Tunisian Republic, and Republic of Turkey. Dr. Lutfi Öksüz from Turkey, assumed office as the Interim Secretary General of SMIIC, having been unanimously endorsed by the General Assembly.

The First General Assembly Meeting of SMIIC approved the Terms of Reference (TOR) for establishment of an Accreditation Committee of which all national accreditation organizations of OIC Member States are eligible to be its members. The
meeting requested COMCEC to give SMIIC the mandate of development of Halal Food Standards and Procedures.

SMIIC was officially represented at the 26th Session of COMCEC held in Istanbul on 5-8 October 2010, where the Agreement on the Establishment of the Standards and Metrology Institute for Islamic Countries in Turkey was signed on 7 October 2010 between the Government of the Republic of Turkey and SMIIC.

In its resolution, the 26th COMCEC; “Welcomes the entry into force of the Statute of the Standards and Metrology Institute of Islamic Countries (SMIIC) in May 2010 and the establishment of SMIIC on 2 August 2010 and requests the Member States which have not signed and ratified the Statute of SMIIC to do so.”

THE FIRST BOARD OF DIRECTORS’ MEETING OF SMIIC

The First Board of Directors’ Meeting of SMIIC was held in Istanbul on 8 January 2011 and hosted by the Turkish Standards Institution. The Meeting was attended by the Member States having membership in the SMIIC Board of Directors (People’s Democratic Republic of Algeria, Republic of Cameroon, Republic of Guinea, Hashemite Kingdom of Jordan, Great Socialist People’s Libyan Arab Jamahiriya, Republic of Tunisia and Republic of Turkey).

The Board unanimously adopted the Action Plan for SMIIC for the term 2011-2012 to enable the Institute to effectively fulfill its designated missions. The Action Plan embodies promotional and organizational activities, which includes inter alia, attracting OIC countries to the membership of SMIIC, representation of SMIIC at the relevant international and regional platforms; establishing organizational units and human resources of the Institute; and initiating work to revise the SMIIC Statute to keep up with the present approaches in the world.

The Board expressed its satisfaction that the three draft standards, namely “General Guidelines on Halal Food”, “Guidelines for Bodies Providing Halal Certification” and “Guidelines for Accreditation Body Accrediting Halal Certification Bodies”, are now recognized as reference documents under the Resolutions of the Twenty-Sixth Session of the COMCEC, para VIII titled “Development of the OIC Halal Food Standards and Procedures”.

SMIIC/TECHNICAL COMMITTEE MEETING ON HALAL FOOD ISSUES

The Board endorsed that SMIIC is the ideal platform for undertaking the mandate of halal food standards and procedures, and decided to consider the three mentioned draft standards as SMIIC standards
The Board decided to establish a Technical Committee on this issue with the involvement of both SMIIC members and non-members (as observers) which are OIC Member States to undertake any further tasks with regard to the halal food standards.

Within this frame, the Technical Committee Meeting was held in Yaoundé, Cameroon on 16-17 May 2011 with the participation of 33 representatives from various OIC Member States. The mentioned Technical Committee Meeting considered and adopted the three documents as OIC/SMIIC Standards, namely “OIC/SMIIC 1:2011, General Guidelines on Halal Food”, “OIC/SMIIC 2:2011, Guidelines for Bodies Providing Halal Certification” and “OIC/SMIIC 3:2011, Guidelines for the Halal Accreditation Body Accrediting Halal Certification Bodies”. The mentioned standards entered into force as of 17 May 2011 and were adopted in English language, though their translated versions in other official languages of the OIC (Arabic and French) are also available.

The Second General Assembly of SMIIC will be held in Turkey on 12-13 July 2011.

**STEPS TO BE TAKEN FOR A FULLY OPERATIVE SMIIC**

SMIIC concentrates its efforts on attracting more members and facilitating membership procedure, which currently requires ratification by OIC Member States. To achieve this goal, SMIIC has started work to revise its Statute so as to grant membership status through direct application by the OIC Member States.

It will be ensured that SMIIC will be represented at the OIC platforms as well as at other international and regional platforms. SMIIC will also take an active stance at these platforms and explore possibilities to establish sound cooperation with International and Regional Standards Bodies.

SMIIC works on organizing itself in line with principles that will enable it to keep up with the present approaches in the world.

The Institute makes the necessary preparations to establish its Headquarters and human resources in İstanbul.

SMIIC will play a critical role in facilitating the trade between the OIC Member States.
ANNEX

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

Preamble:

The Islamic Chamber of Commerce and Industry as an affiliated institution of the OIC has entered its 32nd year of establishment. In its long march to serve the private sector, the ICCI has also been undertaking activities that are also focused to implement the OIC 10 Year Plan of Action.

The Private Sector has assumed an important role as the engine of economic growth in the economies of the world. Within the OIC bloc, the private sector plays a similar role. A healthy private sector leads to a healthy growth. However, the private sector cannot function in isolation and hence the importance of Public Private Partnership.

The Islamic Chamber in its demarches to contribute towards strengthening of economic cooperation has undertaken numerous programmes and activities, which are so designed to meet the needs and requirements of the private sector.

Based on the guidelines of the OIC’s Ten Year Program of Action (TYPOA), the ICCI is undertaking activities, with the private sector, for the implementation, of this programme. Under the various programmes, the ICCI has been conducting, training programmes, seminars, workshops, business forums, setting up companies in member countries through FORAS, providing a common platform to the business community through its Business Owners Union, highlighting the values of Ethics, Quality, Halal and Zakat in conducting business etc.

The activities undertaken by the ICCI are as follows:-

1) Business Owners Union:

The Business Owners Union was established with the objective of being a privilege Club for the business community so as to give the private sector of OIC Countries and the Muslim minorities in the non OIC Countries, a platform to enhance their trade and investment. The BOU was launched in 2008 with the support of 17 Member Chambers. Thereafter MOUs were signed with 21 member chambers. Through these MOUs guidelines have been drawn up for cooperation to accelerate the socio economic integration among the Islamic Countries by way of enhancing the activity of the private sector.

Achievements:

The BOU has set up a service department for its members to market and promote their projects among the trading agencies of Islamic Countries. In addition, a website has
also been set up, to facilitate the members, round the clock, to establish contacts with the Chambers, during their business trips in the member countries.

So far the BOU has held 3 Board of Directors Meeting and one Conference. These Meetings have been largely attended and it has been decided to set up the largest portal in OIC countries to encourage networking and opportunities for enhancing commercial exchange among the private sector. The Islamic Development Group has also shown interest in financing projects for the members of BOU to increase joint venture investments in OIC member Countries.

2) The Secretariat for Media and Information:

The Secretariat for Media and Information was set up with a view to promote the chamber and its activities and publicize the same through its various tools. In this context, two departments have been established and each one is undertaking its defined tasks and activities, as follows:-

Media Department:

The Media Department undertakes the promotion of the chamber and its activities and publicizing the same by focusing on news and press aspects. It works for connecting the Chamber with its various members through its different products. It has developed many products through realize this role and contribute to the accomplishment of ICCI objectives.

- Issuance of quarterly Printed Magazine under the title “Chamber”
- Publishing of monthly electronic Magazine on the website of the Chamber.
- Issuance of Weekly Newsletter
- Instant updating the news and articles on the ICCI Website
- Instant covering of the ICCI events and those of the member chambers through the Secretariat products including the Website, printed and electronic Magazine and the weekly newsletter.
- Interaction with the published newspaper and electronic publications TV Channels with the objective of carrying out the needful media coverage for the ICCI activities, in addition to the TV interviews.
- Press file for each event.

Information Department:

The Information Department looks after the information and electronic aspects related to the ICCI in the manner that would serve the role of the Chamber and realize its objectives. Therefore, the department was keen since its establishment to make some executive measures and specific Mechanisms to activate this role as follows:

- One of its foremost tasks is to establish database for the Chamber and the member chambers and countries, as well as the investment opportunities of these countries through modern website i.e. dynamic and provides easy access of its information.
Information department is entrusted to supervise all projects of information nature.

- The department supervises all the Websites of ICCI such as:
  - The main new website of the Chamber which was launched in May 2009 and enjoys an average of 400,000 visitors monthly.
  - The e-magazine website
  - The Egyptian Zakat Foundation website (one of the branches of International Zakat Organization)

**Achievements:**

The following are the achievements and the significant activities of the Media and Information Department since the restructuring of the chamber and the combining of the media and information in one secretariat. Designing and establishing a new ICCI Website in three languages (Arabic/English/French).

- Issuance of new printed and electronic Magazine in Arabic & English languages.
- Creation of new Weekly Newsletter in Arabic & English languages.
- Media coverage of all the ICCI events in press, TV and in the internet.
- The ICCI Directory.

**Proposed Work Plan by the Secretariat for Media and Information:**

i) Databank

ii) Special Exhibitions

**i) Databank:**

In the OIC, there is enormous stored information that is proportional to the size of OIC’s role as well as for the establishment of databank to be launched by the Secretariat for Media and Information. This could be connected with the other external projects. As a beginning this project may contain the following:

- Information on the investment environment of Member States in general and the investment laws of each State in addition to the investment rules of each sector

- To identify the requirements of each Member State in terms of skilled labour and the needed domains of expertise.

The implementation takes place in two phases:

**First Phase:**

- Creation of general profile (general information) of each of the 58 Member States
Classification and analyses of this information and placement of the same on the ICCI website

Second Phase:

Collections of more detailed information on each Member State in terms of the advantages, natural and human resources, investment opportunities and to identify general trends of the public and private sectors and their activities in these countries and the businessmen and businesswomen

ii) Special Exhibition:

To organize exhibitions in collaboration with FORAS and IDB. These exhibitions would be under the patronage of the concerned ministries of the member countries and in coordination with the member chambers as well as the exhibition related companies. Among areas targeted the following:

- Education Exhibitions
- Health Exhibitions
- Exchange of labour exhibitions
- Tourism Exhibitions

The major objective of these exhibitions is to implement the ICCI Plan of Action and to gather the maximum number of participants from the said sectors, so as to exchange expertise, promote investments and encourage tourism exchanges among OIC Member States.

3) General Secretariat for Coordination:

The General Secretariat of the Islamic Chamber for Coordination as a foundation for the other departments continues to pursue programmes and activities, in line with overall objectives of the Islamic Chamber.

It has been holding Private Sector Meetings, Businesswomen Forums, Workshops, Training Programmes, Seminars and Conferences which have addressed themes and issues which have a bearing on the OIC Countries, such as Food Security, Micro Finance, Chamber Management, Value Addition, Economic Empowerment of women, Poverty Alleviation, Capacity Building and SME development.

Each of these activities was organized in cooperation with one of Member Chambers and the Islamic Development Bank. The participants to most of these activities were from the less developing Islamic countries. This was done with the objective of promoting the private sector of countries, where the transfer of knowledge, adoption of best practices was needed.
The Islamic Chamber of Commerce & Industry in collaboration with the Federation of UAE Chambers of Commerce & Industry and Sharjah Chamber of Commerce & Industry has organized the 14th Private Sector Meeting for the Promotion of Trade and Joint Venture Investment in Sharjah, U.A.E. from 24th to 26th April 2011. The Meeting was held alongside the 13th Islamic Trade Fair was in line with one of the decisions of COMCEC, which called on ICCI to hold, whenever possible, Private Sector Meetings alongside the Trade Fairs. This is covered under Agenda Item (6) “Private Sector Cooperation” of the 27th Follow up Session of COMCEC.

In the effort to transfer know how to the developing countries, the Islamic Chamber is also trying to bring on board similar Regional and International Organisations, pursuing similar objectives. In this context, cooperation is sought from the Special Unit for South-South Cooperation of UNDP, the Perez Guerrero Trust Fund (PGTF), the Small and Medium Organisations of Member Countries. The involvement of such Organisations gives a wider spectrum to the Work of the Islamic Chamber, while at the same time benefiting from their technical know how.

One of the outcomes of the Businesswomen Forum, organized by the Islamic Chamber, has been the development of a web portal “OIC Businesswomen Information Network” (www.oic-bin.net). It provides a single platform for women entrepreneurs in OIC Countries, to interact with one another and to exchange business information among themselves. This initiative has been also welcomed by the UNDP’s Special Unit for South-South Cooperation. ICCI has been selected as one of the satellites for One Million Businesswomen Online (OMBOL) for covering 57 OIC Countries, which will be a part of the UNDP’s larger project of OMBOL. The project of ICCI will be considered to be used as a prototype for the other participating satellites. UNDP will provide technical assistance for the said project at the initial stage.

In addition, the Islamic Chamber is also collaborating with OIC Institutions and Committees of the OIC, which are working for similar goals and activities, such as the Islamic Centre for the Development of Trade (ICDT), the Statistical, Economic and Social Research & Training Centre for Islamic Countries (SESRIC), Standing Committee for Economic & Commercial Cooperation of OIC Countries (COMCEC) and Islamic Development Bank Group (IDB). The Coordination Department also undertakes all interactions, in terms of preparing ICCI reports, proposed recommendations, presentations and any other matters coming within its capacity as an OIC institution.

The Coordination Office is also organizing the Statutory Meetings and serving as a hub for all departments, in implementing their activities. It usually undertakes responsibility of preparing draft agenda, working documents as well as the organizational aspects and preparatory duties with the host member chamber, in addition to coordination with representatives of member institutions.
Achievements:

The holding of these activities has created awareness among the private sector and opened avenues for newer markets.

The training programmes have enabled the participants have upgrade their skills to come up to International standards and thereby be competitive. This is particularly found in the African countries, where some workshops for instance Micro-finance workshop was conducted in Khartoum, and was successfully replicated in other regions of Sudan and Nigeria.

The Business Forums (Private Sector Meetings, of which 13 have been so far held and Businesswomen Forums of which 5 have been so far held) have been result based as the private sector was provided a platform for bi-lateral contacts, not only with their counterparts from other OIC countries but also financial agencies. However, it was seen that bi-lateral contacts among the private sector proved more result oriented. Some successful joint venture projects were initiated during the said contacts. For example, in Pakistan the first Shariah compliant bank was established and in Sudan a manufacturing unit was set up to produce house appliances using natural gas, as a result of negotiations between parties during private sector meetings. Furthermore, it could also be said that, these meetings have contributed in enhancing the level of Intra Islamic Trade, which rose from 11 % in the late till 2005-2006 to over 16% in 2009-2010.

Work Plan for 2011

⇒ OIC Chamber Academy Program
    Ankara- Turkey, June 20-24, 2011
⇒ Workshop on Food Security for OIC Countries
    Kampala-Uganda, October 2011
⇒ Sixth Forum for Businesswomen in Islamic Countries
    2011
⇒ Training Programme on Microfinance Sector Development
    for OIC Member Countries, 2011

4) FORAS:

Foras was set up as a financial arm of the Islamic Chamber and has set up the following companies in the Member countries. The following show the success rate of FORAS and how it is attainting its goals.

Achievements:
Companies Established:
- Foras International Investment Company
- Foras Tourism Development Company
- Foras Sudan Development Company
- Foras West Africa Company (Senegal)
- Foras Benin Company
- Kawader International Company (Labor exchange)

Investments:
- Tatarstan International Investment Company – Kazan (Tatarstan – Russia)
- South European Investment Company – Bosnia
- Benin Free Zone Company
- Foras Tourism Development Company

Finance:
- Media Company SAR 562,000 (Paid)
- Mega Project Cars SAR 1,125,000 (Paid)
- Mega Project Aero planes SAR 1,125,000 (Paid)
- Kawader International SAR 500,000 (Paid)

5) Economic Affairs

The General Secretariat for Economic Affairs is undertaking activities related to the International Zakat Organisation, the Halal and the Awqaf. Within the context of the International Zakat Organisation considerable work has been undertaken. A complete programme has been initiated to publicize the importance of Zakat, its methodology, rules of jurisprudence and its dispensation on the various segments of the community. In addition Workshops have been held to bring about awareness on the utility of Zakat in Africa. The outcome of these has been positive as a Branch of the Zakat Organisation has been set up in Egypt.

In addition, efforts have been undertaken to establish Zakat Institutions in some African Countries. To do so, assistance will be taken from countries and Institutions that are advanced in application of Zakat, to establish Zakat Institutions in the selected countries to train the cadres.

Furthermore, research and survey is also being done and books are to be published which would highlight multifarious aspects of Zakat. The end objective of which would be, to establish a comprehensive library on Zakat sciences in Arabic, English and French. It is also envisaged that training programmes be conducted, on the works of Zakat and related financial, accountancy, administrative and legal aspects.

A website on Zakat will also be designed, which will cover the mission of the International Zakat Organisation (IZO) and revive the spirit of Takaful and solidarity among the people.

Realising the importance of Waqf, the ICCI has a programme to formulate a comprehensive strategy for Waqf among the Muslim entrepreneurs. The programme also aims to seek cooperation and partnership, with the official and non governmental organizations working in the field of Waqf, in the OIC countries. Protocols and Cooperation Agreements will be made to bring about greater synergy towards this
end. A website will also be set up to introduce the concept of Waqf among Muslims and non Muslims, as a means of social service for the Muslim Community.

The issue of Halal is of great concern to the Muslims. The concept of Halal is not merely confined to Halal food, but in the real sense, covers a wider spectrum of life. Towards this end, the Islamic Chamber has launched its programme on Halal. All efforts are being taken at all levels, to ensure that the ICCI is the recognized entity on Halal issues. Currently many countries and Institutions are involved in this issue and the ICCI is trying to work with all the concerned, so as to work in harmony in their respective areas. The ICCI is also a member of the expert group on Standardization on Halal, which reports to the COMCEC.

The ICCI will also organize Seminars and Conferences on Halal and at the same time prepare a website and brochure on Halal.

**Impediments in the Fulfilling of the Objectives of the Islamic Chamber:**

In its pursuit to serve its members, the ICCI is deploying all efforts, despite certain impediments. It would be appropriate to mention some of the constraints, so that the member chambers can help the ICCI overcome it. The financial constraint is a major concern for the ICCI. As the Honorable Member States are aware, the annual subscriptions from the member chambers are the basis for the functioning of the Islamic Chamber. However, unfortunately out of 57 Member Chambers, at an average only 25 Member Chambers are honoring their commitment. Some of our Member Chambers have outstanding arrears for the last 20 to 30 years.

Member States are therefore called to call upon their member chambers to kindly clear their dues and regularly pay their subscription, so that the ICCI can strengthen itself and continuously serve its members.

In order for the Islamic Chamber to evaluate how effective it is in its services, the active participation, by its member chambers, in its programmes and activities is essential. There are numerous activities being undertaken, which have been mentioned above and they are prepared keeping in line the needs and requirements of the private sector of the OIC countries. But it is generally observed that the interest of the member chambers is confined only till the event is held. Very little follow up is done, despite constant reminders to the Honorable Chambers.

The ICCI has an ambitious project for Website and Data Collection. This initiative is very important and useful, in order to bridge the gap of Information. But unfortunately, some of the member chambers have not sent up to date Data. At most times, the ICCI depends on secondary data and even that is not sufficient.

**ICCI’s Cooperation with Other OIC Institutions:**

As an affiliated institution of the OIC the Islamic Chamber is cooperating and working with other Institutions of the OIC with similar objectives and goals. In this
context, the ICCI thanks the General Secretariat of OIC and all other Institutions such as IDB Group, ICDT, SESRIC, IRCICA, OISA, IAIB and IUT for their support in carrying its activities.
REPORT BY IDB ON IMPLEMENTATION STATUS OF ISFD AND SPDA

A. ISFD

I. BACKGROUND

1. The ISFD was established as a Special Fund within the IDB following a decision made by the December 2005 Extraordinary Summit of the Organization of the Islamic Conference (OIC) in Makkah, Saudi Arabia, and officially launched in Dakar, Senegal, in May 2007. As a Waqf (i.e. Trust) Fund, the ISFD has been conceived as a “solidarity fund” to combat poverty in the OIC member states, whereby all members would contribute to its capital resources.

2. The objectives of the Fund are focused on poverty alleviation and building the productive capacity of member countries through targeted interventions that foster sustainable economic growth and job creation, reduce illiteracy, and eradicate contagious diseases and epidemics such as malaria, tuberculosis and HIV/AIDS. These objectives are linked directly to the achievement of the UN Millennium Development Goals (MDGs) which are currently at the centre of national development plans and poverty reduction programs of IDB member countries. They are also directly compatible with the IDB 1440H (2020G) Vision. Financing by the Fund is provided on concessional terms, primarily for the 28 least developed member countries of the IDB.

Status of Resource Mobilization:

3. The level of announced capital contributions to the ISFD currently stands at US$2.63 billion, (US$1.63 billion from 43 member countries and US$1.0 billion announced by the IDB).

4. The total amount received so far by the ISFD stands at US$ 1.582,33 billion; made by 28 member countries.

I. ISFD OPERATIONS

Programming of ISFD Operations:

5. Country Poverty Assessments (CPAs) for Tajikistan and Bangladesh have both been completed. These documents will be a key instrument of the ISFD's poverty reduction programs in Tajikistan and Bangladesh. They provide assessment of the extent and causes of poverty in the two countries and make pertinent recommendations to ameliorate their effects. They will also be communicated to authorities in Tajikistan and Bangladesh with the hope that they will feed into their country-owned processes to develop strategies to reduce poverty and also support joint work and partnership with the IDB/ISFD.
6. A draft Country Poverty Assessment (CPA) report has been prepared for Sudan and will be finalized with the incorporation of the results of the recent National Household Survey, which was conducted by the authorities. CPAs for other selected LDMCs have been programmed for 1432H. These CPAs will feed into the Member Country’s Partnership Strategies (MCPSS), as part of its key inputs. In cases where the MCPSSs are in the process or yet to be done, the CPAs will serve as an interim guidance document for poverty reduction.

7. The interim Report of the study commissioned by the ISFD on the Special Trust Funds has already been received and discussed with the International Financial Consulting Ltd which is conducting the study on behalf of the ISFD. The final report is expected during the next few weeks. Based on the results of this study, the ISFD will initiate the setting up of poverty-related Trust Funds that will target specific areas which have impact on the poor and vulnerable groups in member countries. These Funds will take the form of sectoral, regional, national, international and individual Trust Funds and Special Programs.

8. The Fund has also procured the services of a company for production of a documentary film to capture the success stories of the ISFD and this will take the form of three short films on the three ISFD Flagships, namely, MFSP, VOLIP and CDD, as well as a full-length documentary. The work on this film has already been started.

II. ISFD APPROVED OPERATIONS

Projects Approved by the ISFD:

9. Since its launching in May 2007, the ISFD has approved financing for a total amount of US$ 512.88 million\(^1\) targeting 58 projects in different sectors in 28 member countries. On a cumulative basis, the total cost of the projects approved is estimated at US$2.027 billion, with the ISFD contributing US$512.88 million (only loans) and IDB co-financing for US$623.41 million (loans and grants), totaling US$1.119 billion. Thus a sum of US$880.71 million has been leveraged from other Financiers.

III. ISFD THEMATIC PROGRAMS

10. The ISFD has developed two flagship programmes within its Five-Year Strategy (2008-2012) aimed at alleviating poverty. These are the Vocational Literacy Program (VOLIP) and Microfinance Support Program (MFSP). The aim of these programs is to reinforce the Fund’s poverty alleviation strategy through promoting financial inclusion & providing financial resources, training to reduce vulnerability, create employment opportunities and improve living conditions of the poor.

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\(^1\) Projects categorized previously as ISFD have been rolled over to IDB (3 projects – Ivory Coast – US$29.40 million, Yemen US$23 million and Mali US$30 million) plus 1 Tsunami special program i.e. PNPM-Integrated Community Driven Development (ICDD) project Indonesia - US$ 15 million; all amounting to a total of US$ 97.40 million. Therefore the projects in ISFD have been reduced by this number and by the aforementioned total amount.
11. The total cost of each of these two programs is estimated at US$500 million. The amount for each program is divided evenly over the five years period i.e. US$100.0 million annually. ISFD will play the role of catalyst by providing US$20.00 million annually for each program as seed money from ISFD’s own resources and mobilizing the remaining amounts from other partners, including MDBs, private sector, and Islamic Banks/Institutions.

**Implementations of the two programs:**

12. The value of projects approved on a cumulative basis, for three years, thus far by ISFD only under these two programs amount to US$83.24 million, of which US$32.84 million was allocated to VOLIP and US$50.40 million was allocated to MFSP.

13. For VOLIP, in terms of both ISFD and IDB funding, it has only been able to reach its target of US$20.62 million for the year, 1431H, while it fell short of its targets in the year 1430H (US$11.260) and 1429H (US$11.75). In terms of MFSP, in both years 1430H and 1431H, the target set by the ISFD BOD has been surpassed, that is, US$30.08 million in 1430H and US$ 25.90 million in 1431H. In terms of both ISFD and IDB cost-sharing for the 3-years, so far, VOLIP has had US$57.65 million been approved, while MFSP has registered US$149.42 million with its approval.

14. The achievements made so far in the implementation of these programs confirm the paramount importance of marketing them to other partners who could scale them up to have a discernable impact on poverty reduction. The Fund will therefore make conscious effort to look for opportunities to forge partnerships with governments, development institutions, private sector, NGOs, local communities, and other stakeholders to optimize the impact of these programs.

15. On cumulative basis Microfinance programs have been approved for 12 IDB Member Countries in various regions, namely Sudan, Jordan, Chad, Niger, Tajikistan, Albania, Kyrgyzstan, Kazakhstan, Benin, Mauritania, Senegal, and Yemen. Table 2 shows the level of funding for both MFSP and VOLIP, so far, while the Pie Chart (Figure 2) shows both these special initiatives as against other project interventions.
IV. PARTNERSHIP AND NETWORKING

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

**IDB-ISFD & Relevant Partnerships:**

i) **IDB/ISFD Sustainable Villages**
An important Partnership has been formed between ISFD and Professor Jeffery Sachs, Advisor to the UN Secretary General on MDGs (Professor of Sustainable Development, Columbia University). This is aimed at designing, implementing and monitoring the progress being made towards the MDGs and thus the interventions are multi-sectoral in nature. A 3-years program on IDB/ISFD Sustainable Villages has endorsed by the BOD amounting to US$ 120 million, covering six countries among the IDB LDMCs. The BOD approved an envelope of loan financing for an amount of US$61.20 million. This total amount will cover six countries over a period of three years. As loan financing, IDB will contribute US$42.00 million and ISFD will contribute US$18.00 million to the program with an additional grant component of US$1.20 million. The primary objective of the program is to reduce extreme poverty in the region with the help of low-cost, sustainable and community-led interventions that are tailored to the villages’ specific needs and designed to achieve the Millennium Development Goals. The concept aims to offer an integrated, comprehensive & innovative model for empowering rural communities to lift themselves out of extreme poverty.

ii) **IDB/ISFD-Grameen Social Business Initiative**
The ISFD is closely working on the **IDB/ISFD-Grameen Social Business Initiative**. The Consultancy firm selected to develop a business development plan and Feasibility Report has completed its report. This Report has been finalised for submission to the Board. Grameen has been successful in starting a number of Social Business Initiatives while forging and expanding its partnerships with International firms and local partners.

iii) **IDB-TCF (The Citizen’s Foundation)**
The TCF Model has evolved as a successful Educational Model for the poorest segments of society, where the poor have direct access to it in their own locations. It has a quality assurance system, which enables it to maintain high standards of education even though it is aimed at the poorest. This initiative has three fold objectives, firstly, to develop a Waqf for TCF, which will generate the required funds covering major part of the costs of running the schools. This is to be done in collaboration with Islamic Financial Services Department (IFSD). Secondly, to expand the schools and the number of students through concessionary

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2 The Social Business is a cause driven concept, which benefits the poorer segments of the society, whereby the investments are made in key sectors with a clear social objective. The profits generated by the social businesses are ploughed back into the business and there is no dividend for the investors, but they can recoup their investment.

3 The Social Business is a cause driven concept, which benefits the poorer segments of the society, whereby the investments are made in key sectors with a clear social objective. The profits generated by the social businesses are ploughed back into the business and there is no dividend for the investors, but they can recoup their investment.
funding. This needs further dialogue with the Government of Pakistan. Thirdly, to lay the groundwork for replicating this model in selected IDB Member countries in partnerships with the respective Governments. A Consultancy Firm has already been selected to prepare a study on the above-mentioned three areas.

iv) **Anti-Blindness Campaign**
Collaboration has been forged internally between ISFD, Human Development Dept and the Community for Non-Member Countries, in order to cure blindness in selected LDMCs, mainly in selected African Countries. This project given its past success and its current investment, ISFD would try and seek new Partners to this initiative, in order to further develop and replicate the efforts. One of the key objectives of the current efforts is that apart from curing blindness, it attempts to build medical capacities of the related Doctors, in order to sustain and replicate these efforts.

v) **Initiative in Favour of Disabled Persons – Saudi Arabia**
IDB has signed a Framework Agreement with Prince Salman Centre for Disability Research (PSCDR) and the Saudi Credit and Saving Bank in September 2008 with a view to assist the disabled in Saudi Arabia to be engaged in income-generating activities in their communities. The Saudi Credit and Saving Bank has committed US$44.0 million to the program to be extended to small enterprises and vocational occupations of the disabled persons. The ISFD will participate in the initiative through provision of training, capacity building and technical assistance for sites visits and programs design.

V. **WAY FORWARD**

17. The ISFD intends to take a number of steps aimed at achieving and intensifying the efforts for resource mobilization and advocacy. These steps include:

- Complete the outsourced studies on developing Special Trust Funds for ISFD in the areas of poverty reduction and food security.
- Show casing ISFD - Produce films highlighting ISFD programs and success stories as part of the Fund’s outreach and media campaign effort.
- Enhance implementation of ISFD programs and intensify the advocacy and resource mobilization through a multi-pronged approach including media campaign and website development to reach various stakeholders.
- Initiate Special Programs and Trust Funds, including Public-Private and Individual Partnerships across countries, regions and internationally and also develop programs for a new group of countries on communicable diseases – Malaria HIV/AIDS in particular – and contributing significantly to the IDB Group US$ 1.5 billion program (Jeddah Declaration), to address food crisis in member countries.
- Develop Country Poverty Assessments (CPAs) for LDMCs with a view to cover most, if not all LDMCs by 1433H.
- Introduce new flagship programs on (CDD) Community Driven Development, IDB Sustainable Development Villages, TCF (The Citizens Foundation) - A Successful Educational Model for the Underprivileged and Micro-Small Enterprises for Youth and Women.
- Launch two pilot IDB Sustainable Villages projects in two LDMCs in 1432H.
B. SPECIAL PROGRAM FOR THE DEVELOPMENT OF AFRICA

I. Introduction

1. In the current climate of changes and bold reforms, countries in Sub-Saharan Africa offer real hope and exceptional opportunities for trade, investment and job creation. The current needs of Sub-Saharan Africa member countries of the IDB, however, require that the financial instruments for IDB intervention be enhanced to respond more appropriately and more effectively to the expectations of the people of these countries. The IDB Group fully recognizes that there are still numerous challenges ahead and a lot more needs to be done to close Africa's development gaps and fulfill its enormous potential. By far, the most pressing problem continues to be the high level of poverty and inequality which will not be conquered without large investments in health, education, human resource development and social safety nets to bring more people, especially the poor, into the process of growth. Equally important, Africa needs massive investments in infrastructure to sustain growth and provide the poor with access to services and employment prospects.

2. It is against this background that a resolution of the 3rd Extraordinary Summit of the OIC in Makkah called for strengthening of the actions of the IDB in Africa under a single dedicated development plan of action. The Summit instructed OIC and IDB to develop a dedicated program for the development of Africa. In response to these directives, the IDB prepared the Special Program for the Development of Africa (SPDA). This coincided with the completion and the coming to an end of a similar initiative by the IDB called the Ouagadougou Declaration, adopted in 2003.

3. Rebounding in 2010 from the financial and economic crisis, Africa is now on the verge of an economic takeoff much like China was 30 years ago and India 20 years ago4. With economic acceleration averaging more than 5 per cent per annum, poverty falling at a faster rate than many other regions, declining child mortality rates, primary school completion rates rising faster than anywhere else in the world, and return on investment among the highest in the world, the conditions for the Special Program for the Development of Africa (SPDA) support for this economic takeoff and poverty reduction is more conducive than ever before. The thrust of SPDA will therefore continue to support the relaxation of binding constraints to facilitate this takeoff.

II. Objectives

1. The main objective of the SPDA is scaling-up IDB’s interventions in Africa, particularly in the African LDMCs, to spur growth and drastically reduce poverty. While recognizing the overriding importance of economic growth in poverty reduction, the IDB believes that such growth must be accompanied by conscious “pro-poor” redistributive policies by partner Governments. The SPDA focuses on five priority sectors and three cross-cutting activities.

4 Africa’s future and the World Bank’s role in it, (WB 2010).
4. The priority sectors are:
   (i) Agriculture and food security,
   (ii) Water and sanitation, energy,
   (iii) Transport infrastructure,
   (iv) Education system and the integration of youth in the world of work, and
   (v) Health and the fight against communicable diseases.

5. The cross-cutting activities are:
   (vi) Regional integration
   (vii) Private sector development
   (viii) Capacity building and development

III. Implementing the SPDA

6. Building on the achievements of the Ougadougou Declaration, the SPDA has completed three years of implementation. It leveraged on the optimistic horizon dawning on Africa, and deepened the achievements of the Ouagadougou Declaration.

7. The implementation of the SPDA over the last 39 months has been highly satisfactory. Total approvals during this period amounted to ID 1.97 billion or US$ 3.06 billion, to finance 296 operations with total cost of US$ 5.32 billion\(^5\). This represents an “achievement rate” of 76% of the SPDA’s total allocation (US$3.06 billion as compared to US$4 billion), and co-financing ratio of 1:2.2. This rate surpasses the initial target of 58%\(^6\). Approvals made during 1431H (2010) were 37% above the yearly target (i.e. US$ 1.08 billion against US$ 786 million).

8. The SPDA initiative continues to build on the momentum gained at the start of its implementation. As indicated in the Table below, in 1431H a total of 92 operations were approved, of which 73 were on Ordinary Capital Resources (OCR) operations, 9 on project funds and financing and 10 trade operations. Of the cumulative 296 operations approved through SPDA since its implementation started in 1429H, the total number of OCR operations is 227 for US$ 2.07 billion, 30 project funds and financing for US$ 277 million and 35 trade operations for US$ 707 million.

9. In terms of sector distribution, the transport sector received the largest chunk of project financing with 41%, followed by agriculture and rural development with a share of 21%, human development 14%, water, sanitation and urban services 12%, industry and mining 6%, finance 4% and energy 2%. In terms of mode of financing Istisna’a represented 47%, followed by ordinary loan 37%, Leasing 7%, installment sale 5%, technical assistance grant 2%, Line of financing and Equity each having 1%.

\(^5\) Excludes ITAP and ICIEC operations.

\(^6\) Target calculated based on planned approvals for 1429H, 1430H and 1431H, and first quarter planned approvals for 1432H estimated using pro-rata distribution of 1431H planned financing over the four quarters.
10. IDB Group continues to intensify its efforts in improving the implementation of the SPDA in 1432H. Efforts are geared towards disseminating the Islamic finance concept in West Africa by supporting or working towards the establishment of a number of Islamic banks in Mali, Senegal, takaful insurance in The Gambia. Support has also been extended towards the mobilization of resources for ISFD by IDB Management. In December 2010 an Expert Group Meeting (EGM) was held at IDB Headquarters on the “Challenges and Future Prospects” of the Islamic Solidarity Fund for Development (ISFD). It was recommended, among other things, that the Islamic Solidarity Fund for Development evolves as the IDB Group’s primary concessional window in the medium to long term. Concessionary resources are a crucial tool in IDB’s role of contributing to the achievement of the Millennium Development Goals and the priority sectors and cross-cutting activities of the SPDA.

Table 1: Total Approvals under SPDA in 1429H, 1430H, 1431H and Q1, 1432H
(Amount in US$ Millions)

<table>
<thead>
<tr>
<th>Gross Approvals for SPDA (1429H-1432 [Q1]H)1</th>
<th>1429</th>
<th>1430</th>
<th>1431</th>
<th>1432 [Q1]</th>
<th>1429H-1432 [Q1]</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCR Ordinary Operations</td>
<td>65</td>
<td>348.7</td>
<td>546.9</td>
<td>65</td>
<td>360.5</td>
</tr>
<tr>
<td>Concessional Loans</td>
<td>22</td>
<td>122.9</td>
<td>191.8</td>
<td>21</td>
<td>131.2</td>
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<tr>
<td>T.A.</td>
<td>34</td>
<td>10.5</td>
<td>17.6</td>
<td>10</td>
<td>6.1</td>
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<tr>
<td>Ordinary Financing</td>
<td>32</td>
<td>321.2</td>
<td>338.8</td>
<td>14</td>
<td>231.2</td>
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<tr>
<td>Other Project Financing (Funds &amp; Financing)</td>
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<td>69.3</td>
<td>107.9</td>
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<td>57.2</td>
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<td>AIFP</td>
<td>2</td>
<td>20.4</td>
<td>31.3</td>
<td>4</td>
<td>48.1</td>
</tr>
<tr>
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<td>10</td>
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<td>75.9</td>
<td>4</td>
<td>5.9</td>
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<td>317.6</td>
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<tr>
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<tr>
<td>Treasury Operations</td>
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<td>0</td>
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<tr>
<td>TFC</td>
<td>14</td>
<td>192.7</td>
<td>310.1</td>
<td>7</td>
<td>76.9</td>
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<tr>
<td>Total</td>
<td>92</td>
<td>615.6</td>
<td>971.5</td>
<td>82</td>
<td>567.4</td>
</tr>
</tbody>
</table>

N.B: These data are for Sub-Saharan African Member Countries and not for LMDCs in Africa

1Cut-off date for the data was 30 Rabii II 1432H (8th March 2011)

Source: Compiled by Data Resources and Statistics Department from all departments and entities in IDB Group

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ANNEX

XIII
DRAFT AGENDA
OF THE TWENTY-SEVENTH SESSION
OF THE COMCEC
(İstanbul, 17-20 October 2011)

1. Opening of the Meeting and Adoption of the Agenda

2. Review of the Implementation of the OIC Ten-Year Program of Action and the Plan of Action to Strengthen Economic and Commercial Cooperation Among the OIC Member States

3. World economic developments with special reference to the OIC Member Countries

4. Intra-OIC Trade
   - TPS-OIC
   - Islamic Trade Fairs

5. Priority Sectors
   - Agriculture
   - Tourism
   - Transportation
   - Exchange of Views on “The Impact of Transportation Networks on Trade and Tourism”

6. Financial Cooperation

7. Poverty Alleviation

8. Enhancing Relations with the Private Sector

9. Date of the 28th Session of the COMCEC

10. Any Other Business

11. Adoption of Resolutions
ANNEX

XIV
CLOSING SPEECH BY H.E. AHMET YAMAN
DEPUTY UNDERSECRETARY OF THE STATE PLANNING
ORGANIZATION OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE CLOSING SESSION

Twenty Seventh Meeting of the
Follow-up Committee of the COMCEC
(Ankara, 2 June 2011)

Distinguished Delegates,

We have successfully completed the 27th Follow-up Committee Meeting of the COMCEC after intensive deliberations. We have drawn up the agenda of the 27th Session of the COMCEC, and have taken into consideration issues that are crucial for unearthing the economic cooperation potentials in our region.

I would now like to elaborate on a number of items that were highlighted in our deliberations in this Meeting.

With regard to intra-OIC trade, we have heard some good news from a couple of member countries which are in the final stages of ratifying the Rules of Origin. It is my sincere belief that in the very near future, the TPS-OIC System will be operational with these new upcoming ratifications. Meanwhile, we need to intensify our efforts to make maximum use of the Executive Program of the Road Map towards enhancing intra-OIC Trade and display greater ownership in its process of implementation.

The good progress achieved with regard to SMIIC, which is now ready to become fully operational, is also quite satisfactory. I am of the view that the work to be done within the framework of SMIIC will help harmonizing our standards and promoting intra-OIC trade.

I believe we are well aware of the fact that private sector have a growing role in the countries' development endeavors. We need to benefit increasingly from the dynamism of the private sector in our multilateral economic and commercial relations. Thus, it is of great importance to promote sustained private sector investment, modernize production systems, upgrade quality, and strengthen legal and institutional
infrastructure for investment. Within this context, I would like to highlight that COMCEC’s determination for cooperation in this area will be maintained.

Distinguished Participants,

We had in-depth discussions on our three priority sectors, namely agriculture, tourism, and transport. The vitality of these sectors for economic and social development of member countries is self-evident and does not require any further sensitization. Starting next week, we will embark on important meetings and activities in all three fields in the latter half of the year, and their success will, to a large extent, be based on active participation of member countries. If we really want to revitalize our cooperation in these three areas as we had declared to do so in the Istanbul Declaration of 2009, we need to lend our full support to these meetings and activities.

Financial cooperation is another promising field in which progress is quite visible. The already advanced cooperation among the stock exchanges of member states will be supplemented by a new platform of capital markets regulatory authorities. The meetings of Central Banks have provided a useful ground for sharing their best practices and developing training and capacity building programs in areas of common interest. I believe that these activities will boost intra-OIC capital flows, and invite all member countries to take stock of the progress achieved in this field.

In the field of poverty reduction, closing the financial gap between the actual disbursement and targeted amounts of ISFD and SPDA continues to be a major challenge. Apart from the need to close this gap, we should also elaborate on finding innovative solutions to make better use of the Fund and the Program.

Efforts for enhancing cooperation and solidarity in the field of cotton should also be given priority. To this end, the project owner Member States are expected to submit their adopted project proposals through appropriate channels to the IDB for its consideration for financial support. Moreover, IDB’s approval for the regional project of Turkey and the project of Mozambique are among the long-awaited positive developments in terms of cotton cooperation.

Distinguished Participants,

I think we have reached a common understanding on the need to develop a new framework of cooperation that would bring improvement to various aspects of
COMCEC from setting up its agenda and conduction of meetings, to devising, implementing, and monitoring of its projects and programs. The ongoing study on which we have been briefed is of vital importance in this regard. I hope that this study will address major shortcomings and setbacks in connection with our current cooperation mechanisms and provide an enabling environment for our combined actions.

Before concluding my statement, I would like to thank the OIC General Secretariat, SESRIC, the IDB Group, ICDT, ICCI, SMIIC, and OISA, for their participation and valuable contribution to the meeting. I would also like to thank our colleagues in the COMCEC Coordination Office, interpreters, revisers and translators for their untiring efforts that helped make this meeting a success.

I hope to get together at the 27th Session of the COMCEC which will be held from 17th to 20th of October 2011 in Istanbul, and wish you a safe trip home.

Thank you.
BRIEFS OF
THE COMCEC COORDINATION OFFICE
BRIEF ON TPS-OIC

COMCEC COORDINATION OFFICE

JUNE 2011
BRIEF ON
Trade Preferential System Among the OIC Member States
(TPS-OIC)

Trade is an essential part of economic cooperation within OIC Region. Realizing its importance, trade has been a permanent agenda item of the COMCEC since its establishment.

However, the current level of cooperation and intra-trade and the share of the OIC member states in world trade do not reflect our member countries’ potential. Statistics explicitly demonstrates this fact. While the OIC Member states represent more than 20 percent of total world population, their share in world trade is limited to approximately 10 percent. Similarly, the level of intra-OIC trade is also remained at low levels with approximately 16.7 percent in 2010. Intra-OIC exports and imports have been dominated by few member countries.

There are structural problems which limit the deepening of the cooperation in the area of trade. High level of tariffs, para-tariff and non-tariff measures are among the most important challenges preventing the free movement of goods among our countries.

In order to address the above mentioned challenges, COMCEC gives utmost importance to the TPS-OIC project which will be the main instrument to foster intra-OIC trade.

Effective implementation of TPSOIC would address the issues of high level tariffs and non tariff measures. While normal way in tariff reductions includes modest concessions, the fast track option allows participating countries to expand the product coverage and to deepen the concessions under the TPS-OIC System.

In addition to tariffs, non tariff measures are frequently resorted by the member states. According to relevant articles of PRETAS, participating states shall eliminate their non-tariff barriers, upon entry into force of PRETAS.

TPS-OIC Agreements:

As it is known, TPS-OIC is based on three agreements, namely the institutional Framework Agreement, the Protocol on Preferential Tariff Scheme (PRETAS) and the Rules of Origin.

The Framework Agreement, which sets out the general rules and principles for the negotiations towards the establishment of the TPS-OIC, has entered into force in 2002, and has been ratified by 25 Member States as of May 2011 (List of the signature and ratification of the TPS-OIC agreements are given below).
OIC/COMCEC-FC/27-11/D(2)

After that, The Trade Negotiating Committee (TNC) successfully conducted and completed the first round in April 2005, within the prescribed time-frame of 12 months. At the end of the round, hosted by the Government of Turkey in Antalya, the TNC produced The Protocol on Preferential Tariff Scheme for TPS-OIC (PRETAS) and submitted it to the 21st Session of COMCEC held in November 2005. The COMCEC adopted the PRETAS and presented it to the signature and ratification of the members of the TNC. Following the tenth ratification, the PRETAS entered into force in February 2010.

The PRETAS complements the Framework Agreement by laying out the concrete reduction rates in tariffs in accordance with a time-table for implementation. It also covers non-tariff barriers, anti-dumping and safeguard measures as other trade-related issues.

The second round of trade negotiations for establishing the TPS-OIC, hosted by the Government of Turkey in Ankara, was conducted between November 2006 and September 2007. The Rules of Origin, the outcome of the second round, was adopted by the 23rd Session of COMCEC in November 2007 and presented to the signature and ratification of the members of the TNC. TPS-OIC will become operational on the thirtieth day following the receipt of the instrument of ratification of the TPS-OIC Rules of Origin of the tenth Member State by the OIC General Secretariat.

The Rules of Origin, which will be applied for the identification of the origin of products eligible for preferential concessions under the TPS-OIC, has been ratified by nine Member States as of May 2011. Hence, it is the only remaining legal requirement in order to make TPS-OIC operational and it is pending only one more ratification in order to entry into force.

**Necessary Preparations for the Implementation**

On the other hand, signing and ratification of the agreements is necessary but not sufficient with a view to ensuring the effective implementation of the TPS-OIC. Therefore, the Member States who have signed and ratified the TPS-OIC agreements should fulfill their obligations arising from the provisions of these agreements.

In accordance with the Articles 3/4 and 2/2 of PRETAS, the Member States who have ratified PRETAS should have notified the TNC Secretariat before 5 May 2010 of their specific annual installments of reduction along with the list of products, and the MFN applied rates applicable on October, 1st, 2003. TNC Secretariat has received the schedules of concessions from Malaysia, Turkey and the General Secretariat of Gulf Cooperation Council on behalf of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates as of May 2011.

Whereas, the submission of the schedules of concessions by the Member States is a prerequisite and crucial for the convening of the TNC, which will take place as soon as the Rules of Origin
enters into force and consider the schedules of concessions and the necessary arrangements for the implementation of TPS-OIC. Thus, the expected TNC meetings can not be realized if the schedules of concessions are not submitted to the TNC Secretariat before the meeting, which will lead to further delays with regard to the implementation of the TPS-OIC system.

Moreover, the Member States who have ratified the TPS-OIC Rules of Origin should complete the necessary internal legislative and administrative measures, such as printing TPS-OIC Certificate of Origin and providing specimen impressions of stamps to the TNC Secretariat, before TPS-OIC becomes operational. TNC Secretariat has received only from Saudi Arabia and Turkey a copy of Certificate of Origin Form and approved stamps for the Certificate of Origin as of May 2011.
# List of Signature and Ratification

**THE MEMBER STATES WHICH SIGNED / RATIFIED THE THREE TPS-OIC AGREEMENTS (May 2011)**

<table>
<thead>
<tr>
<th>Framework Agreement</th>
<th>PRETAS</th>
<th>Rules of Origin</th>
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<tbody>
<tr>
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<td>Uganda</td>
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| 37 | 25 | 23 | 13 | 20 | 9 |
BRIEF ON AGRICULTURAL COOPERATION

COMCEC COORDINATION OFFICE
JUNE 2011
BRIEF ON AGRICULTURAL COOPERATION

The agriculture sector has critical importance for many OIC member countries, especially for the least developed ones, because, agricultural development is prerequisite for economic development and provides livelihood for a major part of the OIC population. On average, the agricultural population represents 37.4 percent of the total population in OIC countries. Rural population in OIC countries accounted for 53.5 percent of their total population (see Table 1). In contrast, agriculture sector has relatively low performance in OIC member countries compared to the world average.

Table 1: Some indicators of agriculture sector in OIC, 2008

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<th>OIC</th>
<th>Developing countries</th>
<th>World</th>
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</thead>
<tbody>
<tr>
<td>Agriculture / GDP</td>
<td>10.5</td>
<td>9.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Agricultural population (%)</td>
<td>37.4</td>
<td>44.9</td>
<td>38.8</td>
</tr>
<tr>
<td>Rural Population (%)</td>
<td>53.5</td>
<td>54.9</td>
<td>50.2</td>
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<tr>
<td>Agricultural land(%)</td>
<td>43.7</td>
<td>38.7</td>
<td>37.9</td>
</tr>
<tr>
<td>Cultivated land/ agricultural land</td>
<td>24.1</td>
<td>31.0</td>
<td>31.5</td>
</tr>
<tr>
<td>Agricultural labor productivity (Agricultural value added ($) / Agricultural population)</td>
<td>570</td>
<td>490</td>
<td>707</td>
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</table>

Source: SESRIC Annual Economic Report, 2010

In the poorest countries, agriculture is not just about food production, but a very important mean of broad-based income generation. Agriculture remains the largest contributor to the livelihoods of the 70 percent of the population living in rural areas of the least developed OIC member states. Although agriculture contributes about 27 percent of OIC-LDCs GDP, majority of member countries are not self-sufficient in food production and depend largely on imports to meet their food demand. In addition, total OIC agricultural production concentrated on a few member countries namely Indonesia, Turkey, Bangladesh, Nigeria, Pakistan, Iran, Egypt,
Kazakhstan, Uzbekistan and Morocco. They produced 76.2 percent of the total volume of OIC Agricultural production of cereals, fruit, vegetables and meat in 2008.

It is remarkable that in OIC countries the average share of agricultural employment in total is 41.7 percent. In 19 OIC countries it is above 50 percent and in ten above 74 percent and goes up to 92.1 percent in Burkina Faso (see figure 1).

Source: SESRIC

In OIC countries around 200 million people do not have access to sufficient food, which is the most basic need of human beings to healthily sustain their life and pursue economic development. Without enough and adequate food it is not possible to climb the ladder of development. It is worth to note that effective agricultural management and policymaking could have considerable positive effect on development efforts of OIC countries. With more than half of their population living in rural areas and most of them depend on agriculture for their income and survival, enhancing agricultural productivity in the OIC countries is very crucial for growth and development.

Since the agricultural sector of the less developed member states is still in early phases of development, it is possible to bring about substantial improvements even with small amount of technical and financial support. The marginal benefit of support provided to agricultural production in these countries is quite high since they have a long way to go to experience their
green revolution. Their gap of productivity in comparison with the developed world is huge. COMCEC and the international community need to work hand in hand with the national governments to fill this gap. Issues related to water scarcity, inefficient use of water, inadequate technology, access to land and inputs, demographic pressures, lack of public and private investment, poor infrastructure, underdeveloped financial services and markets, weak policies and institutions are among the challenges faced by the OIC countries.

In dealing with these challenges in OIC countries, the critical regulatory and supportive role of the governments need to be soundly reestablished to lead the sector efficiently and decrease the negative effects of the volatility of food prices which is predicted to become more frequent and persistent in the new global economic environment.

Supporting the small holder farmers and preventing the post-harvest losses through investment especially in research and development and extension services could substantially improve their productivity, help them to produce their livelihood and to avoid the disastrous effects of future food price crises.

The efforts of the international community and especially the developed world should complement those of the national governments of COMCEC countries especially in the issue of trade of agricultural products. If fair and even privileged treatment in international trade is not bestowed upon the developing / less developed countries, their agricultural products would not have the chance of competing with highly subsidized products of the developed countries. The agricultural trade between COMCEC members also needs to be liberalized in favor of the members with agriculture dominant economies.

The recent global food price crises have reinforced the vitality of the agriculture sector and reversed its public perception of being less important compared to industry and other sectors of the economy. Consequently, both international community and national governments have started to change course in favor of agricultural support.

In line with these developments, COMCEC Economic Summit in 2009 decided to revitalize its efforts in the area of agriculture and food security. COMCEC in the same year established a Task Force on Agriculture, Rural Development and Food Security comprising OIC General
Secretariat, COMCEC Coordination Office, Islamic Development Bank and Food and Agriculture Organization. The Task Force, as mandated by the 5th OIC Ministerial Conference on Agriculture held in Khartoum in 2010, has been working on drafting an OIC Executive Framework for Agriculture, Rural Development and Food Security. It will submit the Framework to the 6th Ministerial Conference on Agriculture to be held on 3-6 October 2011 in Istanbul, and thereafter to the 27th COMCEC scheduled for 17-20 October 2011, for endorsement.
BRIEF ON TOURISM COOPERATION

COMCEC COORDINATION OFFICE
JUNE 2011
Tourism is widely recognized as one of the fastest growing sectors in the world and offers great potential to both developed and developing countries in terms of income generation, foreign exchange earnings and employment creation. Besides its economic benefits, tourism contributes to poverty reduction; provides incentives and vehicles for sustainable management of natural environment; fosters cross cultural understanding and well-being among countries; and promotes world peace in a spirit of friendship and dialogue.

Growing importance of tourism for economies has resulted in a more dynamic and competitive international tourism market. Over the past twenty years, competition between tourism destinations has increased. Due to the emergence of new destinations, international tourism has been shifting from the traditional tourist-receiving regions, namely Europe and America, to the developing regions of Asia, the Pacific, the Middle East and Africa. Accordingly, governments, international and regional organizations initiate several tourism partnership and cooperation programs with a view to increasing their share in the world tourism market.

OIC member countries are not an exception in this process. International tourism activity in the OIC member countries have also been growing substantially in terms of both tourist arrivals and tourism revenues, shown in Figure 1. Despite this positive trend, the share of the OIC region in world tourist arrivals as well as in world tourism receipts, which correspond 14 percent and 11 percent in 2008 respectively, seems to be modest.

Figure 1: International Tourism in OIC Countries - Tourist Arrivals and Tourism Receipts

International tourism in the OIC region, however, is concentrated on a few number of countries. In terms of both tourism arrivals and tourism revenues, shown in Figure 2, Turkey, Malaysia and Egypt are the leading countries in the OIC region.
Figure 2: Top 10 Tourist Destinations and Tourism Earners in the OIC Region

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<td>2</td>
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<tr>
<td>3</td>
<td>Egypt</td>
<td>11.9</td>
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<td>Egypt</td>
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<tr>
<td>4</td>
<td>Saudi Arabia</td>
<td>10.9</td>
<td>4</td>
<td>UAE</td>
<td>7.4</td>
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<tr>
<td>5</td>
<td>Morocco</td>
<td>8.3</td>
<td>5</td>
<td>Morocco</td>
<td>6.6</td>
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<tr>
<td>6</td>
<td>UAE</td>
<td>7.2</td>
<td>6</td>
<td>Lebanon</td>
<td>6.4</td>
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<tr>
<td>7</td>
<td>Tunisia</td>
<td>6.9</td>
<td>7</td>
<td>Indonesia</td>
<td>6.3</td>
</tr>
<tr>
<td>8</td>
<td>Indonesia</td>
<td>6.3</td>
<td>8</td>
<td>Saudi Arabia</td>
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<tr>
<td>9</td>
<td>Syria</td>
<td>6.1</td>
<td>9</td>
<td>Jordan</td>
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<tr>
<td>10</td>
<td>Bahrain</td>
<td>4.7</td>
<td>10</td>
<td>Tunisia</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Source: UNWTO

Considering their rich and diverse natural resources and historical and cultural heritage, the modest share of the OIC region in the world tourism market and concentration of tourism activity in a few number of OIC member states indicate that a large part of the tourism potential of the OIC region remains unutilized.

Main challenges affecting the tourism performance in the OIC region are lack of technical know-how; weak promotional activity; insufficient tourism investments and tourism-related infrastructure; inconsistent tourism strategies and policies; lack of tourism diversification; safety related problems resulting from natural disasters and economic-political instabilities; and lack of reliable tourism data.

On the other hand, gradual shift of international tourism towards developing regions of the world and emergence of new forms of tourism such as ecotourism, adventure tourism, conference tourism and cultural tourism have provided suitable ground for realizing the existing tourism potential in the COMCEC region through deepening COMCEC tourism cooperation.

Being aware of these trends, COMCEC has tried to contribute to the development of tourism cooperation among its members. Until now, seven Islamic Conferences of Tourism Ministers (ICTM) and several Expert Group Meetings, workshops, seminars, and private sector forums on tourism have been held.

The 6th Session of the ICTM, held in the Syrian Arab Republic, in July 2008, adopted “The Framework for Development and Cooperation in the Domain of Tourism between OIC Member States (2008-2018).” Some of the programs of action identified by the Framework Document are increasing public awareness in the OIC countries about existing tourist attractions, resources and facilities; the establishment of direct contacts among the relevant parties; creating the appropriate legal, institutional and administrative conditions and environment in the member states; and developing a constructive dialogue with the private sector.
For setting-up an implementation mechanism of the Framework, a Coordination Committee was established. Till now, two Coordination Committee meetings have been organized in Syria (2009) and Turkey (2010) respectively. The first meeting adopted Short Term Plan/Programme for implementation of the Framework Document while the second meeting reviewed the progress achieved in its implementation.

In addition to these developments, the COMCEC Economic Summit, held in Istanbul on 9 November 2009 chose tourism as one of the three priority sectors and requested COMCEC to revitalize cooperation in this important field.

Since the 26th Session of the COMCEC, the following tourism activities have been organized:

1st International Conference and Exhibition on Health Tourism was organized by the Islamic Republic of Iran, in collaboration with ICCI, in November 2010.

The 7th Session of the Islamic Conference of Tourism Ministers was held in the Islamic Republic of Iran in November 2010. The Conference approved, among others, simplification of visa, customs and foreign exchange procedures, establishment of an OIC electronic visa network, and facilitation of joint tourism ventures and other investments by the private sector. It also approved the creation of an “OIC City of Tourism” and “Seal of Excellence for Handicrafts” awards.

The Workshop on “Private Sector Cooperation for Enhancing Intra-OIC Tourism” was organized by the Republic of Turkey in December 2010. It is important to note that the Workshop recommended the establishment of an OIC/COMCEC Tourism Platform, which is intended to regularly bring private sector representatives together to discuss potential cooperation areas.

The activities planned for the future course of the tourism cooperation are the followings:

- The Republic of Turkey in collaboration with COMCEC Coordination Office and General Secretariat will finalize the modality and details of the OIC/COMCEC Tourism Platform.
- 2nd Workshop on “Private Sector Cooperation for Development of Tourism within OIC” will be hosted by the Republic of Turkey in December 2011.
- 1st Tourism Investment Forum will be hosted by Syrian Arab Republic in 2011.
- The 3rd Meeting of the Coordination Committee will be organized by the Islamic Republic of Iran in 2011.
- The 8th ICTM will be held in the Republic of Sudan in 2012.
- The 2nd Investment Forum will be organized by the Republic of Turkey in 2012.

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BRIEF ON TRANSPORT COOPERATION

COMCEC COORDINATION OFFICE
JUNE 2011
BRIEF ON TRANSPORT COOPERATION

Transport represents one of the most important human activities worldwide. Transport networks enhance production capacities, attract investment, and facilitate trade. Transport is also essential for accessing basic public services such as health and education. The quality of transport services has a direct effect on several sectors such as trade and tourism, and it is a crucial determinant of a country’s overall competitiveness and development. Therefore, the existence of a well-functioning, effective, and sustainable transport system is indispensable for economic and social development of a particular country or region.

The advance of globalization and increased international competition has pushed the countries to improve their transport systems thereby keeping pace with these developments. Nevertheless, not all countries have managed to bring the quality of their transport sector at par with the globally required level. Particular regions of the world are short of accessing to proper transport services, which impedes their development efforts and leads to their marginalization. Many OIC Member Countries are also facing this problem, though in varying degrees of severity. For this reason, improving the functioning, effectiveness and sustainability of transport systems in the OIC Region is crucial for the development of the member countries, and enhancement of the economic and commercial cooperation among them.

The structural problems of the OIC Region constitute major challenges for improving the quality of transport services within the region. Poor infrastructure and maintenance services, high costs associated with the sector, complex and prolonged border-crossing procedures, inadequate human and institutional capacity of relevant authorities, and lack of a sound, harmonized, and straightforward legal and regulatory framework, at national and regional levels are the main factors that hinder easier movement of goods, persons, and information across the member countries. The need for substantial improvement in particularly trade-related transport services in the OIC Region was also confirmed by the data revealed in the World Bank’s Logistic Performance Index\(^1\) (LPI) of 2010, in which the OIC Countries, in average, have performed

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\(^1\) The Logistics Performance Index (LPI) is a multidimensional assessment of logistics performance, rated on a scale from one (worst) to five (best). It uses more than 5,000 individual country assessments made by nearly 1,000 international freight forwarders to compare the trade logistics profiles of 155 countries. The Index summarizes the performance of countries in six areas that capture the most important aspects of the current logistics environment:
worse than the world average and slightly better than low income category in terms of logistics performance.

![Figure I: LPI in Comparative Perspective](chart)

Source: World Bank

These problems aggravate poverty particularly in land-locked developing countries since they depend on transit countries for access to seaports concerning their exports and imports. The cost of international transport services is an important determinant of a developing country’s trade competitiveness. High transport costs render imports expensive and exports uncompetitive, thereby limiting economic growth and undermining country welfare.

Nevertheless, the OIC-wide outlook of the sector seems to be quite uneven. While some member countries, through advanced and efficient transport infrastructure, are well integrated into the global economy and are increasingly benefiting from it, a growing number of others, which severely suffers from lack of accessibility, are exposed to the risk of further marginalization and exclusion, which reinforces their vicious cycle of economic and social deprivation. Therefore increasing interconnectivity among member countries through transport facilitation may serve as an engine to create convergence between higher and lower income member country categories. This unevenness may also provide an opportunity for those member states which have

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Efficiency of the customs clearance process; Quality of trade and transport-related infrastructure; Ease of arranging competitively priced shipments; Competence and quality of logistics services; Ability to track and trace consignment; and Frequency with which shipments reach the consignee within the scheduled or expected time. The date used in this chart is taken from the 2010 edition of the World Bank’s report entitled Connecting to Compete. The report, as well as wider explanation on the Index, is available at [http://www.worldbank.org/lpi](http://www.worldbank.org/lpi).
remarkable experience and know-how in this area to share it with relatively less developed member states.

The quality of public services related to transport also plays an important role in the overall functioning of the sector. Transparent, responsive, and effective institutions may substantially contribute to the development of the sector in our region. In the same vein, enhancing human capacity through intensive training programs is another area that needs special consideration.

Transport was one of the ten priority areas of the OIC Strategy and Plan of Action to Strengthen Economic and Commercial Cooperation among Member States, which was adopted in 1994. However, the level of cooperation in this sector has not been satisfactory. Currently, there are some transport-related cooperation projects in the agenda of the COMCEC, all of which are in their initial phase. So far, no concrete project has been realized in this sector.

In order to enhance cooperation among the Member States in the area of transport, the COMCEC Economic Summit, held on 9 November 2009 requested the COMCEC to revitalize cooperation in this important field. It is worthwhile to mention that solidarity and cooperation may contribute to the improvement of transport sector in the Member States which in turn support efforts to increase trade, enhance tourism, and promote investment.

With this regard, the 26th Session of the COMCEC decided that the theme of the Ministerial Exchange of Views Session of the 27th Session of the COMCEC be “Impact of Transport Networks on Trade and Tourism”. The Session also welcomed the offer of the Republic of Turkey to organize an Expert Group Meeting (EGM) on Transport in 2011 and requested the IDB and SESRIC to organize a preparatory workshop for the Exchange of Views Session.

The above mentioned workshop and the EGM will be organized successively in İzmir, Turkey from 7th to 9th June 2011. The main objective of these events is to identify common obstacles in the area of transport in the OIC Member States and develop a cooperation mechanism under the auspices of COMCEC to contribute to the improvement of transport in the Member States.

The outcomes of the events will be submitted to the 27th Session of the COMCEC for approval.